



Moses H. Feagin  
Executive Vice President  
Chief Financial Officer & Treasurer

600 18th Street North  
Post Office Box 2641  
Birmingham, AL 35291  
205 257 1604 tel  
205 257 2176 fax



December 1, 2023

Alabama Public Service Commission  
RSA Union Building  
100 North Union Street, Suite 950  
Montgomery, Alabama 36104

Attention: Mr. Walter L. Thomas, Jr.  
Secretary

Re: Filing of Rate CNP, Subpart C Compliance Factors, Calculations  
and Information for Compliance Cost Year 2024  
Docket Nos. 18117 and 18416

Dear Commissioners:

In accordance with the provisions of Rate CNP, Subpart C, we are submitting the factors, calculations and related information associated with the Company's cost of complying with governmental mandates for cost year 2024. The enclosed filing reflects a projected over-recovery of such costs in 2024, as reflected in the overall revenue requirement determined pursuant to the rate and using the currently effective factors. New factors have been developed, as set forth on these attachments, and are applicable to billings under the Company's rate schedules for the period of January 2024 through December 2024, and thereafter absent further action in accordance with the rate.

By means of this letter, we are providing the enclosed information to the Commission Staff and the Office of the Attorney General. If further information is needed, please do not hesitate to contact the undersigned. The Company is available to meet with the Commission or its Staff to discuss the enclosed materials.

Sincerely,

Enclosures

Alabama Public Service Commission

December 1, 2023

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cc: Commissioner Twinkle Andress Cavanaugh  
Commissioner Jeremy H. Oden  
Commissioner Chris "Chip" Beeker, Jr.

Secretary of the Alabama Public Service Commission  
Mr. Walter L. Thomas, Jr. (11)

Executive Director and Chief Administrative Law Judge  
The Honorable John A. Garner

Director, Electricity Policy Division  
Mr. John D. Free (5)

Office of the Attorney General  
Ms. Olivia W. Martin

**Alabama Power Company**  
**Rate CNP Factor for Compliance with Governmental Mandates**  
**Cost Year 2024**

- (1) Revenue requirement for the retail average net investment balance for compliance with governmental mandates for the year 2024.

\$ 393,470,325 [See Appendix 1]

- (2) Retail operation and maintenance expense and depreciation and amortization expense attributable to governmental mandates for the cost year 2024.

\$ 272,837,646	Operation & Maintenance Expense [See Appendix 2]
<u>380,775,894</u>	Depreciation & Amortization Expense [See Appendix 3]
<u>\$ 653,613,540</u>	Total

- (3) The amount of (over-recovery)/under-recovery of Items (1) and (2) for prior years.

\$ 7,449,609 [See Appendix 4 (1 of 15)]

- (4) The retail revenue requirement for compliance with governmental mandates for the year 2024.

\$ 1,054,533,474 [Sum of Items (1), (2) and (3) above]

- (5) The projected compliance cost recovery for the year 2024 under currently effective factors.

\$ 1,077,205,020 [See Appendix 5 (1 of 2)]

- (6) The projected over-recovered retail revenue requirement for compliance with governmental mandates for the year 2024.

\$ (22,671,546) [Item (4) less Item (5) above]

- (7) The retail revenue requirement for compliance with governmental mandates for the year 2024 allocated to each of the respective rate schedules that is subject to Rate CNP and the CNP Compliance Factor for each such rate schedule.

[See Appendix 5 (2 of 2)]

**Alabama Power Company**  
**Rate CNP Factor for Compliance with Governmental Mandates**  
**Cost Year 2024**

**Net Investment - Environmental**

		<b>Plant in Service</b>	<b>Accumulated Depreciation &amp; Amortization (Appendix 8)</b>	<b>Accumulated Deferred Income Taxes</b>	<b>Third Party Offsets<sup>1</sup></b>	<b>Net Unrecovered Investment (Appendix 9)</b>	<b>Net Investment</b>
January	2024	\$ 4,991,497,629	\$ 1,234,733,050	\$ 904,576,099	\$ -	\$ 719,535,956	\$ 3,571,724,436
February	2024	4,994,318,456	1,246,711,111	904,576,099	1,348,730	733,230,191	3,574,912,707
March	2024	4,994,557,968	1,258,834,609	904,576,099	1,342,775	746,924,426	3,576,728,911
April	2024	4,994,739,147	1,271,115,431	904,576,099	1,336,821	761,394,617	3,579,105,413
May	2024	4,995,040,606	1,283,373,452	904,576,099	1,338,032	780,048,118	3,585,801,141
June	2024	4,996,707,338	1,295,343,568	904,576,099	1,332,064	793,863,134	3,589,318,741
July	2024	4,997,264,613	1,307,492,485	904,576,099	1,326,095	807,678,149	3,591,548,083
August	2024	4,997,965,264	1,319,661,304	904,576,099	1,320,126	821,452,664	3,593,860,399
September	2024	4,999,703,052	1,331,753,764	904,576,099	1,314,157	835,134,821	3,597,193,853
October	2024	4,999,784,710	1,344,034,576	904,576,099	1,308,188	848,785,479	3,598,651,326
November	2024	5,002,424,128	1,356,020,979	904,576,099	1,328,987	862,436,136	3,602,934,199
December	2024	5,025,271,665	1,365,460,747	904,576,099	1,464,294	876,089,478	3,629,860,003

<b>12 Months Average Net Investment - Environmental</b>	<b>\$ 3,590,969,934</b>
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Average Net Plant Balance - Environmental	\$ 3,590,969,934
Retail Electric Investment Factor [See Appendix 6]	96.22%
Retail Average Net Environmental Plant Balance	<u>\$ 3,455,231,270</u>
Retail Cost of Capital Rev. Requirement Rate [See Appendix 7, pg 3 of 3]	10.0859%
<b>Retail Revenue Requirement for Net Investment - Environmental</b>	<b><u>\$ 348,491,171</u></b>

**Net Investment - Other**

		<b>Plant in Service</b>	<b>Accumulated Depreciation &amp; Amortization</b>	<b>Accumulated Deferred Income Taxes</b>	<b>Third Party Offsets<sup>1</sup></b>	<b>Net Investment</b>
January	2024	\$ 734,033,398	\$ 149,440,772	\$ 112,765,568	\$ -	\$ 471,827,058
February	2024	734,066,110	151,878,074	112,765,568	13,926	469,408,542
March	2024	734,139,662	154,315,516	112,765,568	13,863	467,044,715
April	2024	734,172,374	156,753,780	112,765,568	13,800	464,639,226
May	2024	734,205,086	159,192,186	112,765,568	13,737	462,233,595
June	2024	734,806,171	161,632,788	112,765,568	13,675	460,394,140
July	2024	734,830,374	164,080,593	112,765,568	13,612	457,970,601
August	2024	738,363,034	166,528,503	112,765,568	13,549	459,055,414
September	2024	739,574,326	168,982,189	112,765,568	14,545	457,812,024
October	2024	739,603,905	171,439,957	112,765,568	14,478	455,383,902
November	2024	739,633,466	173,897,856	112,765,568	14,411	452,955,631
December	2024	754,200,639	176,355,886	112,765,568	14,344	465,064,841

<b>12 Months Average Net Investment - Other</b>	<b>\$ 461,982,474</b>
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Average Net Plant Balance - Other	\$ 461,982,474
Retail Electric Investment Factor [See Appendix 6]	96.22%
Retail Average Net Plant Balance - Other	<u>\$ 444,519,536</u>
Retail Cost of Capital Rev. Requirement Rate [See Appendix 7, pg 3 of 3]	10.1186%
<b>Retail Revenue Requirement for Net Investment - Other</b>	<b><u>\$ 44,979,154</u></b>

<b>Total Retail Revenue Requirement for Net Investment</b>	<b><u>\$ 393,470,325</u></b>
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<sup>1</sup>Adjustment related to third party arrangement.

**Alabama Power Company**  
**Rate CNP Factor for Compliance with Governmental Mandates**  
**Cost Year 2024**

**Operation & Maintenance Expense - Environmental**

		<b>O&amp;M (Including Labor Overhead)</b>	<b>Taxes Other Than Income Taxes</b>	<b>Third Party Offsets<sup>1</sup></b>	<b>Joint Use Rent</b>	<b>Total Company Less Third Party Offsets &amp; Joint Use Rent</b>
January	2024	\$ 12,359,809	\$ 2,051,550	\$ -	\$ 456,335	\$ 13,955,024
February	2024	12,241,029	1,997,693	13,743	456,335	13,768,644
March	2024	13,169,745	2,009,909	13,931	456,335	14,709,388
April	2024	12,446,119	2,001,239	13,858	456,335	13,977,165
May	2024	13,667,533	2,005,074	19,231	456,335	15,197,041
June	2024	12,925,670	1,995,792	13,858	456,335	14,451,269
July	2024	12,895,341	1,998,223	13,931	456,335	14,423,298
August	2024	12,972,244	1,997,190	13,976	456,335	14,499,123
September	2024	13,017,932	1,984,241	13,901	456,335	14,531,937
October	2024	17,620,323	1,992,277	13,976	456,335	19,142,289
November	2024	12,505,995	1,978,580	19,201	456,335	14,009,039
December	2024	12,562,748	1,964,088	13,976	456,335	14,056,525
		<u>\$ 158,384,488</u>	<u>\$ 23,975,856</u>	<u>\$ 163,582</u>	<u>\$ 5,476,020</u>	<u>\$ 176,720,742</u>

Total Operation & Maintenance Expense - Environmental	\$ 176,720,742
Retail Expense Allocation Factor [See Appendix 6]	95.95%
<b>Retail Operation &amp; Maintenance Expense - Environmental</b>	<b>\$ 169,563,552</b>

**Operation & Maintenance Expense - Other**

		<b>O&amp;M (Including Labor Overhead)</b>	<b>Taxes Other Than Income Taxes</b>	<b>Third Party Offsets<sup>1</sup></b>	<b>Joint Use Rent</b>	<b>Total Company Less Third Party Offsets &amp; Joint Use Rent</b>
January	2024	\$ 8,385,825	\$ 697,825	\$ -	\$ 1,354	\$ 9,082,296
February	2024	7,544,217	689,099	101	1,354	8,231,861
March	2024	8,561,007	691,380	101	1,354	9,250,932
April	2024	8,170,946	690,177	101	1,354	8,859,668
May	2024	7,870,544	691,202	101	1,354	8,560,291
June	2024	8,343,183	689,841	101	1,354	9,031,569
July	2024	8,518,379	690,272	101	1,354	9,207,196
August	2024	8,520,119	689,181	101	1,354	9,207,845
September	2024	8,623,625	686,950	101	1,354	9,309,120
October	2024	8,423,183	707,666	101	1,354	9,129,394
November	2024	7,979,311	705,368	101	1,354	8,683,224
December	2024	8,377,431	704,123	101	1,609	9,079,844
		<u>\$ 99,317,770</u>	<u>\$ 8,333,084</u>	<u>\$ 1,111</u>	<u>\$ 16,503</u>	<u>\$ 107,633,240</u>

Total Operation & Maintenance Expense - Other	\$ 107,633,240
Retail Expense Allocation Factor [See Appendix 6]	95.95%
<b>Retail Operation &amp; Maintenance Expense - Other</b>	<b>\$ 103,274,094</b>

<b>Total Retail Operation &amp; Maintenance Expense</b>	<b>\$ 272,837,646</b>
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<sup>1</sup>Adjustment related to third party arrangement.

**Alabama Power Company**  
**Rate CNP Factor for Compliance with Governmental Mandates**  
**Cost Year 2024**

**Depreciation & Amortization Expense - Environmental**

		<b>Depreciation &amp; Amortization Expense</b>	<b>Third Party Offsets<sup>1</sup></b>	<b>Total Company Less Third Party Offsets</b>	<b>Closure Cost CCR Facility Recovery</b>
January	2024	\$ 25,955,188	\$ -	\$ 25,955,188	\$ 5,972,989
February	2024	25,955,188	6,334	25,948,854	5,972,989
March	2024	25,963,956	6,334	25,957,622	5,972,989
April	2024	25,964,655	6,334	25,958,321	5,972,989
May	2024	25,965,218	6,334	25,958,884	5,972,989
June	2024	25,965,954	6,349	25,959,605	5,972,989
July	2024	25,970,459	6,349	25,964,110	5,972,989
August	2024	25,972,107	6,349	25,965,758	5,972,989
September	2024	25,974,249	6,349	25,967,900	5,972,989
October	2024	25,978,587	6,349	25,972,238	5,972,989
November	2024	25,978,803	6,349	25,972,454	5,972,989
December	2024	25,992,086	6,430	25,985,656	5,972,989
		<u>\$ 311,636,450</u>	<u>\$ 69,860</u>	<u>\$ 311,566,590</u>	<u>\$ 71,675,868</u>

Total Depreciation & Amortization Expense - Environmental	\$ 311,566,590
Closure Cost CCR Facility Recovery - Environmental	71,675,868
Unrecovered Investment Net (Accretion) / Amortization Expense - Environmental [See Appendix 9]	(71,095,913)
Total Cost of Removal Recovery - Environmental [See Appendix 9]	54,981,348
Total Depreciation & Amortization Expense - Environmental	<b>\$ 367,127,893</b>
Retail Expense Allocation Factor [See Appendix 6]	95.95%
<b>Retail Depreciation &amp; Amortization Expense - Environmental</b>	<b><u>\$ 352,259,213</u></b>

**Depreciation & Amortization Expense - Other**

		<b>Depreciation &amp; Amortization Expense</b>	<b>Third Party Offsets<sup>1</sup></b>	<b>Total Company Less Third Party Offsets</b>
January	2024	\$ 2,471,395	\$ -	\$ 2,471,395
February	2024	2,471,537	63	2,471,474
March	2024	2,471,678	63	2,471,615
April	2024	2,472,500	63	2,472,437
May	2024	2,472,641	63	2,472,578
June	2024	2,472,782	63	2,472,719
July	2024	2,475,377	63	2,475,314
August	2024	2,475,481	63	2,475,418
September	2024	2,481,258	63	2,481,195
October	2024	2,485,340	67	2,485,273
November	2024	2,485,470	67	2,485,403
December	2024	2,485,601	67	2,485,534
		<u>\$ 29,721,060</u>	<u>\$ 705</u>	<u>\$ 29,720,355</u>

Total Depreciation & Amortization Expense - Other	\$ 29,720,355
Retail Expense Allocation Factor [See Appendix 6]	95.95%
<b>Retail Other Depreciation &amp; Amortization Expense - Other</b>	<b><u>\$ 28,516,681</u></b>
<b>Total Retail Depreciation &amp; Amortization Expense</b>	<b><u>\$ 380,775,894</u></b>

<sup>1</sup>Adjustment related to third party arrangement.

**Alabama Power Company  
Rate CNP Factor for Compliance with Governmental Mandates  
Cost Year 2024**

**(Over)/Under-Recovery Calculation Summary**

<b>Total Under-Recovery from Prior Year Filing</b> [See 2023 Filing, Appendix 4 (pg 1 of 15)]		<b>\$ 27,571,092</b>
<b>2024 Filing Under-Recovery for Compliance Cost Year 2022</b> [See Appendix 4 (pg 8 of 15)]	<b>\$ 33,365,055</b>	
<b>2023 Filing Under-Recovery for Compliance Cost Year 2022</b> [See 2023 Filing, Appendix 4 (pg 15 of 15)]	<b>\$ 14,164,736</b>	
		<b>19,200,319</b>
<b>2024 Filing Over-Recovery for Compliance Cost Year 2023</b> [See Appendix 4 (pg 15 of 15)]		<b>(39,321,802)</b>
<b>Total Under-Recovery for Compliance Cost Year 2024</b>		<b>\$ 7,449,609</b>

**Alabama Power Company**  
**Rate CNP Factor for Compliance with Governmental Mandates**  
**Cost Year 2024**

**(Over)/Under Recovery Calculation**  
**Actual January - December 2022**

**Net Investment True-Up - Environmental**

		<b>Plant in Service<sup>1</sup></b>	<b>Accumulated Depreciation &amp; Amortization<sup>1</sup></b>	<b>Accumulated Deferred Income Taxes</b>	<b>Net Unrecovered Investment<sup>2</sup></b>	<b>Net Investment</b>
January	2022	\$ 4,948,699,572	\$ 1,019,293,304	\$ 867,281,466	\$ 548,591,981	\$ 3,610,716,783
February	2022	4,956,830,639	1,021,787,992	870,112,302	548,974,968	3,613,905,313
March	2022	4,956,842,907	1,030,719,007	872,943,139	549,615,819	3,602,796,580
April	2022	4,961,109,282	1,027,498,374	875,776,418	551,253,579	3,609,088,069
May	2022	4,961,343,008	1,034,611,291	878,609,830	552,242,021	3,600,363,908
June	2022	4,958,787,595	1,031,970,883	881,441,780	552,910,071	3,598,285,003
July	2022	4,959,527,260	1,036,619,807	884,274,153	554,456,818	3,593,090,118
August	2022	4,980,920,978	1,037,378,615	887,118,769	556,657,806	3,613,081,400
September	2022	4,971,904,323	1,028,895,235	889,958,044	559,008,110	3,612,059,154
October	2022	4,972,981,290	1,031,371,902	892,798,084	561,797,891	3,610,609,195
November	2022	4,972,949,458	1,033,107,371	895,638,026	564,049,576	3,608,253,637
December	2022	4,962,269,803	1,005,307,447	898,471,855	597,879,567	3,656,370,068
<b>12 Months Average Net Investment - Environmental</b>						<b>\$ 3,610,718,269</b>

**Central Alabama<sup>3</sup>**

		<b>Plant in Service<sup>1</sup></b>	<b>Accumulated Depreciation &amp; Amortization<sup>1</sup></b>	<b>Accumulated Deferred Income Taxes</b>	<b>Net Investment</b>	
January	2022	\$ 15,668,433	\$ 4,792,525	\$ 180,943	\$ 10,694,965	
February	2022	15,686,509	4,835,336	183,981	10,667,192	
March	2022	15,704,891	4,878,146	187,022	10,639,723	
April	2022	15,704,871	4,920,993	190,064	10,593,814	
May	2022	15,704,871	4,963,807	193,105	10,547,959	
June	2022	15,704,871	5,006,620	196,147	10,502,104	
July	2022	15,704,871	5,049,434	199,188	10,456,249	
August	2022	15,704,871	5,092,248	202,229	10,410,394	
September	2022	15,704,871	5,135,062	205,271	10,364,538	
October	2022	15,791,935	5,177,875	208,329	10,405,731	
November	2022	16,002,643	5,220,862	211,428	10,570,353	
December	2022	16,003,481	5,264,143	214,527	10,524,811	
<b>12 Months Average Net Investment - Environmental</b>						<b>\$ 10,531,486</b>

Total Company Average Net Plant Investment - Environmental	\$ 3,610,718,269
Less Central Alabama Average Net Plant Investment - Environmental	10,531,486
Average Net Plant Balance - Environmental	<u>\$ 3,600,186,783</u>
Retail Electric Investment Factor [See Appendix 6]	96.22%
Retail Average Net Environmental Plant Balance	<u>\$ 3,464,099,723</u>
Retail Cost of Capital Rev. Requirement Rate [See Appendix 7, pg 1 of 3]	10.0483%
<b>Retail Revenue Requirement for Net Investment - Environmental</b>	<b><u>\$ 348,083,132</u></b>

<sup>1</sup>Includes acquisition adjustments for Central Alabama and Calhoun Generating Station that are being amortized through May 2043 and December 2043, respectively.

<sup>2</sup>Net Unrecovered Investment. [See Appendix 4, pg 7 of 15]

<sup>3</sup>In accordance with the Order dated August 14, 2020 in Docket No. 32953, the amounts presented reflect the recovery of compliance costs associated with Central Alabama beginning May 23, 2023.



**Alabama Power Company**  
**Rate CNP Factor for Compliance with Governmental Mandates**  
**Cost Year 2024**

**(Over)/Under Recovery Calculation**  
**Actual January - December 2022**

**Net Investment True-Up - Other**

		<b>Plant in Service</b>	<b>Accumulated Depreciation &amp; Amortization</b>	<b>Accumulated Deferred Income Taxes</b>	<b>Net Investment</b>
January	2022	\$ 662,139,918	\$ 109,681,760	\$ 121,882,769	\$ 430,575,389
February	2022	666,485,033	115,274,021	122,017,381	429,193,631
March	2022	664,922,099	111,616,671	122,151,676	431,153,752
April	2022	675,267,432	113,226,662	122,288,057	439,752,713
May	2022	676,868,769	114,253,166	122,424,760	440,190,843
June	2022	676,952,386	115,210,447	122,561,481	439,180,458
July	2022	677,174,343	116,390,854	122,698,480	438,085,009
August	2022	677,137,230	117,057,448	122,835,474	437,244,308
September	2022	677,182,840	118,387,580	122,972,484	435,822,776
October	2022	676,848,822	119,183,500	123,109,437	434,555,885
November	2022	677,456,876	119,629,957	123,246,510	434,580,409
December	2022	695,416,982	120,803,673	123,387,196	451,226,113
<b>12 Months Average Net Investment - Other</b>					<b>\$ 436,796,774</b>

**Central Alabama<sup>1</sup>**

		<b>Plant in Service</b>	<b>Accumulated Depreciation &amp; Amortization</b>	<b>Accumulated Deferred Income Taxes</b>	<b>Net Investment</b>
January	2022	\$ 161,949	\$ 3,948	\$ 1,523	\$ 156,478
February	2022	161,949	4,392	1,838	155,719
March	2022	161,949	4,837	2,152	154,960
April	2022	161,949	5,282	2,466	154,201
May	2022	161,949	5,726	2,780	153,443
June	2022	161,949	6,171	3,094	152,684
July	2022	296,449	6,616	3,669	286,164
August	2022	297,733	7,434	4,247	286,052
September	2022	301,860	8,255	4,833	288,772
October	2022	307,684	9,088	5,430	293,166
November	2022	306,365	9,937	6,024	290,404
December	2022	302,177	10,782	6,610	284,785
<b>12 Months Average Net Investment - Other</b>					<b>\$ 221,402</b>

Total Company Average Net Plant Balance - Other	\$ 436,796,774
Less Central Alabama Average Net Plant Investment - Other	221,402
Average Net Plant Balance - Other	<u>\$ 436,575,372</u>
Retail Electric Investment Factor [See Appendix 6]	96.22%
Retail Average Net Plant Balance - Other	<u>\$ 420,072,823</u>
Retail Cost of Capital Rev. Requirement Rate [See Appendix 7, pg 1 of 3]	10.1098%
<b>Retail Revenue Requirement for Net Investment - Other</b>	<b><u>\$ 42,468,522</u></b>
<b>Total Retail Revenue Requirement for Net Investment</b>	<b><u>\$ 390,551,654</u></b> (A)

<sup>1</sup>In accordance with the Order dated August 14, 2020 in Docket No. 32953, the amounts presented reflect the recovery of compliance costs associated with Central Alabama beginning May 23, 2023.

**Alabama Power Company**  
**Rate CNP Factor for Compliance with Governmental Mandates**  
**Cost Year 2024**

**(Over)/Under Recovery Calculation**  
**Actual January - December 2022**

**Operation & Maintenance Expense True-Up - Environmental**

		O&M	Labor Overhead	Taxes Other Than Income Taxes	Total Central Alabama <sup>1</sup>	Joint Use Rent	Total Company Less Central Alabama & Joint Use Rent
January	2022	\$ 5,831,371	\$ 730,621	\$ 1,495,704	\$ 101,254	\$ 485,893	\$ 7,470,549
February	2022	7,087,897	929,414	1,495,704	110,973	485,893	8,916,149
March	2022	12,234,009	580,708	1,495,704	201,215	485,893	13,623,313
April	2022	10,317,784	1,185,669	1,495,704	201,363	485,893	12,311,901
May	2022	11,162,524	678,800	1,495,704	179,554	675,075	12,482,399
June	2022	10,215,150	741,168	1,495,704	119,110	524,053	11,808,859
July	2022	11,407,144	1,211,696	1,495,704	109,317	524,055	13,481,172
August	2022	8,078,842	717,384	1,495,704	147,815	524,058	9,620,057
September	2022	8,733,609	2,541,084	1,495,704	337,368	524,060	11,908,969
October	2022	10,195,371	980,760	1,488,461	64,298	524,061	12,076,233
November	2022	12,575,182	1,079,492	1,488,461	272,415	524,060	14,346,660
December	2022	14,027,719	1,244,351	1,488,461	40,576	527,584	16,192,371
		<u>\$ 121,866,602</u>	<u>\$ 12,621,147</u>	<u>\$ 17,926,719</u>	<u>\$ 1,885,258</u>	<u>\$ 6,290,578</u>	<u>\$ 144,238,632</u>

Total Operation & Maintenance Expense - Environmental - Excluding Central Alabama \$ 144,238,632  
Retail Expense Allocation Factor [See Appendix 6] 95.95%  
**Retail Operation & Maintenance Expense - Environmental** **\$ 138,396,967**

**Operation & Maintenance Expense True-Up - Other**

		O&M	Labor Overhead	Taxes Other Than Income Taxes	Total Central Alabama <sup>1</sup>	Joint Use Rent	Total Company Less Central Alabama & Joint Use Rent
January	2022	\$ 5,001,735	\$ 107,176	\$ 610,191	\$ -	\$ 1,502	\$ 5,717,600
February	2022	7,059,207	187,518	610,191	-	286	7,856,630
March	2022	8,016,587	102,950	610,191	-	286	8,729,442
April	2022	7,701,620	222,624	610,191	-	286	8,534,149
May	2022	7,361,393	125,532	610,191	-	493	8,096,623
June	2022	8,205,909	156,633	610,191	-	308	8,972,425
July	2022	6,846,600	217,725	610,191	-	308	7,674,208
August	2022	9,249,434	103,094	610,191	-	308	9,962,411
September	2022	7,789,076	426,794	610,191	2,177	308	8,823,576
October	2022	7,942,639	161,587	626,333	-	308	8,730,251
November	2022	8,329,318	152,415	626,333	-	308	9,107,758
December	2022	9,293,454	200,639	626,333	-	308	10,120,118
		<u>\$ 92,796,972</u>	<u>\$ 2,164,687</u>	<u>\$ 7,370,718</u>	<u>\$ 2,177</u>	<u>\$ 5,009</u>	<u>\$ 102,325,191</u>

Total Operation & Maintenance Expense - Other - Excluding Central Alabama \$ 102,325,191  
Retail Expense Allocation Factor [See Appendix 6] 95.95%  
**Retail Operation & Maintenance Expense - Other** **\$ 98,181,021**  
**Total Retail Operation & Maintenance Expense** **\$ 236,577,988** (B)

<sup>1</sup>See Order dated August 14, 2020 in Docket No. 32953.

**Alabama Power Company**  
**Rate CNP Factor for Compliance with Governmental Mandates**  
**Cost Year 2024**

**(Over)/Under Recovery Calculation**  
**Actual January - December 2022**

**Depreciation & Amortization Expense True-Up - Environmental**

		<b>Depreciation &amp; Amortization Expense<sup>1</sup></b>	<b>Central Alabama Depreciation &amp; Amortization Expense<sup>2</sup></b>	<b>Total Company Less Central Alabama</b>	<b>Closure Cost CCR Facility Recovery</b>
January	2022	\$ 12,009,543	\$ 42,810	\$ 11,966,733	\$ 1,558,954
February	2022	12,022,059	42,810	11,979,249	1,558,954
March	2022	12,026,707	42,810	11,983,897	1,558,954
April	2022	12,027,715	42,847	11,984,868	1,558,954
May	2022	12,035,593	42,814	11,992,779	1,558,954
June	2022	12,036,076	42,814	11,993,262	1,558,954
July	2022	12,032,372	42,814	11,989,558	1,558,954
August	2022	12,034,931	42,814	11,992,117	1,558,954
September	2022	12,066,125	42,814	12,023,311	1,558,955
October	2022	12,048,554	42,814	12,005,740	1,558,955
November	2022	12,047,634	42,986	12,004,648	1,558,955
December	2022	12,057,163	43,282	12,013,881	1,558,955
		<u>\$ 144,444,472</u>	<u>\$ 514,429</u>	<u>143,930,043</u>	<u>\$ 18,707,452</u>

Total Depreciation & Amortization Expense - Environmental - Excluding Central Alabama	\$ 143,930,043
Closure Cost CCR Facility Recovery - Environmental	18,707,452
Unrecovered Investment Amortization Expense - Environmental [Appendix 4, pg 7 of 15]	50,537,604
Total Cost of Removal Recovery - Environmental [See Appendix 4, pg 7 of 15]	9,076,560
Total Depreciation & Amortization Expense - Environmental	<b>\$ 222,251,659</b>
Retail Expense Allocation Factor [See Appendix 6]	95.95%
<b>Retail Depreciation &amp; Amortization Expense - Environmental</b>	<b>\$ 213,250,467</b>

**Depreciation & Amortization Expense True-Up - Other**

		<b>Depreciation &amp; Amortization Expense<sup>1</sup></b>	<b>Central Alabama Depreciation &amp; Amortization Expense<sup>2</sup></b>	<b>Total Company Less Central Alabama</b>
January	2022	\$ 1,348,759	\$ 445	\$ 1,348,314
February	2022	1,348,232	445	1,347,787
March	2022	1,355,225	445	1,354,780
April	2022	1,352,453	445	1,352,008
May	2022	1,369,143	445	1,368,698
June	2022	1,369,749	445	1,369,304
July	2022	1,369,747	445	1,369,302
August	2022	1,363,532	818	1,362,714
September	2022	1,363,495	821	1,362,674
October	2022	1,373,995	833	1,373,162
November	2022	1,363,835	849	1,362,986
December	2022	1,365,339	845	1,364,494
		<u>\$ 16,343,504</u>	<u>\$ 7,281</u>	<u>\$ 16,336,223</u>

Total Depreciation & Amortization Expense - Other - Excluding Central Alabama	\$ 16,336,223
Retail Expense Allocation Factor [See Appendix 6]	95.95%
<b>Retail Other Depreciation &amp; Amortization Expense - Other</b>	<b>\$ 15,674,606</b>

**Total Retail Depreciation & Amortization Expense** **\$ 228,925,073 (C)**

<sup>1</sup>See Orders dated August 14, 2020 in Docket No. 32953 and July 15, 2022 in Docket No. 33182. Includes amortization of acquisition adjustments for Central Alabama and Calhoun Generating Station.

<sup>2</sup>See Order dated August 14, 2020 in Docket No. 32953. Includes amortization of acquisition adjustment for Central Alabama.

**Alabama Power Company**  
**Rate CNP Factor for Compliance with Governmental Mandates**  
**Cost Year 2024**

**(Over)/Under Recovery Calculation**  
**Actual January - December 2022**

**Accumulated Depreciation True Up - Environmental<sup>1</sup>**

		<b>Depreciation &amp; Amortization Expense<sup>2</sup></b>	<b>Retirements</b>	<b>Cost of Removal CCR Facility Closure Cost</b>	<b>Closure Cost CCR Facility Recovery</b>	<b>All Other Cost of Removal/Salvage</b>	<b>Accumulated Depreciation &amp; Amortization<sup>3</sup></b>
Beginning Balance							\$ 1,014,610,437
January	2022	\$ 12,009,543	\$ -	\$ (8,963,148)	\$ 1,558,954	\$ 77,518	\$ 1,019,293,304
February	2022	12,022,059	(635,882)	(10,446,080)	1,558,954	(4,363)	1,021,787,992
March	2022	12,026,707	(352,973)	(4,279,377)	1,558,954	(22,296)	1,030,719,007
April	2022	12,027,715	(678,313)	(15,791,927)	1,558,954	(337,062)	1,027,498,374
May	2022	12,035,593	(316,227)	(7,615,471)	1,558,954	1,450,068	1,034,611,291
June	2022	12,036,076	(4,286,111)	(11,950,730)	1,558,954	1,403	1,031,970,883
July	2022	12,032,372	-	(8,295,810)	1,558,954	(646,592)	1,036,619,807
August	2022	12,034,931	(97,269)	(11,478,563)	1,558,954	(1,259,245)	1,037,378,615
September	2022	12,066,125	(10,608,393)	(8,551,130)	1,558,955	(2,948,937)	1,028,895,235
October	2022	12,048,554	(48,795)	(10,430,468)	1,558,955	(651,579)	1,031,371,902
November	2022	12,047,634	(1,601,413)	(9,384,772)	1,558,955	(884,935)	1,033,107,371
December	2022	12,057,163	(13,868,502)	(25,222,133)	1,558,955	(2,325,407)	1,005,307,447

<sup>1</sup>Central Alabama amounts included.

<sup>2</sup>Includes acquisition adjustments for Central Alabama and Calhoun Generating Station that are being amortized through May 2043 and December 2043, respectively.

<sup>3</sup>In accordance with APSC Docket No. U-4457, the capitalization of asset retirement costs is excluded from Account 101 (Electric Plant in Service) and the associated depreciation is excluded from Account 108 (Accumulated Provision for Depreciation of Electric Utility Plant). Accumulated depreciation reflects the amount of cash outflows for cost of removal for coal combustion residual (CCR) facilities offset by amounts previously recovered for cost of removal through depreciation rates.

**Alabama Power Company**  
**Rate CNP Factor for Compliance with Governmental Mandates**  
**Cost Year 2024**

**(Over)/Under Recovery Calculation**  
**Actual January - December 2022**

**Net Unrecovered Investment True-Up - Environmental<sup>1</sup>**

		<b>Unrecovered Investment</b>	<b>Accumulated Amortization</b>	<b>Accumulated Deferred Income Taxes</b>	<b>Accumulated Cost of Removal (Cost)/Recovery</b>	<b>Net Unrecovered Investment<sup>2</sup></b>
January	2022	\$ 721,350,595	\$ 151,922,722	\$ 232,136,191	\$ (211,300,299)	\$ 548,591,981
February	2022	721,350,595	156,122,765	232,008,999	(215,756,137)	548,974,968
March	2022	721,350,595	160,322,808	231,973,044	(220,561,076)	549,615,819
April	2022	721,350,595	164,522,851	232,289,818	(226,715,653)	551,253,579
May	2022	722,525,621	168,722,894	232,376,848	(230,816,142)	552,242,021
June	2022	722,525,621	172,942,520	232,350,518	(235,677,488)	552,910,071
July	2022	722,525,621	177,162,147	232,635,088	(241,728,432)	554,456,818
August	2022	722,525,621	181,381,774	233,151,143	(248,665,102)	556,657,806
September	2022	722,525,621	185,601,400	233,720,029	(255,803,918)	559,008,110
October	2022	722,525,621	189,821,027	234,444,412	(263,537,709)	561,797,891
November	2022	722,525,621	194,040,654	234,978,405	(270,543,014)	564,049,576
December	2022	764,999,154	198,260,280	246,685,471	(277,826,164)	597,879,567

**Unrecovered Investment - Accumulated Cost of Removal True-Up - Environmental**

		<b>Cost of Removal CCR Facility Closure Cost</b>	<b>Closure Cost CCR Facility Recovery</b>	<b>All Other Cost of Removal - Net (Cost)/Recovery<sup>3</sup></b>	<b>Accumulated Cost of Removal (Cost)/Recovery</b>
Beginning Balance					\$ (207,307,533)
January	2022	\$ (4,529,132)	\$ 501,853	\$ 34,513	\$ (211,300,299)
February	2022	(4,781,824)	501,853	(175,867)	(215,756,137)
March	2022	(5,140,919)	501,853	(165,873)	(220,561,076)
April	2022	(6,385,456)	501,853	(270,974)	(226,715,653)
May	2022	(4,529,706)	501,853	(72,636)	(230,816,142)
June	2022	(4,999,120)	501,853	(364,079)	(235,677,488)
July	2022	(6,206,676)	501,853	(346,121)	(241,728,432)
August	2022	(7,682,764)	501,853	244,241	(248,665,102)
September	2022	(6,962,617)	501,853	(678,052)	(255,803,918)
October	2022	(8,032,505)	501,853	(203,139)	(263,537,709)
November	2022	(7,374,348)	501,853	(132,810)	(270,543,014)
December	2022	(7,763,244)	501,853	(21,759)	(277,826,164)

**Unrecovered Investment - Cost Recovery True-Up - Environmental**

		<b>Amortization</b>	<b>Cost of Removal Recovery</b>		
			<b>Closure Cost CCR Facility Recovery</b>	<b>All Other Cost of Removal Recovery<sup>4</sup></b>	<b>Total Cost of Removal Recovery</b>
January	2022	\$ 4,200,043	\$ 501,853	\$ 254,527	\$ 756,380
February	2022	4,200,043	501,853	254,527	756,380
March	2022	4,200,043	501,853	254,527	756,380
April	2022	4,200,043	501,853	254,527	756,380
May	2022	4,200,043	501,853	254,527	756,380
June	2022	4,219,627	501,853	254,527	756,380
July	2022	4,219,627	501,853	254,527	756,380
August	2022	4,219,627	501,853	254,527	756,380
September	2022	4,219,627	501,853	254,527	756,380
October	2022	4,219,627	501,853	254,527	756,380
November	2022	4,219,627	501,853	254,527	756,380
December	2022	4,219,627	501,853	254,527	756,380
		<u>\$ 50,537,604</u>	<u>\$ 6,022,236</u>	<u>\$ 3,054,324</u>	<u>\$ 9,076,560</u>

<sup>1</sup>Reflects the annual removal of 2021 fully amortized Unrecovered Investment assets (\$49,491,136) beginning January 1, 2022.

<sup>2</sup>In accordance with authorization in APSC Docket No. U-5033 related to unit retirements as a result of the effects of pending Environmental Mandates.

<sup>3</sup>Includes non-CCR ARO and dismantlement cost and recovery.

<sup>4</sup>Includes non-CCR ARO and dismantlement cost recovery.

**Alabama Power Company  
Rate CNP Factor for Compliance with Governmental Mandates  
Cost Year 2024**

**(Over)/Under Recovery Calculation  
Actual January - December 2022**

**Retail Revenue Requirement Recovery True-Up**

		<b>Retail Revenue Requirement Recovery</b>	
January	2022	\$ 69,673,909	
February	2022	74,127,208	
March	2022	60,762,604	
April	2022	55,227,683	
May	2022	61,780,311	
June	2022	76,654,114	
July	2022	85,978,933	
August	2022	81,806,579	
September	2022	77,432,893	
October	2022	62,000,702	
November	2022	53,960,364	
December	2022	63,284,360	
		<b>\$ 822,689,660</b>	(D)

**True-Up Calculation**

<b>Retail Revenue Requirement for Net Investment</b>	\$ 390,551,654	(A)
<b>Retail Operation &amp; Maintenance Expense</b>	236,577,988	(B)
<b>Retail Depreciation &amp; Amortization Expense</b>	228,925,073	(C)
<b>2022 Retail Revenue Requirement</b>	\$ 856,054,715	
<b>2022 Retail Revenue Requirement Recovery</b>	822,689,660	(D)
<b>Amount of (over)/under recovery [(A)+(B)+(C)-(D)]</b>	<b>\$ 33,365,055</b>	

**Alabama Power Company**  
**Rate CNP Factor for Compliance with Governmental Mandates**  
**Cost Year 2024**

(Over)/Under Recovery Calculation  
Actual January - September 2023

Projected October - December 2023

**Net Investment True-Up - Environmental<sup>1</sup>**

		Plant in Service <sup>2</sup>	Accumulated Depreciation & Amortization <sup>2</sup>	Accumulated Deferred Income Taxes <sup>3</sup>	Net Unrecovered Investment <sup>4</sup>	Net Investment
January	2023	\$ 4,962,115,869	\$ 1,027,370,904	\$ 898,262,255	\$ 611,694,851	\$ 3,648,177,561
February	2023	4,962,461,702	1,049,863,422	898,052,640	620,495,348	3,635,040,988
March	2023	4,963,531,212	1,070,305,993	897,842,980	630,576,015	3,625,958,254
April	2023	4,962,829,500	1,092,445,847	897,633,349	641,527,743	3,614,278,047
May	2023	4,962,938,366	1,110,286,448	897,423,713	648,289,542	3,603,517,747
June	2023	4,962,986,764	1,124,632,201	897,214,075	659,219,489	3,600,359,977
July	2023	4,963,787,842	1,139,073,178	897,004,443	669,052,796	3,596,763,017
August	2023	4,964,198,969	1,153,369,483	896,794,738	679,876,128	3,593,910,876
September	2023	4,964,549,477	1,170,493,109	896,585,018	690,648,480	3,588,119,830
October	2023	4,968,737,923	1,187,713,150	896,375,099	702,120,204	3,586,769,878
November	2023	4,987,451,508	1,204,688,721	896,259,514	713,084,653	3,599,587,926
December	2023	4,991,497,629	1,222,441,564	896,143,753	724,893,210	3,597,805,522
<b>12 Months Average Net Investment - Environmental</b>						<b>\$ 3,607,524,135</b>

**Central Alabama<sup>1</sup>**

		Plant in Service <sup>5</sup>	Accumulated Depreciation & Amortization <sup>5</sup>	Accumulated Deferred Income Taxes <sup>3</sup>	Net Investment	
January	2023	\$ 16,003,481	\$ 5,312,406	\$ 218,784	\$ 10,472,291	
February	2023	16,003,481	5,360,669	223,041	10,419,771	
March	2023	16,003,481	5,408,932	227,299	10,367,250	
April	2023	16,003,481	5,457,195	231,556	10,314,730	
May	2023	-	-	-	-	
June	2023	-	-	-	-	
July	2023	-	-	-	-	
August	2023	-	-	-	-	
September	2023	-	-	-	-	
October	2023	-	-	-	-	
November	2023	-	-	-	-	
December	2023	-	-	-	-	
<b>12 Months Average Net Investment - Environmental</b>						<b>\$ 3,464,504</b>

Total Company Average Net Plant Investment - Environmental	\$ 3,607,524,135
Less Central Alabama Average Net Plant Investment - Environmental	3,464,504
Average Net Plant Balance - Environmental	\$ 3,604,059,631
Retail Electric Investment Factor [See Appendix 6]	96.22%
Retail Average Net Environmental Plant Balance	\$ 3,467,826,177
Retail Cost of Capital Rev. Requirement Rate [See Appendix 7, pg 2 of 3]	10.0857%
<b>Retail Revenue Requirement for Net Investment - Environmental</b>	<b>\$ 349,754,545</b>

<sup>1</sup>In accordance with the Order dated August 14, 2020 in Docket No. 32953, the amounts presented reflect the recovery of compliance costs associated with Central Alabama beginning May 23, 2023.

<sup>2</sup>Includes acquisition adjustments for Central Alabama and Calhoun Generating Station that are being amortized through May 2043 and December 2043, respectively.

<sup>3</sup>Accumulated Deferred Income Taxes are estimated and not actualized.

<sup>4</sup>Net Unrecovered Investment. [See Appendix 4, pg 14 of 15]

<sup>5</sup>Includes acquisition adjustment for Central Alabama that is being amortized through May 2043.

**Alabama Power Company**  
**Rate CNP Factor for Compliance with Governmental Mandates**  
**Cost Year 2024**

(Over)/Under Recovery Calculation  
Actual January - September 2023

Projected October - December 2023

**Net Investment True-Up - Other<sup>1</sup>**

		<b>Plant in Service</b>	<b>Accumulated Depreciation &amp; Amortization</b>	<b>Accumulated Deferred Income Taxes<sup>2</sup></b>	<b>Net Investment</b>
January	2023	\$ 695,533,573	\$ 123,031,384	\$ 122,612,086	\$ 449,890,103
February	2023	696,323,020	125,348,148	121,842,714	449,132,158
March	2023	697,804,351	127,483,315	121,071,643	449,249,393
April	2023	697,871,179	129,559,636	120,300,269	448,011,274
May	2023	697,902,800	131,639,788	119,528,861	446,734,151
June	2023	697,753,305	133,730,938	118,757,616	445,264,751
July	2023	697,971,838	136,035,067	117,986,129	443,950,642
August	2023	698,320,370	138,096,981	117,214,569	443,008,820
September	2023	698,337,295	140,184,233	116,442,990	441,710,072
October	2023	699,488,707	142,387,440	115,670,221	441,431,046
November	2023	702,294,962	144,714,389	114,894,352	442,686,221
December	2023	734,000,686	147,003,612	114,083,456	472,913,618
<b>12 Months Average Net Investment - Other</b>					<b>\$ 447,831,854</b>

**Central Alabama<sup>1</sup>**

		<b>Plant in Service</b>	<b>Accumulated Depreciation &amp; Amortization</b>	<b>Accumulated Deferred Income Taxes<sup>2</sup></b>	<b>Net Investment</b>
January	2023	\$ 302,177	\$ 11,966	\$ 6,930	\$ 283,281
February	2023	302,177	13,150	7,252	281,775
March	2023	302,177	14,334	7,573	280,270
April	2023	302,177	15,518	7,895	278,764
May	2023	-	-	-	-
June	2023	-	-	-	-
July	2023	-	-	-	-
August	2023	-	-	-	-
September	2023	-	-	-	-
October	2023	-	-	-	-
November	2023	-	-	-	-
December	2023	-	-	-	-
<b>12 Months Average Net Investment - Other</b>					<b>\$ 93,674</b>

Total Company Average Net Plant Balance - Other	\$ 447,831,854
Less Central Alabama Average Net Plant Investment - Other	93,674
Average Net Plant Balance - Other	<u>\$ 447,738,180</u>
Retail Electric Investment Factor [See Appendix 6]	96.22%
Retail Average Net Plant Balance - Other	<u>\$ 430,813,677</u>
Retail Cost of Capital Rev. Requirement Rate [See Appendix 7, pg 2 of 3]	10.1187%
<b>Retail Revenue Requirement for Net Investment - Other</b>	<b><u>\$ 43,592,744</u></b>
<b>Total Retail Revenue Requirement for Net Investment</b>	<b><u>\$ 393,347,289</u></b> (A)

<sup>1</sup>See Order dated August 14, 2020 in Docket No. 32953.

<sup>2</sup>Accumulated Deferred Income Taxes are estimated and not actualized.



**Alabama Power Company**  
**Rate CNP Factor for Compliance with Governmental Mandates**  
**Cost Year 2024**

(Over)/Under Recovery Calculation  
Actual January - September 2023

Projected October - December 2023

**Operation & Maintenance Expense True-Up - Environmental**

		O&M (Including Labor Overhead) <sup>1</sup>		Taxes Other Than Income Taxes <sup>2</sup>	Total Central Alabama <sup>3</sup>	Joint Use Rent	Total Company Less Central Alabama & Joint Use Rent				
January	2023	\$	8,889,260	\$	1,778,927	\$	92,250	\$	525,164	\$	10,050,773
February	2023		10,463,066		1,749,598		127,926		527,113		11,557,625
March	2023		9,326,413		1,666,374		157,527		518,235		10,317,025
April	2023		5,477,023		1,856,785		(42,103)		190,227		7,185,684
May	2023		11,461,633		1,533,568		200,136		436,853		12,358,212
June	2023		14,219,007		1,732,036		-		436,853		15,514,190
July	2023		12,224,898		1,501,030		-		436,853		13,289,075
August	2023		7,616,757		1,871,469		-		436,853		9,051,373
September	2023		12,778,006		1,707,461		-		436,853		14,048,614
October	2023		13,577,816		1,723,299		-		547,156		14,753,959
November	2023		16,219,860		1,713,976		-		547,156		17,386,680
December	2023		14,711,552		1,708,898		-		547,156		15,873,294
		\$	136,965,291	\$	20,543,420	\$	535,736	\$	5,586,472	\$	151,386,503

Total Operation & Maintenance Expense - Environmental - Excluding Central Alabama \$ 151,386,503  
Retail Expense Allocation Factor [See Appendix 6] 95.95%  
**Retail Operation & Maintenance Expense - Environmental** **\$ 145,255,350**

**Operation & Maintenance Expense True-Up - Other**

		O&M (Including Labor Overhead) <sup>1</sup>		Taxes Other Than Income Taxes <sup>2</sup>	Total Central Alabama <sup>3</sup>	Joint Use Rent	Total Company Less Central Alabama & Joint Use Rent				
January	2023	\$	6,594,182	\$	669,754	\$	-	\$	308	\$	7,263,628
February	2023		7,657,692		665,219		-		308		8,322,603
March	2023		7,474,149		651,481		-		308		8,125,322
April	2023		7,798,253		658,084		-		115		8,456,222
May	2023		8,519,543		664,183		-		260		9,183,466
June	2023		10,021,422		664,310		-		260		10,685,472
July	2023		8,859,204		620,869		-		260		9,479,813
August	2023		6,877,220		688,664		-		260		7,565,624
September	2023		8,226,826		657,223		-		260		8,883,789
October	2023		8,370,742		672,890		-		1,866		9,041,766
November	2023		7,404,326		670,158		-		1,866		8,072,618
December	2023		7,495,665		669,957		-		3,164		8,162,458
		\$	95,299,224	\$	7,952,792	\$	-	\$	9,235	\$	103,242,781

Total Operation & Maintenance Expense - Other - Excluding Central Alabama \$ 103,242,781  
Retail Expense Allocation Factor [See Appendix 6] 95.95%  
**Retail Operation & Maintenance Expense - Other** **\$ 99,061,448**

**Total Retail Operation & Maintenance Expense** **\$ 244,316,798 (B)**

<sup>1</sup>Reflects presentation change for 2023.

<sup>2</sup>Includes payroll taxes previously presented in Labor Overhead.

<sup>3</sup>See Order dated August 14, 2020 in Docket No. 32953.

**Alabama Power Company**  
**Rate CNP Factor for Compliance with Governmental Mandates**  
**Cost Year 2024**

(Over)/Under Recovery Calculation  
Actual January - September 2023

Projected October - December 2023

**Depreciation & Amortization Expense True-Up - Environmental**

		Depreciation & Amortization Expense <sup>1</sup>	Central Alabama Depreciation & Amortization Expense <sup>1</sup>	Total Company Less Central Alabama	Closure Cost CCR Facility Recovery
January	2023	\$ 23,892,156	\$ 48,263	\$ 23,843,893	\$ 5,972,989
February	2023	27,207,603	48,263	27,159,340	5,972,989
March	2023	25,803,734	48,263	25,755,471	5,972,989
April	2023	25,811,306	48,263	25,763,043	5,972,989
May	2023	25,759,528	35,808	25,723,720	5,972,989
June	2023	27,069,368	-	27,069,368	5,972,989
July	2023	25,924,470	-	25,924,470	5,972,989
August	2023	25,926,959	-	25,926,959	5,972,989
September	2023	25,931,339	-	25,931,339	5,972,989
October	2023	25,937,029	-	25,937,029	5,972,989
November	2023	25,952,086	-	25,952,086	5,972,989
December	2023	26,021,211	-	26,021,211	5,972,989
		<u>\$ 311,236,789</u>	<u>\$ 228,860</u>	<u>311,007,929</u>	<u>\$ 71,675,868</u>

Total Depreciation & Amortization Expense - Environmental - Excluding Central Alabama	\$ 311,007,929
Closure Cost CCR Facility Recovery - Environmental	71,675,868
Unrecovered Investment Amortization Expense - Environmental [Appendix 4, pg 14 of 15]	(60,967,834)
Total Cost of Removal Recovery - Environmental [See Appendix 4, pg 14 of 15]	54,981,349
Total Depreciation & Amortization Expense - Environmental	<u>\$ 376,697,311</u>
Retail Expense Allocation Factor [See Appendix 6]	95.95%
<b>Retail Depreciation &amp; Amortization Expense - Environmental</b>	<u><b>\$ 361,441,070</b></u>

**Depreciation & Amortization Expense True-Up - Other**

		Depreciation & Amortization Expense <sup>1</sup>	Central Alabama Depreciation & Amortization Expense <sup>1</sup>	Total Company Less Central Alabama
January	2023	\$ 2,364,251	\$ 1,184	\$ 2,363,067
February	2023	2,365,605	1,184	2,364,421
March	2023	2,368,661	1,184	2,367,477
April	2023	2,372,481	1,184	2,371,297
May	2023	2,374,823	878	2,373,945
June	2023	2,374,968	-	2,374,968
July	2023	2,372,732	-	2,372,732
August	2023	2,374,451	-	2,374,451
September	2023	2,374,721	-	2,374,721
October	2023	2,374,796	-	2,374,796
November	2023	2,377,379	-	2,377,379
December	2023	2,387,742	-	2,387,742
		<u>\$ 28,482,610</u>	<u>\$ 5,614</u>	<u>\$ 28,476,996</u>

Total Depreciation & Amortization Expense - Other - Excluding Central Alabama	\$ 28,476,996
Retail Expense Allocation Factor [See Appendix 6]	95.95%
<b>Retail Other Depreciation &amp; Amortization Expense - Other</b>	<u><b>\$ 27,323,678</b></u>

**Total Retail Depreciation & Amortization Expense** **\$ 388,764,748** (C)

<sup>1</sup>See Order dated August 14, 2020 in Docket No. 32953 and July 15, 2022 in Docket No. 33182. Includes amortization of acquisition adjustments.

**Alabama Power Company  
Rate CNP Factor for Compliance with Governmental Mandates  
Cost Year 2024**

(Over)/Under Recovery Calculation  
Actual January - September 2023

Projected October - December 2023

**Accumulated Depreciation True Up - Environmental<sup>1</sup>**

		Depreciation & Amortization Expense <sup>2</sup>	Retirements	Cost of Removal CCR Facility Closure Cost	Closure Cost CCR Facility Recovery	All Other Cost of Removal/Salvage	Accumulated Depreciation & Amortization <sup>3</sup>
Beginning Balance							\$ 1,005,307,447
January	2023	\$ 23,892,156	\$ (163,041)	\$ (7,981,605)	\$ 5,972,989	\$ 342,958	\$ 1,027,370,904
February	2023	27,207,603	(1,200,978)	(9,219,121)	5,972,989	(267,975)	1,049,863,422
March	2023	25,803,734	(401,086)	(10,871,399)	5,972,989	(61,667)	1,070,305,993
April	2023	25,811,306	(349,379)	(9,369,733)	5,972,989	74,671	1,092,445,847
May	2023	25,759,528	-	(13,858,044)	5,972,989	(33,872)	1,110,286,448
June	2023	27,069,368	(227,434)	(18,334,595)	5,972,989	(134,575)	1,124,632,201
July	2023	25,924,470	-	(17,146,811)	5,972,989	(309,671)	1,139,073,178
August	2023	25,926,959	(308,725)	(17,093,447)	5,972,989	(201,471)	1,153,369,483
September	2023	25,931,339	(181,226)	(14,301,589)	5,972,989	(297,887)	1,170,493,109
October	2023	25,937,029	(500,066)	(13,906,425)	5,972,989	(283,486)	1,187,713,150
November	2023	25,952,086	(412,621)	(13,998,398)	5,972,989	(538,486)	1,204,688,720
December	2023	26,021,211	(449,569)	(13,498,302)	5,972,989	(293,485)	1,222,441,564

<sup>1</sup>Central Alabama amounts included.

<sup>2</sup>See Orders dated August 14, 2020 in Docket No. 32953 and July 15, 2022 in Docket No. 33182. Includes amortization of acquisition adjustments for Central Alabama and Calhoun Generating Station.

<sup>3</sup>In accordance with APSC Docket No. U-4457, the capitalization of asset retirement costs is excluded from Account 101 (Electric Plant in Service) and the associated depreciation is excluded from Account 108 (Accumulated Provision for Depreciation of Electric Utility Plant). Accumulated depreciation reflects the amount of cash outflows for cost of removal for coal combustion residual (CCR) facilities offset by amounts previously recovered for cost of removal through depreciation rates.

**Alabama Power Company**  
**Rate CNP Factor for Compliance with Governmental Mandates**  
**Cost Year 2024**

**(Over)/Under Recovery Calculation**  
**Actual January - September 2023**

**Projected October - December 2023**

**Net Unrecovered Investment True-Up - Environmental**

		Unrecovered Investment <sup>1</sup>	Accumulated Amortization	Accumulated Deferred Income Taxes <sup>2</sup>	Accumulated Cost of Removal (Cost)/Recovery	Net Unrecovered Investment <sup>3</sup>
January	2023	\$ 779,764,202	\$ 202,774,862	\$ 248,638,848	\$ (283,344,359)	\$ 611,694,851
February	2023	790,084,573	207,289,444	249,415,783	(287,116,002)	620,495,348
March	2023	802,609,459	211,804,025	250,642,583	(290,413,164)	630,576,015
April	2023	815,139,793	216,318,607	252,176,168	(294,882,725)	641,527,743
May	2023	824,212,746	220,833,189	252,228,418	(297,138,403)	648,289,542
June	2023	836,501,409	225,347,770	253,749,428	(301,815,278)	659,219,489
July	2023	848,412,813	229,862,352	254,881,543	(305,383,878)	669,052,796
August	2023	860,324,218	234,376,934	256,365,643	(310,294,487)	679,876,128
September	2023	872,241,900	238,891,516	257,839,888	(315,137,984)	690,648,480
October	2023	884,161,327	243,406,098	258,820,680	(320,185,655)	702,120,204
November	2023	896,086,582	247,920,680	259,805,311	(324,724,062)	713,084,653
December	2023	908,011,836	252,435,262	261,097,847	(330,414,483)	724,893,210

**Unrecovered Investment - Accumulated Cost of Removal True-Up - Environmental**

		Cost of Removal CCR Facility Closure Cost	Closure Cost CCR Facility Recovery	All Other Cost of Removal - Net (Cost)/Recovery <sup>4</sup>	Accumulated Cost of Removal (Cost)/Recovery
Beginning Balance					\$ (277,826,164)
January	2023	\$ (7,942,791)	\$ 3,574,108	\$ (1,149,512)	(283,344,359)
February	2023	(7,354,543)	3,574,108	8,792	(287,116,002)
March	2023	(7,076,112)	3,574,108	204,842	(290,413,164)
April	2023	(7,982,077)	3,574,108	(61,592)	(294,882,725)
May	2023	(5,811,754)	3,574,108	(18,032)	(297,138,403)
June	2023	(8,277,569)	3,574,108	26,586	(301,815,278)
July	2023	(6,704,666)	3,574,108	(438,042)	(305,383,878)
August	2023	(7,902,878)	3,574,108	(581,839)	(310,294,487)
September	2023	(7,782,135)	3,574,108	(635,470)	(315,137,984)
October	2023	(6,528,955)	3,574,108	(2,092,824)	(320,185,655)
November	2023	(6,672,395)	3,574,108	(1,440,120)	(324,724,062)
December	2023	(7,531,030)	3,574,108	(1,733,499)	(330,414,483)

**Unrecovered Investment - Cost Recovery True-Up - Environmental**

		Amortization	Accretion <sup>5</sup>	Net (Accretion) / Amortization	Closure Cost CCR Facility Recovery	All Other Cost of Removal Recovery <sup>6</sup>	Total Cost of Removal Recovery
January	2023	\$ 4,514,582	\$ (10,746,691)	\$ (6,232,109)	\$ 3,574,108	\$ 1,007,671	\$ 4,581,779
February	2023	4,514,582	(8,211,912)	(3,697,330)	3,574,108	1,007,671	4,581,779
March	2023	4,514,581	(9,477,300)	(4,962,719)	3,574,108	1,007,671	4,581,779
April	2023	4,514,582	(9,478,979)	(4,964,397)	3,574,108	1,007,671	4,581,779
May	2023	4,514,582	(9,465,394)	(4,950,812)	3,574,108	1,007,671	4,581,779
June	2023	4,514,582	(10,178,805)	(5,664,223)	3,574,108	1,007,671	4,581,779
July	2023	4,514,582	(9,598,545)	(5,083,963)	3,574,108	1,007,671	4,581,779
August	2023	4,514,582	(9,592,882)	(5,078,300)	3,574,108	1,007,671	4,581,779
September	2023	4,514,582	(9,594,767)	(5,080,185)	3,574,108	1,007,671	4,581,779
October	2023	4,514,582	(9,599,181)	(5,084,599)	3,574,108	1,007,671	4,581,779
November	2023	4,514,582	(9,599,181)	(5,084,599)	3,574,108	1,007,671	4,581,779
December	2023	4,514,582	(9,599,181)	(5,084,599)	3,574,108	1,007,671	4,581,779
		\$ 54,174,982	\$ (115,142,817)	\$ (60,967,834)	\$ 42,889,296	\$ 12,092,053	\$ 54,981,349

<sup>1</sup>Includes the regulatory asset associated with the timing differences for the cost recovery of announced coal unit and equipment retirements discussed in the Notice of Planned Participation (NOPPs), regarding compliance with the ELG rule.

<sup>2</sup>Accumulated Deferred Income Taxes are estimated and not actualized.

<sup>3</sup>In accordance with authorization in APSC Docket No. U-5033 related to unit retirements as a result of the effects of pending Environmental Mandates.

<sup>4</sup>Includes non-CCR ARO and dismantlement cost and recovery.

<sup>5</sup>Represents the difference between the depreciation expense for environmental equipment, calculated utilizing the shorter lives resulting from the announced coal unit and equipment retirements, and the expense calculated using the retirement dates previously established.

<sup>6</sup>Includes non-CCR ARO and dismantlement cost recovery.

**Alabama Power Company  
Rate CNP Factor for Compliance with Governmental Mandates  
Cost Year 2024**

**(Over)/Under Recovery Calculation  
Actual January - September 2023**

**Projected October - December 2023**

**Retail Revenue Requirement Recovery True-Up**

		<b>Retail Revenue Requirement Recovery</b>	
		<hr/>	
January	2023	\$	94,718,653
February	2023		82,946,745
March	2023		76,330,918
April	2023		74,436,866
May	2023		73,491,647
June	2023		88,589,543
July	2023		103,740,041
August	2023		113,480,805
September	2023		107,805,079
October	2023		86,059,474
November	2023		77,024,903
December	2023		87,125,963
		<b>\$</b>	<b>1,065,750,637</b> (D)
		<hr/>	

**True-Up Calculation**

<b>Retail Revenue Requirement for Net Investment</b>	\$	393,347,289	(A)
<b>Retail Operation &amp; Maintenance Expense</b>		244,316,798	(B)
<b>Retail Depreciation &amp; Amortization Expense</b>		388,764,748	(C)
<b>2023 Retail Revenue Requirement</b>	\$	1,026,428,835	
<b>2023 Retail Revenue Requirement Recovery</b>		1,065,750,637	(D)
<b>Amount of (over)/under recovery [(A)+(B)+(C)-(D)]</b>		<b>\$</b>	<b>(39,321,802)</b>

**ALABAMA POWER COMPANY**  
**Projected Compliance Cost Recovery for 2024**  
**(under currently effective factors)**

(A)	(B)	(C)	(D)
Rate Schedule	Currently Effective CNP (Subpart C) Factor \$/kWh	Forecasted kWh 2024	Cost Recovery using Currently Effective Factor (B) X (C)
ASL	0.023368	26,817,442	626,670
BEVT	0.027950	10,082,066	281,794
BTA	0.023238	435,462,913	10,119,287
BTAL	0.011778	2,380,846,676	28,041,612
CFTU	0.013059	25,798,610	336,904
FCR	0.006857	6,547,899,619	44,898,948
FDD	0.032533	1,674,727	54,484
FD	0.028358	17,734,623,264	502,918,447
XFDE	0.022372	162,440,403	3,634,117
XFDT	0.022094	3,294,723	72,794
FIRTU	0.018398	3,537,810	65,089
FMTU	0.016002	379,898,089	6,079,129
FPL	0.054682	283,097,787	15,480,353
XFSTU	0.020280	138,937,993	2,817,662
XGRTU	0.017030	171,161,260	2,914,876
HLF	0.010209	1,653,657,751	16,882,192
XHLTU	0.016755	25,791,321	432,134
XHMTU	0.020935	36,961,860	773,797
LAF	0.048265	19,336,455	933,274
LFS	0.029353	76,215,631	2,237,157
XLLTU	0.017613	8,631,968	152,035
XLMTU	0.020526	25,301,748	519,344
XLPLE	0.014293	643,516,465	9,197,781
XLPME	0.023433	2,061,126,260	48,298,372
XLPSE	0.032795	1,086,592,351	35,634,796
LPL	0.013516	2,508,322,195	33,902,483
LPLM	0.011859	6,678,447,863	79,199,713
LPM	0.031366	4,263,744,927	133,736,623
LPS	0.056669	402,780,164	22,825,149
XLPTL	0.013717	1,440,043,038	19,753,070
XLPTM	0.024822	56,190,768	1,394,767
XLPTS	0.026840	110,305,835	2,960,609
LTU	0.020708	24,433,693	505,973
MTU	0.011626	346,552,486	4,029,019
ODL	0.009942	161,283,775	1,603,483
OFF	0.019336	16,137,509	312,035
PG	0.036935	6,360,622	234,930
PMTU	0.012164	631,045,551	7,676,038
PTU	0.014385	41,021,219	590,090
XRLTU	0.018094	14,223,282	257,356
XRMTU	0.019878	122,994,250	2,444,880
RTA	0.030316	1,263,269	38,297
RTAE	0.026979	21,091,016	569,015
RTP	0.014102	1,163,551,004	16,408,396
XRTPD	0.008950	178,995,280	1,602,008
SCGTU	0.013415	135,079,479	1,812,091
SCH	0.024188	413,419,793	9,999,798
SLM	0.031542	41,205,533	1,299,705
TS	0.016394	17,156,783	281,268
TSTU	0.018029	3,350,392	60,404
TXTU	0.016084	17,037,602	274,033
XTP	0.028569	717,384	20,495
XWP	0.013269	772,057	10,244
<b>Total</b>		52,760,231,961	\$ 1,077,205,020

**ALABAMA POWER COMPANY**  
**Rate CNP Factor for Compliance with Governmental Mandates**  
**(affected rate schedules)**  
**Effective for January 2024 Billings**

(A)	(B)	(C)	(D)	(E)	(F)
Rate Schedule	Forecasted Base Rate Revenue Excluding Fuel & Tax YE 2024	Ratio BRs/BRt (B)/Total (B)	Total Revenue Requirement (C) X Total (D)	Forecasted kWh YE 2024	CNP Compliance Factor \$/kWh (D)/(E)
ASL	\$ 3,015,408	0.00058	\$ 611,629	26,817,442	0.022807
BEVT	1,313,830	0.00025	263,633	10,082,066	0.026149
BTA	49,899,224	0.00960	10,123,521	435,462,913	0.023248
BTAL	130,178,033	0.02504	26,405,518	2,380,846,676	0.011091
CFTU	1,623,884	0.00031	326,905	25,798,610	0.012671
FCR	204,259,106	0.03928	41,422,075	6,547,899,619	0.006326
FD	2,430,550,222	0.46744	492,931,127	17,734,623,264	0.027795
FDD	216,239	0.00004	42,181	1,674,727	0.025187
XFDE	17,632,694	0.00339	3,574,869	162,440,403	0.022007
XFDT	349,057	0.00007	73,817	3,294,723	0.022405
FIRTU	311,642	0.00006	63,272	3,537,810	0.017885
FMTU	29,159,884	0.00561	5,915,933	379,898,089	0.015572
FPL	74,602,131	0.01435	15,132,555	283,097,787	0.053453
XFSTU	13,703,493	0.00264	2,783,968	138,937,993	0.020037
XGRTU	14,065,976	0.00271	2,857,786	171,161,260	0.016696
HLF	80,177,148	0.01542	16,260,906	1,653,657,751	0.009833
XHLTU	2,134,374	0.00041	432,359	25,791,321	0.016764
XHMTU	3,721,394	0.00072	759,264	36,961,860	0.020542
LAF	4,534,634	0.00087	917,444	19,336,455	0.047446
LFS	10,828,738	0.00208	2,193,430	76,215,631	0.028779
XLLTU	729,866	0.00014	147,635	8,631,968	0.017103
XLMTU	2,516,660	0.00048	506,176	25,301,748	0.020006
XLPLE	44,941,640	0.00864	9,111,169	643,516,465	0.014158
XLPME	233,063,161	0.04482	47,264,190	2,061,126,260	0.022931
XLPSE	172,974,126	0.03327	35,084,329	1,086,592,351	0.032288
LPL	163,497,555	0.03144	33,154,533	2,508,322,195	0.013218
LPLM	381,624,714	0.07339	77,392,212	6,678,447,863	0.011588
LPM	646,993,318	0.12443	131,215,600	4,263,744,927	0.030775
LPS	111,745,125	0.02149	22,661,924	402,780,164	0.056264
XLPTL	93,997,785	0.01808	19,065,965	1,440,043,038	0.013240
XLPTM	6,733,847	0.00129	1,360,348	56,190,768	0.024209
XLPTS	14,168,431	0.00272	2,868,331	110,305,835	0.026003
LTU	2,482,626	0.00048	506,176	24,433,693	0.020716
MTU	19,456,028	0.00374	3,943,955	346,552,486	0.011381
ODL	7,712,644	0.00148	1,560,710	161,283,775	0.009677
OFP	1,382,847	0.00027	284,724	16,137,509	0.017644
PG	1,129,901	0.00022	231,997	6,360,622	0.036474
PMTU	37,209,100	0.00716	7,550,460	631,045,551	0.011965
PTU	2,833,548	0.00054	569,448	41,021,219	0.013882
XRLTU	1,251,907	0.00024	253,088	14,223,282	0.017794
XRMTU	11,869,462	0.00228	2,404,336	122,994,250	0.019548
RTA	181,620	0.00003	31,636	1,263,269	0.025043
RTAE	2,732,933	0.00053	558,903	21,091,016	0.026500
RTP	89,179,417	0.01715	18,085,249	1,163,551,004	0.015543
XRTPD	11,102,048	0.00214	2,256,702	178,995,280	0.012608
SCGTU	8,788,585	0.00169	1,782,162	135,079,479	0.013193
SCH	48,239,200	0.00928	9,786,071	413,419,793	0.023671
SLM	5,714,347	0.00110	1,159,987	41,205,533	0.028151
TS	1,363,841	0.00026	274,179	17,156,783	0.015981
TSTU	255,392	0.00005	52,727	3,350,392	0.015737
TXTU	1,395,202	0.00027	284,724	17,037,602	0.016712
XTP	95,577	0.00002	21,091	717,384	0.029399
XWP	63,091	0.00001	10,545	772,057	0.013659
Total	<u>\$5,199,702,655</u>		<u>\$1,054,533,474</u>	<u>52,760,231,961</u>	

**Alabama Power Company**  
**Rate CNP Factor for Compliance with Governmental Mandates**  
**Cost Year 2024**

SCHEDULE 1.00  
PAGE 1

ALABAMA POWER COMPANY  
RETAIL COST OF SERVICE  
TWELVE MONTHS ENDED DECEMBER 31, 2022

SCHEDULE 1.00--SUMMATION OF INVESTMENT AND EXPENSE ALLOCATIONS

LINE (1)	LINE DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RESIDENTIAL (4)	NON - RESIDENTIAL (5)	TOTAL DIRECT SERVICE (6)	TOTAL ALL OTHER SERVICE (7)
<b>NET INVESTMENT</b>						
1	ELECTRIC GROSS PLANT	\$34,050,866,995	\$18,069,679,992	\$14,728,856,139	\$32,798,536,131	\$1,252,330,865
2	PROVISION FOR ACCUM DEPR & AMORT	10,868,646,182	5,766,035,552	4,699,141,354	10,465,176,906	403,469,276
3	NET PLANT	\$23,182,220,814	\$12,303,644,440	\$10,029,714,785	\$22,333,359,225	\$848,861,588
ADD:						
4	PLANT HELD FOR FUTURE USE	49,721,405	24,303,570	23,097,512	47,401,082	2,320,323
5	MATERIALS AND SUPPLIES	705,281,918	331,664,879	342,566,303	674,231,181	31,050,737
6	UNAMORTIZED LEASEHOLD IMPROVEMENTS	0	0	0	0	0
7	CONSTRUCTION WORK IN PROGRESS	1,531,806,325	765,124,891	699,373,236	1,464,488,127	67,308,198
8	AVERAGE DAILY BANK BALANCES	107,972,476	44,980,667	58,041,969	103,022,636	4,949,840
9	ELECTRIC PLANT ACQUISITION ADJUSTMENT	287,766,147	132,845,606	139,626,260	272,471,866	15,294,281
10	NUCLEAR FUEL	239,206,927	79,562,205	146,497,029	226,059,234	13,147,693
DEDUCT:						
11	SEGC/IAEC DEPOSIT	23,149,546	7,699,732	14,177,430	21,877,162	1,272,384
12	CUSTOMER ADVANCES FOR CONSTRUCTION	496,261	6,018	490,243	496,261	0
13	CUSTOMER DEPOSITS	106,333,943	46,945,427	59,388,516	106,333,943	0
14	TOTAL NET INVESTMENT	\$25,973,996,262	\$13,627,475,081	\$11,364,860,905	\$24,992,335,986	\$981,660,276
15	PERCENT OF TOTAL ELECTRIC SYSTEM	100.00%	52.47%	43.75%	96.22%	3.78%
16	RETAIL ELECTRIC INVESTMENT FACTOR				96.22%	
<b>EXPENSES</b>						
17	OPERATION AND MAINTENANCE EXPENSES	\$4,366,232,967	\$1,818,945,715	\$2,347,123,716	\$4,166,069,430	\$200,163,537
18	DEPRECIATION AND AMORTIZATION EXPENSE	859,370,480	455,321,015	372,645,775	827,966,790	31,403,690
19	OTHER AMORTIZATION AND ACCRETION	30,285,179	14,584,586	14,243,250	28,827,836	1,457,343
20	TAXES OTHER THAN INCOME TAXES	419,282,357	203,267,273	209,997,900	413,265,173	6,017,184
21	SALES TO NON-ASSOCIATED COMPANIES	(692,073,794)	(247,142,726)	(407,130,659)	(654,273,385)	(37,800,409)
22	OTHER ELECTRIC REVENUES	(264,033,975)	(147,669,887)	(106,471,877)	(254,141,764)	(9,892,211)
23	TOTAL EXPENSES	\$4,719,063,215	\$2,097,305,976	\$2,430,408,105	\$4,527,714,081	\$191,349,134
24	PERCENT OF TOTAL ELECTRIC SYSTEM	100.00%	44.44%	51.50%	95.95%	4.05%
25	RETAIL EXPENSE ALLOCATION FACTOR				95.95%	
<b>ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION</b>						
25	TOTAL AFUDC	\$90,215,263	\$44,374,684	\$41,795,049	\$86,169,733	\$4,045,530
26	PERCENT OF TOTAL ELECTRIC SYSTEM	100.00%	49.19%	46.33%	95.52%	4.48%
27	RETAIL ELECTRIC AFUDC ALLOCATION FACTOR				95.52%	



**Alabama Power Company**  
**Rate CNP Factor for Compliance with Governmental Mandates**  
**Cost Year 2024**

**Retail Cost of Capital Revenue Requirement Rate for 2022**

**Overall Cost of Capital as of December 31, 2022 - Environmental**

Description - Environmental	Amount of Capital	Weight in Capital Structure	Cost	Weighted Cost	Income Tax Requirement (see below)	Revenue Requirement
Tax Exempt Debt	\$ 512,191,331	14.7857%	3.5990%	0.5321%	0.0000%	0.5321%
Other Debt	1,143,677,550	33.0151%	4.0150%	1.3256%	0.0000%	1.3256%
Total Debt	1,655,868,881	47.8008%	3.8864%	1.8577%	0.0000%	1.8577%
Common Equity	1,808,230,842	52.1992%		6.0500%	2.1406%	8.1906%
<b>TOTAL</b>	<b>\$ 3,464,099,723</b>	<b>100.0000%</b>		<b>7.9077%</b>		<b>10.0483%</b>

**Overall Cost of Capital as of December 31, 2022 - Other**

Description - Other	Amount of Capital	Weight in Capital Structure	Cost	Weighted Cost	Income Tax Requirement (see below)	Revenue Requirement
Total Debt	\$ 200,798,352	47.8008%		1.9192%	0.0000%	1.9192%
Common Equity	219,274,471	52.1992%		6.0500%	2.1406%	8.1906%
	<b>\$ 420,072,823</b>	<b>100.0000%</b>		<b>7.9692%</b>		<b>10.1098%</b>

Combined Tax Rate =  $\frac{F + S - 2FS}{1 - FS}$

F = Effective Statutory Federal Income Tax Rate

S = Effective Statutory State Income Tax Rate

$$(0.221367 + 0.065000) - 2 * (0.221367 * 0.065000) = 26.1350\%$$

$$1 - (0.221367 * 0.065000)$$

Income Tax Requirement =  $\frac{0.261350}{1 - 0.261350} = 35.3821\%$

**Alabama Power Company**  
**Rate CNP Factor for Compliance with Governmental Mandates**  
**Cost Year 2024**

**Retail Cost of Capital Revenue Requirement Rate for 2023**

**Overall Cost of Capital as of September 30, 2023 - Environmental**

Description - Environmental	Amount of Capital	Weight in Capital Structure	*Cost	*Weighted Cost	Income Tax Requirement (see below)	Revenue Requirement
Tax Exempt Debt	\$ 739,008,909	21.3105%	3.8942%	0.8299%	0.0000%	0.8299%
Other Debt	912,317,164	26.3080%	4.0491%	1.0652%	0.0000%	1.0652%
Total Debt	1,651,326,073	47.6185%	3.9797%	1.8951%	0.0000%	1.8951%
Common Equity	1,816,500,104	52.3816%		6.0500%	2.1406%	8.1906%
<b>TOTAL</b>	<b>\$ 3,467,826,177</b>	<b>100.0001%</b>		<b>7.9451%</b>		<b>10.0857%</b>

**Overall Cost of Capital as of September 30, 2023 - Other**

Description - Other	Amount of Capital	Weight in Capital Structure	*Cost	*Weighted Cost	Income Tax Requirement (see below)	Revenue Requirement
Total Debt	\$ 205,146,919	47.6185%	4.0491%	1.9281%	0.0000%	1.9281%
Common Equity	225,666,758	52.3815%		6.0500%	2.1406%	8.1906%
	<b>\$ 430,813,677</b>	<b>100.0000%</b>		<b>7.9781%</b>		<b>10.1187%</b>

Combined Tax Rate =  $\frac{F + S - 2FS}{1 - FS}$

F = Effective Statutory Federal Income Tax Rate = 22.1367%  
S = Effective Statutory State Income Tax Rate = 6.5000%

$$\frac{(0.221367 + 0.065000) - 2 * (0.221367 * 0.065000)}{1 - (0.221367 * 0.065000)} = 26.1350\%$$

Income Tax Requirement =  $\frac{0.261350}{1 - 0.261350} = 35.3821\%$

\*The weighting in the capital structure for Total Debt in Cost Years 2024 and 2023 calculations is the same. However, tax exempt debt and other debt components are different in each calculation. The tax exempt amounts fluctuate as the ratio of average net plant to gross plant changes each year resulting in differences in weighted costs of capital.

**Alabama Power Company**  
**Rate CNP Factor for Compliance with Governmental Mandates**  
**Cost Year 2024**

**Retail Cost of Capital Revenue Requirement Rate for 2024**

**Overall Cost of Capital as of September 30, 2023 - Environmental**

Description - Environmental	Amount of Capital	Weight in Capital Structure	*Cost	*Weighted Cost	Income Tax Requirement (see below)	Revenue Requirement
Tax Exempt Debt	\$ 730,970,819	21.1555%	3.8942%	0.8238%	0.0000%	0.8238%
Other Debt	914,357,751	26.4630%	4.0489%	1.0715%	0.0000%	1.0715%
Total Debt	1,645,328,570	47.6185%	3.9802%	1.8953%	0.0000%	1.8953%
Common Equity	1,809,902,700	52.3815%		6.0500%	2.1406%	8.1906%
<b>TOTAL</b>	<b>\$ 3,455,231,270</b>	<b>100.0000%</b>		<b>7.9453%</b>		<b>10.0859%</b>

**Overall Cost of Capital as of September 30, 2023 - Other**

Description - Other	Amount of Capital	Weight in Capital Structure	*Cost	*Weighted Cost	Income Tax Requirement (see below)	Revenue Requirement
Total Debt	\$ 211,673,441	47.6185%	4.0489%	1.9280%	0.0000%	1.9280%
Common Equity	232,846,095	52.3815%		6.0500%	2.1406%	8.1906%
	<b>\$ 444,519,536</b>	<b>100.0000%</b>		<b>7.9780%</b>		<b>10.1186%</b>

Combined Tax Rate =  $\frac{F + S - 2FS}{1 - FS}$

F = Effective Statutory Federal Income Tax Rate = 22.1367%  
S = Effective Statutory State Income Tax Rate = 6.5000%

$$\frac{(0.221367 + 0.065000) - 2 * (0.221367 * 0.065000)}{1 - (0.221367 * 0.065000)} = 26.1350\%$$

Income Tax Requirement =  $\frac{0.261350}{1 - 0.261350} = 35.3821\%$

\*The weighting in the capital structure for Total Debt in Cost Years 2024 and 2023 calculations is the same. However, tax exempt debt and other debt components are different in each calculation. The tax exempt amounts fluctuate as the ratio of average net plant to gross plant changes each year resulting in differences in weighted costs of capital.

**Alabama Power Company**  
**Rate CNP Factor for Compliance with Governmental Mandates**  
**Cost Year 2024**

**Accumulated Depreciation & Amortization - Environmental<sup>1</sup>**

<b><u>Total Company</u></b>		<b>Depreciation &amp; Amortization Expense [Appendix 3]</b>	<b>Retirements</b>	<b>Cost of Removal CCR Facility Closure Cost<sup>2</sup></b>	<b>Closure Cost CCR Facility Recovery [Appendix 3]</b>	<b>All Other Cost of Removal/Salvage</b>	<b>Accumulated Depreciation &amp; Amortization<sup>3</sup></b>
Beginning Balance							\$ 1,222,441,564
January	2024	\$ 25,955,188	\$ -	\$ (19,126,639)	\$ 5,972,989	\$ (510,052)	\$ 1,234,733,050
February	2024	25,955,188	(313,425)	(19,126,639)	5,972,989	(510,052)	1,246,711,111
March	2024	25,963,956	(26,612)	(19,126,639)	5,972,989	(660,196)	1,258,834,609
April	2024	25,964,655	(20,131)	(19,126,639)	5,972,989	(510,052)	1,271,115,431
May	2024	25,965,218	(33,495)	(19,126,639)	5,972,989	(520,052)	1,283,373,452
June	2024	25,965,954	(185,192)	(19,126,639)	5,972,989	(656,996)	1,295,343,568
July	2024	25,970,459	(61,919)	(19,126,639)	5,972,989	(605,973)	1,307,492,485
August	2024	25,972,107	(77,850)	(19,126,639)	5,972,989	(571,788)	1,319,661,304
September	2024	25,974,249	(193,088)	(19,126,639)	5,972,989	(535,051)	1,331,753,764
October	2024	25,978,587	(9,073)	(19,126,639)	5,972,989	(535,052)	1,344,034,576
November	2024	25,978,803	(293,269)	(19,126,639)	5,972,989	(545,481)	1,356,020,979
December	2024	25,992,086	(2,538,615)	(19,126,639)	5,972,989	(860,053)	1,365,460,747

<sup>1</sup>Impact of third party offsets are not included

<sup>2</sup>Net of adjustments for certain regulatory assets associated with the timing differences for cost recovery of the announced coal unit and equipment retirements, as discussed in the Notice of Planned Participation (NOPPs) regarding compliance with the ELG rule.

<sup>3</sup>In accordance with APSC Docket No. U-4457, the capitalization of asset retirement costs is excluded from Account 101 (Electric Plant in Service) and the associated depreciation is excluded from Account 108 (Accumulated Provision for Depreciation of Electric Utility Plant). Accumulated depreciation reflects the amount of cash outflows for cost of removal for coal combustion residual (CCR) facilities offset by amounts previously recovered for cost of removal through depreciation rates.

**Alabama Power Company**  
**Rate CNP Factor for Compliance with Governmental Mandates**  
**Cost Year 2024**

**Net Unrecovered Investment - Environmental**

		<b>Unrecovered Investment<sup>1</sup></b>	<b>Accumulated Amortization</b>	<b>Accumulated Deferred Income Taxes<sup>2</sup></b>	<b>Accumulated Cost of Removal (Cost)/Recovery</b>	<b>Net Unrecovered Investment<sup>3</sup></b>
January	2024	\$ 878,178,145	\$ 214,428,449	\$ 285,149,338	\$ (340,935,598)	\$ 719,535,956
February	2024	890,108,367	218,185,551	285,149,338	(346,456,713)	733,230,191
March	2024	902,038,589	221,942,653	285,149,338	(351,977,828)	746,924,426
April	2024	913,968,811	225,699,754	285,149,338	(358,274,898)	761,394,617
May	2024	925,899,919	229,336,962	285,149,338	(368,634,499)	780,048,118
June	2024	937,831,029	232,974,171	285,149,338	(374,155,614)	793,863,134
July	2024	949,762,137	236,611,379	285,149,338	(379,676,729)	807,678,149
August	2024	961,693,245	240,248,587	285,149,338	(385,157,344)	821,452,664
September	2024	973,624,353	243,885,795	285,149,338	(390,545,601)	835,134,821
October	2024	985,555,462	247,523,003	285,149,338	(395,902,358)	848,785,479
November	2024	997,486,570	251,160,211	285,149,338	(401,259,115)	862,436,136
December	2024	1,009,420,361	254,797,419	285,149,338	(406,615,874)	876,089,478

**Unrecovered Investment - Accumulated Cost of Removal - Environmental**

		<b>Cost of Removal CCR Facility Closure Cost</b>	<b>Closure Cost CCR Facility Recovery</b>	<b>All Other Cost of Removal - Net (Cost) / Recovery<sup>4</sup></b>	<b>Accumulated Cost of Removal (Cost)/Recovery</b>
Beginning Balance					\$ (330,414,483)
January	2024	\$ (9,730,203)	\$ 3,574,108	\$ (4,365,020)	\$ (340,935,598)
February	2024	(9,730,203)	3,574,108	634,980	(346,456,713)
March	2024	(9,730,203)	3,574,108	634,980	(351,977,828)
April	2024	(9,730,203)	3,574,108	(140,975)	(358,274,898)
May	2024	(9,730,203)	3,574,108	(4,203,506)	(368,634,499)
June	2024	(9,730,203)	3,574,108	634,980	(374,155,614)
July	2024	(9,730,203)	3,574,108	634,980	(379,676,729)
August	2024	(9,730,203)	3,574,108	675,480	(385,157,344)
September	2024	(9,730,203)	3,574,108	767,838	(390,545,601)
October	2024	(9,730,203)	3,574,108	799,338	(395,902,358)
November	2024	(9,730,203)	3,574,108	799,338	(401,259,115)
December	2024	(9,730,203)	3,574,108	799,336	(406,615,874)

**Unrecovered Investment - Cost Recovery - Environmental**

		<b>Cost of Removal Recovery</b>					
		<b>Amortization</b>	<b>Accretion<sup>5</sup></b>	<b>Net (Accretion) / Amortization</b>	<b>Closure Cost CCR Facility Recovery</b>	<b>All Other Cost of Removal Recovery<sup>6</sup></b>	<b>Total Cost of Removal Recovery</b>
January	2024	\$ 3,757,102	\$ (9,601,832)	\$ (5,844,730)	\$ 3,574,108	\$ 1,007,671	\$ 4,581,779
February	2024	3,757,102	(9,601,832)	(5,844,730)	3,574,108	1,007,671	4,581,779
March	2024	3,757,102	(9,601,832)	(5,844,730)	3,574,108	1,007,671	4,581,779
April	2024	3,757,102	(9,601,832)	(5,844,730)	3,574,108	1,007,671	4,581,779
May	2024	3,637,208	(9,601,832)	(5,964,624)	3,574,108	1,007,671	4,581,779
June	2024	3,637,208	(9,601,832)	(5,964,624)	3,574,108	1,007,671	4,581,779
July	2024	3,637,208	(9,601,832)	(5,964,624)	3,574,108	1,007,671	4,581,779
August	2024	3,637,208	(9,601,832)	(5,964,624)	3,574,108	1,007,671	4,581,779
September	2024	3,637,208	(9,601,832)	(5,964,624)	3,574,108	1,007,671	4,581,779
October	2024	3,637,208	(9,601,832)	(5,964,624)	3,574,108	1,007,671	4,581,779
November	2024	3,637,208	(9,601,832)	(5,964,624)	3,574,108	1,007,671	4,581,779
December	2024	3,637,208	(9,601,832)	(5,964,624)	3,574,108	1,007,671	4,581,779
		<b>\$ 44,126,072</b>	<b>\$ (115,221,985)</b>	<b>\$ (71,095,913)</b>	<b>\$ 42,889,296</b>	<b>\$ 12,092,052</b>	<b>\$ 54,981,348</b>

<sup>1</sup>Includes the regulatory asset associated with the timing differences for the cost recovery of announced coal unit and equipment retirements discussed in the Notice of Planned Participation (NOPPs), regarding compliance with the ELG rule.

<sup>2</sup>Accumulated Deferred Income Taxes are estimated and not actualized.

<sup>3</sup>In accordance with authorization in APSC Docket No. U-5033 related to unit retirements as a result of the effects of pending Environmental Mandates.

<sup>4</sup>Includes non-CCR ARO and dismantlement cost and recovery.

<sup>5</sup>Represents the difference between the depreciation expense for environmental equipment, calculated utilizing the shorter lives resulting from the announced coal unit and equipment retirements, and the expense calculated using the retirement dates previously established.

<sup>6</sup>Includes non-CCR ARO and dismantlement cost recovery.