

RATE T TAX ADJUSTMENT

By order of the Alabama Public Service Commission Docket #18148.

PAGE 1 of 1	EFFECTIVE DATE July, 1981 Billings	REVISION Original
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AVAILABILITY

Available in all areas served from the interconnected system of the Company.

APPLICABILITY

Applicable as an adjustment to each filed rate of the Company in which reference is made to Rate T.

INCOME TAX RATE ADJUSTMENT

For each one percent (1%) increase or decrease in the combined incremental federal and state income tax rate of .474923 (based upon .46 federal and .05 state), each electric service bill will be increased or decreased by applying thereto an "Income Tax Adjustment Percentage" determined from the Company's twelve (12) months ended operations as of the last day of each September, December, March, and June, to be effective on electric service bills the second month after month of determination. The Income Tax Adjustment Percentage to be determined and applied is the percentage change in revenue required to have operating revenue results equal to the operating revenue results with combined tax rate of .474923. The combined (federal and state) incremental tax rate is the sum of the federal and state incremental tax rates, minus twice their product, all divided by one minus their product.

GENERAL TAX PROVISIONS

Bills shall be increased to offset the applicable proportionate part of any taxes, assessments, licenses, franchise fees, or rentals which may hereafter be imposed upon the Company by any Government Authority at rates higher than those in effect December 31, 1967, and which are assessed on the basis of meters, customers, the price of or revenues from electric energy sold, or the volume of energy generated, purchased for resale or sold.

ADJUSTMENT FOR LOCAL TAXES

In the event any privilege, license, occupational, or other similar tax is imposed upon the Company subsequent to January 1, 1955, by or pursuant to a local act of the Alabama Legislature, or by or pursuant to a general act of such legislature having local application, or under or pursuant to any authority granted by or in any such act, and such tax is limited to an area or territory (hereinafter called local area) less than the entire State of Alabama, there shall be added to the rates and charges specified in any of the Company's standard rate schedule amounts which, in the aggregate for the Company's Consumers in such local area, shall be equal to the amount of any such tax imposed upon the Company. The Company shall, so long as any such tax is in effect, add to the bills of its Consumers in such local area pro rata, on the basis of the revenue derived by the Company from each such Consumer, an amount sufficient to recover any such tax or taxes.