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November 17, 2025

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 2026
Docket Nos. 18117 and 18416

Dear Secretary Thomas:

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 2026. The enclosed filing reflects a projected under-recovery of such costs in 2026, as reflected in the overall revenue requirement determined pursuant to the rate and using the currently effective factors.

Although entitled under Subpart C to recover the entirety of this revenue requirement, the Company has considered, at the request of the Commission acting through its Staff, whether the current compliance factors could remain in effect for cost year 2026, subject to the entry of an appropriate consent order. The Company has determined that the current compliance factors can be left in place for cost year 2026, and this submission has been tailored accordingly. In the event an appropriate consent order is not entered, the Company reserves the right to file revised factors for application in 2026.

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

cc: Commissioner Cynthia Lee Almond
Commissioner Jeremy H. Oden
Commissioner Chris V. Beeker III

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 2026

- (1) Revenue requirement for the retail average net investment balance for compliance with governmental mandates for the year 2026.

\$ 398,880,302 [See Appendix 1 (2 of 2)]

- (2) Retail operation and maintenance expense and depreciation and amortization expense attributable to governmental mandates for the cost year 2026.

\$ 303,493,763	Operation & Maintenance Expense [See Appendix 2]
389,220,057	Depreciation & Amortization Expense [See Appendix 3]
<u>\$ 692,713,820</u>	Total

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

\$ 13,159,080 [See Appendix 4 (1 of 13)]

- (4) The retail revenue requirement for compliance with governmental mandates for the year 2026.

\$ 1,104,753,202 [Sum of Items (1), (2) and (3) above]

- (5) The projected compliance cost recovery for the year 2026 under currently effective factors.

\$ 1,060,885,685 [See Appendix 5]

- (6) The projected under-recovered retail revenue requirement for compliance with governmental mandates for the year 2026.

\$ 43,867,517 [Item (4) less Item (5) above]

- (7) Per the transmittal letter, the compliance factors in effect for year 2025 are anticipated to remain in effect for cost year 2026.

[See Appendix 5]

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2026

Net Investment - Environmental

		Plant in Service	Accumulated Depreciation & Amortization (Appendix 8)	Accumulated Deferred Income Taxes	Third Party Offsets	Net Unrecovered Investment (Appendix 9)	Net Investment
January	2026	\$ 5,026,481,760	\$ 1,559,969,668	\$ 828,533,317	\$ 1,452,638	\$ 892,602,550	\$ 3,529,128,687
February	2026	5,026,481,760	1,575,516,020	828,533,317	1,445,585	902,622,781	3,523,609,619
March	2026	5,026,481,760	1,591,062,372	828,533,317	1,438,532	912,643,011	3,518,090,550
April	2026	5,026,481,760	1,606,608,724	828,533,317	1,431,479	922,663,243	3,512,571,483
May	2026	5,027,000,703	1,622,097,416	828,533,317	1,424,426	932,683,473	3,507,629,017
June	2026	5,027,416,901	1,637,565,995	828,533,317	1,417,374	942,703,704	3,502,603,919
July	2026	5,028,469,392	1,652,997,245	828,533,317	1,410,321	952,723,934	3,498,252,443
August	2026	5,028,469,392	1,668,336,005	828,533,317	1,403,268	962,744,165	3,492,940,967
September	2026	5,028,919,148	1,683,774,751	828,533,317	1,425,350	972,764,396	3,487,950,126
October	2026	5,029,531,148	1,699,215,014	828,533,317	1,418,240	982,784,627	3,483,149,204
November	2026	5,029,531,148	1,714,716,544	828,533,317	1,411,129	992,890,882	3,477,761,040
December	2026	5,103,460,929	1,706,045,964	828,533,317	1,412,771	1,002,997,138	3,570,466,015
12 Months Average Net Investment - Environmental							\$ 3,508,679,423

Lindsay Hill¹

		Plant in Service	Accumulated Depreciation & Amortization	Accumulated Deferred Income Taxes	Net Investment
January	2026	\$ -	\$ -	\$ 479	\$ (479)
February	2026	-	-	479	(479)
March	2026	-	-	479	(479)
April	2026	-	-	479	(479)
May	2026	-	-	479	(479)
June	2026	-	-	479	(479)
July	2026	-	-	479	(479)
August	2026	-	-	479	(479)
September	2026	-	-	479	(479)
October	2026	-	-	479	(479)
November	2026	-	-	479	(479)
December	2026	413,670	-	479	413,191
12 Months Average Net Investment - Environmental					\$ 33,994

Total Company Average Net Plant Investment - Environmental	\$ 3,508,679,423
Less Lindsay Hill Average Net Plant Investment - Environmental	33,994
Average Net Plant Balance - Environmental	<u>\$ 3,508,645,429</u>
Retail Electric Investment Factor [See Appendix 6, pg 1 of 2]	99.37%
Retail Average Net Environmental Plant Balance	<u>\$ 3,486,540,963</u>
Retail Cost of Capital Rev. Requirement Rate [See Appendix 7, pg 3 of 3]	9.9210%
Retail Revenue Requirement for Net Investment - Environmental	<u>\$ 345,899,729</u>

¹In accordance with the Order dated August 13, 2025 in Docket No. 33513, costs associated with Lindsay Hill will be recovered through Rate CNP-C beginning May 1, 2027. In the interim, costs associated with Lindsay Hill, included in the environmental compliance plan, have been removed from the amounts presented herein.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2026

Net Investment - Other

		Plant in Service	Accumulated Depreciation & Amortization	Accumulated Deferred Income Taxes	Third Party Offsets	Net Investment
January	2026	\$ 851,162,607	\$ 212,437,808	\$ 111,903,661	\$ 401,436	\$ 526,419,702
February	2026	851,513,231	215,382,574	111,903,661	400,095	523,826,901
March	2026	860,572,888	218,327,518	111,903,661	398,754	529,942,955
April	2026	862,407,995	221,300,661	111,903,661	397,413	528,806,260
May	2026	862,468,349	224,281,857	111,903,661	396,072	525,886,759
June	2026	862,634,090	227,263,445	111,903,661	394,731	523,072,253
July	2026	862,694,444	230,246,924	111,903,661	393,390	520,150,469
August	2026	862,754,798	233,217,496	111,903,661	392,048	517,241,593
September	2026	863,675,414	236,183,448	111,903,661	392,756	515,195,549
October	2026	863,735,768	239,158,247	111,903,661	391,407	512,282,453
November	2026	863,796,123	242,133,438	111,903,661	390,059	509,368,965
December	2026	978,856,057	244,625,362	111,903,661	677,740	621,649,294

12 Months Average Net Investment - Other **\$ 529,486,929**

Lindsay Hill¹

		Plant in Service	Accumulated Depreciation & Amortization**	Accumulated Deferred Income Taxes	Net Investment
January	2026	\$ -	\$ -	\$ 17,372	\$ (17,372)
February	2026	-	-	17,372	(17,372)
March	2026	-	-	17,372	(17,372)
April	2026	-	-	17,372	(17,372)
May	2026	-	-	17,372	(17,372)
June	2026	-	-	17,372	(17,372)
July	2026	-	-	17,372	(17,372)
August	2026	-	-	17,372	(17,372)
September	2026	-	-	17,372	(17,372)
October	2026	-	-	17,372	(17,372)
November	2026	-	-	17,372	(17,372)
December	2026	10,000,000	-	17,372	9,982,628

12 Months Average Net Investment - Environmental **\$ 815,961**

Average Net Plant Balance - Other	\$ 529,486,929
Less Lindsay Hill Average Net Plant Investment - Other	815,961
Average Net Plant Balance - Other	<u>\$ 528,670,968</u>
Retail Electric Investment Factor [See Appendix 6, pg 1 of 2]	99.37%
Retail Average Net Plant Balance - Other	<u>\$ 525,340,341</u>
Retail Cost of Capital Rev Requirement Rate [See Appendix 7, pg 3 of 3]	10.0850%
Retail Revenue Requirement for Net Investment - Other	<u>\$ 52,980,573</u>
Total Retail Revenue Requirement for Net Investment	<u>\$ 398,880,302</u>

¹In accordance with the Order dated August 13, 2025 in Docket No. 33513, costs associated with Lindsay Hill will be recovered through Rate CNP-C beginning May 1, 2027. In the interim, costs associated with Lindsay Hill, included in the environmental compliance plan, have been removed from the amounts presented herein.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2026

Operation & Maintenance Expense - Environmental

		O&M (Including Labor Overhead)	Taxes Other Than Income Taxes	Lindsay Hill ¹	Third Party Offsets	Joint Use Rent	Total Company Less Third Party Offsets, Lindsay Hill & Joint Use Rent
January	2026	\$ 12,549,575	\$ 2,242,189	\$ 157,791	\$ 15,634	\$ 601,333	\$ 14,017,006
February	2026	12,268,679	2,176,686	151,406	15,170	601,333	13,677,456
March	2026	13,490,862	2,199,542	158,460	17,128	601,333	14,913,483
April	2026	12,823,777	2,192,687	156,516	15,523	601,333	14,243,092
May	2026	14,173,800	2,198,507	408,457	18,311	601,333	15,344,206
June	2026	13,331,871	2,186,719	156,484	15,522	601,333	14,745,251
July	2026	13,277,655	2,193,571	158,431	15,660	601,333	14,695,802
August	2026	13,997,606	2,193,323	158,771	15,694	601,333	15,415,131
September	2026	13,974,691	2,181,960	156,685	15,548	601,333	15,383,085
October	2026	14,831,390	2,170,257	228,265	17,095	601,333	16,154,954
November	2026	12,827,761	2,159,949	156,065	23,701	601,333	14,206,611
December	2026	13,425,312	2,162,640	157,956	15,670	601,333	14,812,993
		<u>\$ 160,972,979</u>	<u>\$ 26,258,030</u>	<u>\$ 2,205,287</u>	<u>\$ 200,656</u>	<u>\$ 7,215,996</u>	<u>\$ 177,609,070</u>

Total Operation & Maintenance Expense - Environmental	\$ 177,609,070
Retail Expense Allocation Factor [See Appendix 6, pg 1 of 2]	99.27%
Retail Operation & Maintenance Expense - Environmental	\$ 176,312,524

Operation & Maintenance Expense - Other

		O&M (Including Labor Overhead)	Taxes Other Than Income Taxes	Lindsay Hill ¹	Third Party Offsets	Joint Use Rent	Total Company Less Third Party Offsets, Lindsay Hill & Joint Use Rent
January	2026	\$ 9,516,790	\$ 798,187	\$ 29,684	\$ 1,866	\$ 1,774	\$ 10,281,653
February	2026	9,460,042	787,519	26,802	1,843	1,774	10,217,142
March	2026	9,464,801	791,099	30,521	1,871	1,774	10,221,734
April	2026	9,118,150	789,729	29,598	1,864	1,774	9,874,643
May	2026	9,984,224	790,791	30,521	1,871	1,774	10,740,849
June	2026	10,402,301	789,139	29,598	1,864	1,774	11,158,204
July	2026	11,225,573	789,435	30,521	1,871	1,774	11,980,842
August	2026	11,579,819	788,941	30,494	1,871	1,774	12,334,621
September	2026	9,746,418	786,614	29,441	1,863	1,774	10,499,954
October	2026	9,360,494	806,977	30,035	1,870	1,774	10,133,792
November	2026	9,803,940	803,729	28,908	1,862	1,774	10,575,125
December	2026	9,328,064	803,619	29,776	1,869	2,108	10,097,930
		<u>\$ 118,990,616</u>	<u>\$ 9,525,779</u>	<u>\$ 355,899</u>	<u>\$ 22,385</u>	<u>\$ 21,622</u>	<u>\$ 128,116,489</u>

Total Operation & Maintenance Expense - Other	\$ 128,116,489
Retail Expense Allocation Factor [See Appendix 6, pg 1 of 2]	99.27%
Retail Operation & Maintenance Expense - Other	\$ 127,181,239

Total Retail Operation & Maintenance Expense	\$ 303,493,763
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Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2026

Depreciation & Amortization Expense - Environmental

		Depreciation & Amortization Expense	Third Party Offsets	Lindsay Hill Depreciation & Amortization Expense¹	Total Company Less Third Party Offsets & Lindsay Hill	Closure Cost CCR Facility Recovery
January	2026	\$ 26,076,181	\$ 7,198	\$ -	\$ 26,068,983	\$ 5,972,989
February	2026	26,076,198	7,198	-	26,069,000	5,972,989
March	2026	26,076,198	7,198	-	26,069,000	5,972,989
April	2026	26,076,198	7,198	-	26,069,000	5,972,989
May	2026	26,076,198	7,198	-	26,069,000	5,972,989
June	2026	26,074,669	7,198	-	26,067,471	5,972,989
July	2026	26,078,040	7,198	-	26,070,842	5,972,989
August	2026	26,072,606	7,198	-	26,065,408	5,972,989
September	2026	26,068,565	7,198	-	26,061,367	5,972,989
October	2026	26,038,109	7,256	-	26,030,853	5,972,989
November	2026	26,031,376	7,256	-	26,024,120	5,972,989
December	2026	26,031,376	7,256	-	26,024,120	5,972,989
		<u>\$ 312,775,714</u>	<u>\$ 86,550</u>	<u>\$ -</u>	<u>\$ 312,689,164</u>	<u>\$ 71,675,868</u>

Total Depreciation & Amortization Expense - Environmental	\$ 312,689,164
Closure Cost CCR Facility Recovery - Environmental	71,675,868
Unrecovered Investment Net (Accretion) / Amortization Expense - Environmental [See Appendix 9]	(76,618,815)
Total Cost of Removal Recovery - Environmental [See Appendix 9]	47,639,520
Total Depreciation & Amortization Expense - Environmental	<u>\$ 355,385,737</u>
Retail Expense Allocation Factor [See Appendix 6, pg 1 of 2]	99.27%
Retail Depreciation & Amortization Expense - Environmental	<u>\$ 352,791,421</u>

Depreciation & Amortization Expense - Other

		Depreciation & Amortization Expense	Third Party Offsets	Lindsay Hill Depreciation & Amortization Expense¹	Total Company Less Third Party Offsets & Lindsay Hill
January	2026	\$ 3,030,857	\$ 1,341	\$ -	\$ 3,029,516
February	2026	3,034,364	1,341	-	3,033,023
March	2026	3,034,541	1,341	-	3,033,200
April	2026	3,062,741	1,341	-	3,061,400
May	2026	3,070,794	1,341	-	3,069,453
June	2026	3,071,185	1,341	-	3,069,844
July	2026	3,073,077	1,341	-	3,071,736
August	2026	3,071,001	1,341	-	3,069,660
September	2026	3,070,246	1,341	-	3,068,905
October	2026	3,075,228	1,348	-	3,073,880
November	2026	3,075,620	1,348	-	3,074,272
December	2026	3,042,980	1,348	-	3,041,632
		<u>\$ 36,712,634</u>	<u>\$ 16,113</u>	<u>\$ -</u>	<u>\$ 36,696,521</u>

Total Depreciation & Amortization Expense - Other	\$ 36,696,521
Retail Expense Allocation Factor [See Appendix 6, pg 1 of 2]	99.27%
Retail Other Depreciation & Amortization Expense - Other	<u>\$ 36,428,636</u>
Total Retail Depreciation & Amortization Expense	<u>\$ 389,220,057</u>

¹In accordance with the Order dated August 13, 2025 in Docket No. 33513, costs associated with Lindsay Hill will be recovered through Rate CNP-C beginning May 1, 2027. In the interim, costs associated with Lindsay Hill, included in the environmental compliance plan, have been removed from the amounts presented herein.

**Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2026**

Total Under-Recovery from Prior Year Filing [See 2025 Filing, Appendix 4 (pg 1 of 14)]		\$ 31,007,413
2026 Filing Over-Recovery for Compliance Cost Year 2024 [See Appendix 4 (pg 7 of 13)]	\$ (14,793,322)	
2025 Filing Over-Recovery for Compliance Cost Year 2024 [See 2025 Filing, Appendix 4 (pg 14 of 14)]	(9,789,656)	
		(5,003,666)
2026 Filing Over-Recovery for Compliance Cost Year 2025 [See Appendix 4 (pg 13 of 13)]		(12,844,667)
Total Under-Recovery for Compliance Cost Year 2026		<u>\$ 13,159,080</u>

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2026

(Over)/Under Recovery Calculation
 Actual January - December 2024

Net Investment True-Up - Environmental

		Plant in Service	Accumulated Depreciation & Amortization	Accumulated Deferred Income Taxes	Third Party Offsets ¹	Net Unrecovered Investment ²	Net Investment
January	2024	\$ 4,986,909,101	\$ 1,236,980,753	\$ 862,864,793	\$ -	\$ 740,595,515	\$ 3,627,659,070
February	2024	4,992,060,741	1,256,673,975	864,142,208	1,342,367	748,988,229	3,618,890,420
March	2024	4,987,718,754	1,271,670,481	865,418,568	1,335,708	757,468,016	3,606,762,013
April	2024	4,992,868,535	1,287,856,327	866,696,203	1,329,056	765,152,965	3,602,139,914
May	2024	4,993,097,188	1,303,164,991	867,973,934	1,329,329	773,949,822	3,594,578,756
June	2024	4,980,429,022	1,308,142,982	869,248,537	1,322,602	783,359,049	3,585,073,950
July	2024	4,981,048,829	1,326,983,306	870,523,294	1,315,921	792,333,806	3,574,560,114
August	2024	4,980,882,521	1,342,485,278	871,798,016	1,309,268	801,645,601	3,566,935,560
September	2024	4,982,296,320	1,359,153,686	873,073,085	1,302,590	810,548,453	3,559,315,412
October	2024	4,984,074,723	1,370,919,277	874,348,593	1,295,863	819,284,670	3,556,795,660
November	2024	4,985,664,947	1,384,980,864	875,626,201	1,315,335	825,874,394	3,549,618,941
December	2024	4,990,172,599	1,399,931,639	876,904,262	1,445,739	830,764,924	3,542,655,883
12 Months Average Net Investment - Environmental							\$ 3,582,081,974

Average Net Plant Balance - Environmental	\$ 3,582,081,974
Retail Electric Investment Factor [See Appendix 6, pg 2 of 2]	96.42%
Retail Average Net Environmental Plant Balance	\$ 3,453,843,439
Retail Cost of Capital Rev Requirement Rate [See Appendix 7, pg 1 of 3]	9.8099%
Retail Revenue Requirement for Net Investment - Environmental	<u>\$ 338,818,588</u>

Net Investment True-Up - Other

		Plant in Service	Accumulated Depreciation & Amortization	Accumulated Deferred Income Taxes	Third Party Offsets ¹	Net Investment	
January	2024	\$ 733,322,224	\$ 149,616,913	\$ 113,291,519	\$ -	\$ 470,413,792	
February	2024	733,558,866	152,053,763	113,161,710	14,194	468,329,199	
March	2024	733,655,104	154,467,708	113,031,884	14,124	466,141,388	
April	2024	736,676,941	156,909,295	112,901,523	14,053	466,852,070	
May	2024	735,589,536	157,847,450	112,771,354	13,983	464,956,749	
June	2024	735,364,439	160,311,946	112,641,226	13,912	462,397,355	
July	2024	735,394,494	162,736,169	112,511,092	13,842	460,133,391	
August	2024	736,045,295	165,195,284	112,380,843	13,772	458,455,396	
September	2024	736,583,985	167,658,921	112,250,498	14,728	456,659,838	
October	2024	738,493,361	170,135,383	112,119,816	14,653	456,223,509	
November	2024	739,890,614	169,898,389	111,988,886	14,580	457,988,759	
December	2024	746,997,952	173,823,374	111,856,697	14,509	461,303,372	
12 Months Average Net Investment - Other							\$ 462,487,902

Average Net Plant Balance - Other	\$ 462,487,902
Retail Electric Investment Factor [See Appendix 6, pg 2 of 2]	96.42%
Retail Average Net Plant Balance - Other	\$ 445,930,835
Retail Cost of Capital Rev Requirement Rate [See Appendix 7, pg 1 of 3]	10.0330%
Retail Revenue Requirement for Net Investment - Other	<u>\$ 44,740,241</u>
Total Retail Revenue Requirement for Net Investment	\$ 383,558,829 (A)

¹Adjustment related to third party arrangement.

²Net Unrecovered Investment. [See Appendix 4, pg 6 of 13]

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2026

(Over)/Under Recovery Calculation
 Actual January - December 2024

Operation & Maintenance Expense True-Up - Environmental

		O&M (Including Labor Overhead)	Taxes Other Than Income Taxes	Third Party Offsets ¹	Joint Use Rent	Total Company Less Third Party Offsets & Joint Use Rent
January	2024	\$ 14,493,087	\$ 2,126,979	\$ -	\$ 439,392	\$ 16,180,674
February	2024	8,879,627	2,096,655	19,969	439,392	10,516,921
March	2024	14,197,854	2,002,457	11,872	439,392	15,749,047
April	2024	10,511,869	2,045,512	12,981	439,392	12,105,008
May	2024	10,457,462	2,013,838	16,406	1,083,205	11,371,689
June	2024	13,888,350	2,028,520	(887)	568,154	15,349,603
July	2024	12,751,032	2,017,970	12,936	568,154	14,187,912
August	2024	13,871,194	2,049,487	13,574	568,154	15,338,953
September	2024	13,108,864	2,031,919	24,858	568,154	14,547,771
October	2024	14,609,310	2,055,809	15,748	568,154	16,081,217
November	2024	12,583,759	2,038,115	17,414	568,154	14,036,306
December	2024	17,220,347	2,068,982	14,079	568,154	18,705,096
		<u>\$ 156,572,755</u>	<u>\$ 24,574,243</u>	<u>\$ 158,950</u>	<u>\$ 6,817,851</u>	<u>\$ 174,170,197</u>

Total Operation & Maintenance Expense - Environmental \$ 174,170,197
 Retail Expense Allocation Factor [See Appendix 6, pg 2 of 2] 95.98%
Retail Operation & Maintenance Expense - Environmental \$ 167,168,555

Operation & Maintenance Expense True-Up - Other

		O&M (Including Labor Overhead)	Taxes Other Than Income Taxes	Third Party Offsets ¹	Joint Use Rent	Total Company Less Third Party Offsets & Joint Use Rent
January	2024	\$ 6,904,194	\$ 715,432	\$ -	\$ 260	\$ 7,619,366
February	2024	6,652,801	744,351	53	260	7,396,839
March	2024	7,800,109	707,588	-	260	8,507,437
April	2024	7,752,671	717,482	-	260	8,469,893
May	2024	9,390,996	713,150	-	641	10,103,505
June	2024	10,450,946	724,476	-	336	11,175,086
July	2024	8,098,383	707,615	55	336	8,805,607
August	2024	11,113,968	713,660	-	336	11,827,292
September	2024	9,690,746	710,604	266	336	10,400,748
October	2024	11,284,476	728,563	-	336	12,012,703
November	2024	8,038,791	724,165	-	336	8,762,620
December	2024	10,338,903	724,477	6,743	336	11,056,301
		<u>\$ 107,516,984</u>	<u>\$ 8,631,563</u>	<u>\$ 7,117</u>	<u>\$ 4,033</u>	<u>\$ 116,137,397</u>

Total Operation & Maintenance Expense - Other \$ 116,137,397
 Retail Expense Allocation Factor [See Appendix 6, pg 2 of 2] 95.98%
Retail Operation & Maintenance Expense - Other \$ 111,488,674

Total Retail Operation & Maintenance Expense \$ 278,637,229 (B)

¹ Adjustment related to third party arrangement.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2026

(Over)/Under Recovery Calculation
Actual January - December 2024

Depreciation & Amortization Expense True-Up - Environmental

		Depreciation & Amortization Expense	Third Party Offsets ¹	Total Company Less Third Party Offsets	Closure Cost CCR Facility Recovery
January	2024	\$ 25,892,097	\$ -	\$ 25,892,097	\$ 5,972,989
February	2024	25,900,234	6,963	25,893,271	5,972,989
March	2024	25,910,371	6,962	25,903,409	5,972,989
April	2024	25,907,847	6,964	25,900,883	5,972,989
May	2024	25,927,261	6,965	25,920,296	5,972,989
June	2024	25,921,560	6,971	25,914,589	5,972,989
July	2024	25,902,439	4,726	25,897,713	5,972,989
August	2024	25,902,386	4,726	25,897,660	5,972,989
September	2024	25,901,706	4,727	25,896,979	5,972,989
October	2024	25,908,306	6,970	25,901,335	5,972,989
November	2024	25,913,919	6,970	25,906,949	5,972,989
December	2024	25,919,871	7,227	25,912,644	5,972,989
		<u>\$ 310,907,996</u>	<u>\$ 70,171</u>	<u>\$ 310,837,825</u>	<u>\$ 71,675,868</u>

Total Depreciation & Amortization Expense - Environmental	\$ 310,837,825
Closure Cost CCR Facility Recovery - Environmental	71,675,868
Unrecovered Investment Amortization Expense - Environmental [Appendix 4, pg 6 of 13]	(70,629,149)
Total Cost of Removal Recovery - Environmental [See Appendix 4, pg 6 of 13]	54,981,348
Total Depreciation & Amortization Expense - Environmental	<u>\$ 366,865,892</u>
Retail Expense Allocation Factor [See Appendix 6, pg 2 of 2]	95.98%
Retail Depreciation & Amortization Expense - Environmental	<u>\$ 352,117,883</u>

Depreciation & Amortization Expense True-Up - Other

		Depreciation & Amortization Expense	Third Party Offsets ¹	Total Company Less Third Party Offsets
January	2024	\$ 2,462,616	\$ -	\$ 2,462,616
February	2024	2,461,996	63	2,461,933
March	2024	2,462,621	63	2,462,558
April	2024	2,462,768	63	2,462,705
May	2024	2,475,536	63	2,475,473
June	2024	2,470,073	63	2,470,010
July	2024	2,469,490	63	2,469,427
August	2024	2,469,707	63	2,469,644
September	2024	2,472,127	63	2,472,064
October	2024	2,480,599	63	2,480,536
November	2024	2,489,871	63	2,489,808
December	2024	2,484,031	63	2,483,968
		<u>\$ 29,661,435</u>	<u>\$ 693</u>	<u>\$ 29,660,742</u>

Total Depreciation & Amortization Expense - Other	\$ 29,660,742
Retail Expense Allocation Factor [See Appendix 6, pg 2 of 2]	95.98%
Retail Other Depreciation & Amortization Expense - Other	<u>\$ 28,469,360</u>
Total Retail Depreciation & Amortization Expense	<u>\$ 380,586,263</u> (C)

¹ Adjustment related to third party arrangement.

Alabama Power Company
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Cost Year 2026

(Over)/Under Recovery Calculation
 Actual January - December 2024

Accumulated Depreciation True Up - Environmental¹

		Depreciation & Amortization Expense	Retirements	Cost of Removal CCR Facility Closure Cost	Closure Cost CCR Facility Recovery	All Other Cost of Removal/Salvage	Accumulated Depreciation & Amortization ²
Beginning Balance							\$ 1,219,498,393
January	2024	\$ 25,892,097	\$ (202,496)	\$ (13,921,826)	\$ 5,972,989	\$ (258,404)	\$ 1,236,980,753
February	2024	25,900,234	(2,115,669)	(9,874,792)	5,972,989	(189,540)	1,256,673,975
March	2024	25,910,371	(5,260,986)	(11,525,733)	5,972,989	(100,135)	1,271,670,481
April	2024	25,907,847	(461,740)	(15,222,162)	5,972,989	(11,088)	1,287,856,327
May	2024	25,927,261	(463,376)	(16,104,656)	5,972,989	(23,554)	1,303,164,991
June	2024	25,921,560	(13,384,941)	(13,502,199)	5,972,989	(29,418)	1,308,142,982
July	2024	25,902,439	(1,431,513)	(11,595,618)	5,972,989	(7,973)	1,326,983,306
August	2024	25,902,386	(223,104)	(16,123,881)	5,972,989	(26,418)	1,342,485,278
September	2024	25,901,706	(30,871)	(15,030,960)	5,972,989	(144,456)	1,359,153,686
October	2024	25,908,305	(821,156)	(19,160,543)	5,972,989	(134,004)	1,370,919,277
November	2024	25,913,919	(1,696,075)	(15,829,203)	5,972,989	(300,043)	1,384,980,864
December	2024	25,919,871	(1,661,449)	(15,412,083)	5,972,989	131,447	1,399,931,639

¹Impact of third party offsets are not included.

²In 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 2026

(Over)/Under Recovery Calculation
Actual January - December 2024

Net Unrecovered investment True-Up - Environmental

		Unrecovered Investment ¹	Accumulated Amortization	Accumulated Deferred Income Taxes	Accumulated Cost of Removal (Cost)/Recovery	Net Unrecovered Investment ²
January	2024	\$ 878,058,285	\$ 214,428,449	\$ 268,217,404	\$ (345,183,083)	\$ 740,595,515
February	2024	889,947,331	218,185,550	270,908,757	(348,135,205)	748,988,229
March	2024	901,842,686	221,942,652	273,630,989	(351,198,971)	757,468,016
April	2024	913,742,456	225,699,754	276,065,127	(353,175,390)	765,152,965
May	2024	925,639,803	229,336,962	278,781,278	(356,428,259)	773,949,822
June	2024	937,536,937	232,974,170	281,743,985	(360,540,267)	783,359,049
July	2024	949,435,447	236,611,378	284,536,125	(364,045,862)	792,333,806
August	2024	961,332,980	240,248,586	287,537,455	(368,098,662)	801,645,601
September	2024	973,230,427	243,885,794	290,342,627	(371,546,447)	810,548,453
October	2024	985,128,460	247,523,002	293,662,640	(375,341,852)	819,284,670
November	2024	997,027,623	251,160,211	296,982,949	(378,989,931)	825,874,394
December	2024	1,008,930,673	254,797,419	300,304,273	(376,935,943)	830,764,924

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 ³	Accumulated Cost of Removal (Cost)/Recovery
Beginning Balance					\$ (343,400,695)
January	2024	\$ (5,093,934)	\$ 3,574,108	\$ (262,562)	\$ (345,183,083)
February	2024	(6,107,893)	3,574,108	(418,337)	(348,135,205)
March	2024	(5,603,019)	3,574,108	(1,034,855)	(351,198,971)
April	2024	(5,500,397)	3,574,108	(50,130)	(353,175,390)
May	2024	(6,243,496)	3,574,108	(583,481)	(356,428,259)
June	2024	(7,474,094)	3,574,108	(212,022)	(360,540,267)
July	2024	(7,802,439)	3,574,108	722,736	(364,045,862)
August	2024	(8,564,112)	3,574,108	937,204	(368,098,662)
September	2024	(7,809,238)	3,574,108	787,345	(371,546,447)
October	2024	(7,465,194)	3,574,108	95,681	(375,341,852)
November	2024	(5,838,530)	3,574,108	616,343	(378,989,931)
December	2024	(4,247,230)	3,574,108	727,110	(376,935,943)

Unrecovered Investment - Cost Recovery True-Up - Environmental

		Amortization	Accretion ⁴	Net (Accretion) / Amortization	Closure Cost CCR Facility Recovery	All Other Cost of Removal Recovery ⁵	Total Cost of Removal Recovery
January	2024	\$ 3,757,102	\$ (9,561,635)	\$ (5,804,533)	\$ 3,574,108	\$ 1,007,671	\$ 4,581,779
February	2024	3,757,102	(9,561,647)	(5,804,545)	3,574,108	1,007,671	4,581,779
March	2024	3,757,102	(9,561,648)	(5,804,546)	3,574,108	1,007,671	4,581,779
April	2024	3,757,102	(9,566,035)	(5,808,933)	3,574,108	1,007,671	4,581,779
May	2024	3,637,208	(9,563,597)	(5,926,389)	3,574,108	1,007,671	4,581,779
June	2024	3,637,208	(9,563,188)	(5,925,980)	3,574,108	1,007,671	4,581,779
July	2024	3,637,208	(9,563,436)	(5,926,228)	3,574,108	1,007,671	4,581,779
August	2024	3,637,208	(9,562,194)	(5,924,986)	3,574,108	1,007,671	4,581,779
September	2024	3,637,208	(9,561,977)	(5,924,769)	3,574,108	1,007,671	4,581,779
October	2024	3,637,208	(9,562,566)	(5,925,358)	3,574,108	1,007,671	4,581,779
November	2024	3,637,208	(9,562,867)	(5,925,659)	3,574,108	1,007,671	4,581,779
December	2024	3,637,208	(9,564,431)	(5,927,223)	3,574,108	1,007,671	4,581,779
		\$ 44,126,072	\$ (114,755,221)	\$ (70,629,149)	\$ 42,889,296	\$ 12,092,052	\$ 54,981,348

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

² Reflects authorization in APSC Docket No. U-5033 related to unit retirements as a result of the effects of pending Environmental Mandates.

³Includes non-CCR ARO and dismantlement cost and recovery.

⁴Represents 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.

⁵Includes non-CCR ARO and dismantlement cost recovery.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2026

(Over)/Under Recovery Calculation
Actual January - December 2024

Retail Revenue Requirement Recovery True-Up

		Retail Revenue Requirement Recovery
January	2024	\$ 98,962,431
February	2024	88,730,077
March	2024	74,487,006
April	2024	68,526,160
May	2024	78,278,986
June	2024	94,030,513
July	2024	107,113,372
August	2024	106,810,631
September	2024	102,369,700
October	2024	84,275,069
November	2024	70,324,066
December	2024	83,667,632
		\$ 1,057,575,643 (D)

True-Up Calculation

Retail Revenue Requirement for Net Investment	\$ 383,558,829	(A)
Retail Operation & Maintenance Expense	278,637,229	(B)
Retail Depreciation & Amortization Expense	380,586,263	(C)
2024 Retail Revenue Requirement	\$ 1,042,782,321	
2024 Retail Revenue Requirement Recovery	1,057,575,643	(D)
Amount of (over)/under recovery ((A)+(B)+(C)-(D))	\$ (14,793,322)	

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2026

(Over)/Under Recovery Calculation
Actual January - September 2025

Projected October - December 2025

Net Investment True-Up - Environmental¹

		Plant in Service	Accumulated Depreciation & Amortization	Accumulated Deferred Income Taxes ²	Third Party Offsets ³	Net Unrecovered Investment ⁴	Net Investment
January	2025	\$ 4,988,821,321	\$ 1,417,004,856	\$ 874,308,842	\$ 1,552,683	\$ 837,170,866	\$ 3,532,925,806
February	2025	4,989,987,835	1,435,070,534	871,712,648	1,546,846	844,882,516	3,526,540,323
March	2025	4,991,623,764	1,451,567,540	869,115,712	1,541,008	851,547,951	3,520,947,455
April	2025	4,991,533,184	1,469,044,506	866,518,802	1,535,171	858,353,138	3,512,787,843
May	2025	4,991,110,984	1,484,384,642	863,922,174	1,529,334	861,742,892	3,503,017,726
June	2025	4,996,146,414	1,500,821,614	861,322,893	1,523,496	868,528,592	3,501,007,003
July	2025	4,991,701,769	1,503,268,294	858,729,836	1,517,659	875,074,800	3,503,260,780
August	2025	4,995,230,629	1,519,911,730	856,135,166	1,511,822	881,727,764	3,499,399,675
September	2025	4,996,628,175	1,524,978,650	853,540,345	1,506,408	888,298,351	3,504,901,123
October	2025	5,013,312,675	1,530,743,464	850,938,741	1,487,006	893,191,821	3,523,335,284
November	2025	5,014,789,261	1,538,505,790	848,336,355	1,478,916	898,655,671	3,525,123,872
December	2025	5,026,273,938	1,544,553,674	845,727,875	1,470,825	903,611,566	3,538,133,130
12 Months Average Net Investment - Environmental							\$ 3,515,948,335

Average Net Plant Balance - Environmental	\$ 3,515,948,335
Retail Electric Investment Factor [See Appendix 6, pg 2 of 2]	96.42%
Retail Average Net Environmental Plant Balance	<u>\$ 3,390,077,385</u>
Retail Cost of Capital Rev. Requirement Rate [See Appendix 7, pg 2 of 3]	9.9200%
Retail Revenue Requirement for Net Investment - Environmental	<u>\$ 336,295,677</u>

Net Investment True-Up - Other¹

		Plant in Service	Accumulated Depreciation & Amortization	Accumulated Deferred Income Taxes ²	Third Party Offsets ³	Net Investment	
January	2025	\$ 771,627,557	\$ 178,289,357	\$ 111,844,683	\$ 504,076	\$ 480,989,441	
February	2025	771,400,640	181,061,277	111,832,710	502,735	478,003,918	
March	2025	771,368,014	190,133,608	111,820,738	501,394	468,912,274	
April	2025	771,374,243	192,871,380	111,808,766	500,052	466,194,045	
May	2025	771,380,991	195,605,951	111,796,794	498,711	463,479,535	
June	2025	772,453,804	192,473,000	111,784,805	497,370	467,698,629	
July	2025	773,255,812	195,222,093	111,772,460	496,029	465,765,230	
August	2025	773,274,782	197,972,647	111,760,114	494,688	463,047,333	
September	2025	773,240,945	200,684,793	111,747,764	493,347	460,315,041	
October	2025	816,405,919	203,680,724	111,735,085	412,674	500,577,436	
November	2025	819,555,407	206,585,506	111,722,357	408,990	500,838,554	
December	2025	850,612,176	209,498,093	111,709,044	405,306	528,999,733	
12 Months Average Net Investment - Other							\$ 478,735,097

Average Net Plant Balance - Other	\$ 478,735,097
Retail Electric Investment Factor [See Appendix 6, pg 2 of 2]	96.42%
Retail Average Net Plant Balance - Other	<u>\$ 461,596,381</u>
Retail Cost of Capital Rev. Requirement Rate [See Appendix 7, pg 2 of 3]	10.0852%
Retail Revenue Requirement for Net Investment - Other	<u>\$ 46,552,918</u>
Total Retail Revenue Requirement for Net Investment	\$ 382,848,595 (A)

¹In accordance with the Order dated August 13, 2025 in Docket No. 33513, costs associated with Lindsay Hill will be recovered through Rate CNP-C beginning May 1, 2027. In the interim, costs associated with Lindsay Hill, included in the environmental compliance plan, have been removed from the amounts presented herein.

²Accumulated Deferred Income Taxes are estimated and not actualized.

³Adjustment related to third party arrangement. Third party offsets are estimated and not actualized.

⁴Net Unrecovered Investment. [See Appendix 4, pg 12 of 13]

Alabama Power Company
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Cost Year 2026

(Over)/Under Recovery Calculation
Actual January - September 2025

Projected October - December 2025

Operation & Maintenance Expense True-Up - Environmental¹

		O&M (Including Labor Overhead)	Taxes Other Than Income Taxes	Third Party Offsets ²	Joint Use Rent	Total Company Less Central Alabama & Joint Use Rent
January	2025	\$ 13,772,460	\$ 2,228,856	\$ 14,791	\$ 568,154	\$ 15,418,371
February	2025	12,278,335	2,964,708	14,510	568,154	14,660,379
March	2025	19,687,789	1,413,757	14,851	568,154	20,518,541
April	2025	12,346,674	2,178,647	14,755	568,154	13,942,412
May	2025	13,065,569	2,179,184	19,674	606,448	14,618,631
June	2025	11,757,491	2,165,426	14,755	575,813	13,332,349
July	2025	10,754,339	2,163,139	14,851	575,813	12,326,814
August	2025	13,318,536	2,167,554	14,909	575,813	14,895,368
September	2025	11,566,252	2,168,049	14,811	607,877	13,111,613
October	2025	16,268,959	2,159,421	16,223	593,336	17,838,821
November	2025	16,190,587	2,148,784	25,673	593,336	17,720,362
December	2025	16,815,620	2,153,050	15,177	593,336	18,360,157
		\$ 167,842,611	\$ 26,090,575	\$ 194,980	\$ 6,994,388	\$ 186,743,818

Total Operation & Maintenance Expense - Environmental	\$ 186,743,818
Retail Expense Allocation Factor [See Appendix 6, pg 2 of 2]	95.98%
Retail Operation & Maintenance Expense - Environmental	\$ 179,236,717

Operation & Maintenance Expense True-Up - Other¹

		O&M (Including Labor Overhead)	Taxes Other Than Income Taxes	Third Party Offsets ²	Joint Use Rent	Total Company Less Central Alabama & Joint Use Rent
January	2025	\$ 9,072,818	\$ 779,531	\$ 191	\$ 336	\$ 9,851,822
February	2025	8,853,192	881,404	186	336	9,734,074
March	2025	7,624,867	686,539	193	336	8,290,877
April	2025	8,225,604	759,402	191	336	8,984,479
May	2025	8,815,237	766,162	193	359	9,580,847
June	2025	8,652,887	754,107	191	341	9,406,462
July	2025	8,997,652	751,371	193	341	9,748,489
August	2025	16,585,638	767,850	193	341	17,352,954
September	2025	3,754,229	762,638	191	341	4,516,335
October	2025	9,820,204	774,129	190	1,751	10,592,392
November	2025	9,980,288	771,418	187	1,751	10,749,768
December	2025	11,014,812	771,292	189	2,080	11,783,835
		\$ 111,397,428	\$ 9,205,843	\$ 2,288	\$ 8,549	\$ 120,592,334

Total Operation & Maintenance Expense - Other	\$ 120,592,334
Retail Expense Allocation Factor [See Appendix 6, pg 2 of 2]	95.98%
Retail Operation & Maintenance Expense - Other	\$ 115,744,522

Total Retail Operation & Maintenance Expense **\$ 294,981,239 (B)**

¹In accordance with the Order dated August 13, 2025 in Docket No. 33513, costs associated with Lindsay Hill will be recovered through Rate CNP-C beginning May 1, 2027. In the interim, costs associated with Lindsay Hill, included in the environmental compliance plan, have been removed from the amounts presented herein.

²Adjustment related to third party arrangement. Third party offsets are estimated and not actualized.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
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(Over)/Under Recovery Calculation
Actual January - September 2025

Projected October - December 2025

Depreciation & Amortization Expense True-Up - Environmental¹

		Depreciation & Amortization Expense	Third Party Offsets ²	Total Company Less Third Party Offsets	Closure Cost CCR Facility Recovery
January	2025	\$ 25,932,255	\$ 7,156	\$ 25,925,099	\$ 5,972,989
February	2025	25,915,690	7,156	25,908,534	5,972,989
March	2025	25,905,874	7,156	25,898,718	5,972,989
April	2025	25,954,259	7,156	25,947,103	5,972,989
May	2025	25,937,782	7,156	25,930,626	5,972,989
June	2025	25,886,595	7,156	25,879,439	5,972,989
July	2025	25,935,276	7,156	25,928,120	5,972,989
August	2025	25,923,483	7,156	25,916,327	5,972,989
September	2025	25,937,150	7,156	25,929,994	5,972,989
October	2025	25,960,826	7,187	25,953,639	5,972,989
November	2025	26,030,489	7,198	26,023,291	5,972,989
December	2025	26,032,161	7,198	26,024,963	5,972,989
		<u>\$ 311,351,840</u>	<u>\$ 85,988</u>	<u>\$ 311,265,852</u>	<u>\$ 71,675,868</u>

Total Depreciation & Amortization Expense - Environmental	\$ 311,265,852
Closure Cost CCR Facility Recovery - Environmental	71,675,868
Unrecovered Investment Amortization Expense - Environmental [Appendix 4, pg 12 of 13]	(75,896,409)
Total Cost of Removal Recovery - Environmental [See Appendix 4, pg 12 of 13]	47,639,520
Total Depreciation & Amortization Expense - Environmental	<u>\$ 354,684,831</u>
Retail Expense Allocation Factor [See Appendix 6, pg 2 of 2]	95.98%
Retail Depreciation & Amortization Expense - Environmental	<u>\$ 340,426,501</u>

Depreciation & Amortization Expense True-Up - Other¹

		Depreciation & Amortization Expense	Third Party Offsets ²	Total Company Less Third Party Offsets
January	2025	\$ 2,696,142	\$ 1,341	\$ 2,694,801
February	2025	2,772,654	1,341	2,771,313
March	2025	2,752,544	1,341	2,751,203
April	2025	2,738,562	1,341	2,737,221
May	2025	2,734,714	1,341	2,733,373
June	2025	2,746,286	1,341	2,744,945
July	2025	2,749,049	1,341	2,747,708
August	2025	2,750,553	1,341	2,749,212
September	2025	2,751,067	1,341	2,749,726
October	2025	2,854,498	1,341	2,853,157
November	2025	2,943,035	1,341	2,941,694
December	2025	2,950,635	1,341	2,949,294
		<u>\$ 33,439,739</u>	<u>\$ 16,092</u>	<u>\$ 33,423,647</u>

Total Depreciation & Amortization Expense - Other	\$ 33,423,647
Retail Expense Allocation Factor [See Appendix 6, pg 2 of 2]	95.98%
Retail Other Depreciation & Amortization Expense - Other	<u>\$ 32,080,016</u>
Total Retail Depreciation & Amortization Expense	<u>\$ 372,506,517 (C)</u>

¹In accordance with the Order dated August 13, 2025 in Docket No. 33513, costs associated with Lindsay Hill will be recovered through Rate CNP-C beginning May 1, 2027. In the interim, costs associated with Lindsay Hill, included in the environmental compliance plan, have been removed from the amounts presented herein.

²Adjustment related to third party arrangement. Third party offsets are estimated and not actualized.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2026

(Over)/Under Recovery Calculation
Actual January - September 2025

Projected October - December 2025

Accumulated Depreciation True Up - Environmental¹

		Depreciation & Amortization Expense	Retirements	Cost of Removal CCR Facility Closure Cost	Closure Cost CCR Facility Recovery	All Other Cost of Removal/Salvage	Accumulated Depreciation & Amortization ²
Beginning Balance							\$ 1,399,931,639
January	2025	\$ 25,932,255	\$ (1,725,921)	\$ (12,830,060)	\$ 5,972,989	\$ (276,046)	\$ 1,417,004,856
February	2025	25,915,690	-	(13,761,995)	5,972,989	(61,006)	1,435,070,534
March	2025	25,905,874	(804,540)	(14,218,683)	5,972,989	(358,634)	1,451,567,540
April	2025	25,954,259	(867,456)	(13,559,696)	5,972,989	(23,130)	1,469,044,506
May	2025	25,937,782	(1,431,958)	(14,641,711)	5,972,989	(496,966)	1,484,384,642
June	2025	25,886,595	(318,060)	(15,010,583)	5,972,989	(93,969)	1,500,821,614
July	2025	25,935,276	(5,125,847)	(24,305,747)	5,972,989	(29,991)	1,503,268,294
August	2025	25,923,483	(174,097)	(15,032,273)	5,972,989	(46,666)	1,519,911,730
September	2025	25,937,150	(357,790)	(26,448,364)	5,972,989	(37,065)	1,524,978,650
October	2025	25,960,826	(1,436,556)	(23,571,727)	5,972,989	(1,160,718)	1,530,743,464
November	2025	26,030,489	(164,065)	(23,571,727)	5,972,989	(505,360)	1,538,505,790
December	2025	26,032,161	(1,211,856)	(24,515,048)	5,972,989	(230,362)	1,544,553,674

¹Impact of third party offsets are not included. In addition, in accordance with the Order dated August 13, 2025 in Docket No. 33513, costs associated with Lindsay Hill will be recovered through Rate CNP-C beginning May 1, 2027. In the interim, costs associated with Lindsay Hill, included in the environmental compliance plan, have been removed from the amounts presented herein.

²In 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 2026

(Over)/Under Recovery Calculation
Actual January - September 2025

Projected October - December 2025

Net Unrecovered Investment True-Up - Environmental

		Unrecovered Investment ¹	Accumulated Amortization	Accumulated Deferred Income Taxes ²	Accumulated Cost of Removal (Cost)/Recovery	Net Unrecovered Investment ³
January	2025	\$ 968,063,476	\$ 205,266,709	\$ 304,621,576	\$ (378,995,675)	\$ 837,170,866
February	2025	979,945,216	208,497,064	308,935,709	(382,370,073)	844,882,516
March	2025	991,830,561	211,727,420	313,250,784	(384,695,594)	851,547,951
April	2025	1,003,712,964	214,957,776	317,565,090	(387,163,040)	858,353,138
May	2025	1,015,596,538	218,188,132	321,879,702	(388,214,188)	861,742,892
June	2025	1,027,486,885	221,418,488	326,196,085	(388,656,280)	868,528,592
July	2025	1,039,374,930	224,648,843	330,511,866	(390,860,579)	875,074,800
August	2025	1,051,262,270	227,879,199	334,827,462	(393,172,155)	881,727,764
September	2025	1,063,149,468	231,109,555	339,143,022	(395,401,460)	888,298,351
October	2025	1,075,040,474	234,339,910	343,459,576	(395,950,833)	893,191,821
November	2025	1,086,931,479	237,570,266	347,776,130	(397,070,588)	898,655,671
December	2025	1,098,823,472	240,800,622	352,092,942	(397,681,658)	903,611,566

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

		Cost of Removal CCR Facility Closure Cost	CCR Closure Cost Facility Recovery	All Other Cost of Removal - Net (Cost)/Recovery ⁴	Accumulated Cost of Removal (Cost)/Recovery
Beginning Balance					\$ (376,935,943)
January	2025	\$ (5,654,782)	\$ 3,574,108	\$ 20,942	\$ (378,995,675)
February	2025	(5,689,350)	3,574,108	(1,259,156)	(382,370,073)
March	2025	(5,847,639)	3,574,108	(51,990)	(384,695,594)
April	2025	(6,045,981)	3,574,108	4,427	(387,163,040)
May	2025	(2,607,864)	3,574,108	(17,392)	(388,214,188)
June	2025	(6,066,769)	3,574,108	50,569	(388,656,280)
July	2025	(5,396,364)	3,574,108	(382,043)	(390,860,579)
August	2025	(4,799,384)	3,574,108	(1,086,300)	(393,172,155)
September	2025	(4,670,762)	3,574,108	(1,132,651)	(395,401,460)
October	2025	(4,317,781)	3,574,108	194,300	(395,950,833)
November	2025	(4,754,732)	3,574,108	60,869	(397,070,588)
December	2025	(4,431,030)	3,574,108	245,852	(397,681,658)

Unrecovered Investment - Cost Recovery True-Up - Environmental

		Amortization	Accretion ⁵	Net (Accretion) / Amortization	Closure Cost CCR Facility Recovery	All Other Cost of Removal Recovery ⁶	Total Cost of Removal Recovery
January	2025	\$ 3,230,356	\$ (9,561,838)	\$ (6,331,482)	\$ 3,574,108	\$ 395,852	\$ 3,969,960
February	2025	3,230,356	(9,550,758)	(6,320,402)	3,574,108	395,852	3,969,960
March	2025	3,230,356	(9,554,354)	(6,323,998)	3,574,108	395,852	3,969,960
April	2025	3,230,356	(9,551,100)	(6,320,744)	3,574,108	395,852	3,969,960
May	2025	3,230,356	(9,553,023)	(6,322,667)	3,574,108	395,852	3,969,960
June	2025	3,230,356	(9,556,135)	(6,325,779)	3,574,108	395,852	3,969,960
July	2025	3,230,356	(9,556,273)	(6,325,917)	3,574,108	395,852	3,969,960
August	2025	3,230,356	(9,553,927)	(6,323,571)	3,574,108	395,852	3,969,960
September	2025	3,230,356	(9,554,085)	(6,323,729)	3,574,108	395,852	3,969,960
October	2025	3,230,356	(9,556,396)	(6,326,040)	3,574,108	395,852	3,969,960
November	2025	3,230,356	(9,556,396)	(6,326,040)	3,574,108	395,852	3,969,960
December	2025	3,230,356	(9,556,396)	(6,326,040)	3,574,108	395,852	3,969,960
		\$ 38,764,272	\$ (114,660,681)	\$ (75,896,409)	\$ 42,889,296	\$ 4,750,224	\$ 47,639,520

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

²Accumulated Deferred Income Taxes are estimated and not actualized.

³Reflects authorization in APSC Docket No. U-5033 related to unit retirements as a result of the effects of pending Environmental Mandates.

⁴Includes non-CCR ARO and dismantlement cost and recovery.

⁵Represents 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.

⁶Includes non-CCR ARO and dismantlement cost recovery.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2026

(Over)/Under Recovery Calculation
Actual January - September 2025

Projected October - December 2025

Retail Revenue Requirement Recovery True-Up

		Retail Revenue Requirement Recovery
January	2025	\$ 96,887,874
February	2025	91,302,269
March	2025	77,014,841
April	2025	71,343,108
May	2025	77,603,146
June	2025	89,987,999
July	2025	104,787,926
August	2025	107,818,921
September	2025	97,353,794
October	2025	84,892,799
November	2025	75,937,021
December	2025	86,251,320
		\$ 1,063,181,018 (D)

True-Up Calculation

Retail Revenue Requirement for Net Investment	\$ 382,848,595	(A)
Retail Operation & Maintenance Expense	294,981,239	(B)
Retail Depreciation & Amortization Expense	372,506,517	(C)
2025 Retail Revenue Requirement	\$ 1,050,336,351	
2025 Retail Revenue Requirement Recovery	1,063,181,018	(D)
Amount of (over)/under recovery [(A)+(B)-(C)-(D)]	\$ (12,844,867)	

ALABAMA POWER COMPANY
Projected Compliance Cost Recovery for 2026
(under currently effective factors)

(A)	(B)	(C)	(D)
Rate Schedule	Currently Effective CNP (Subpart C) Factor \$/kWh	Forecasted kWh 2026	Cost Recovery using Currently Effective Factor (B) X (C)
ASL	0.022807	23,893,148	544,931
BEVT	0.026149	24,356,464	636,897
BTA	0.023248	558,079,782	12,974,239
BTAL	0.011091	2,310,063,165	25,620,911
CFTU	0.012671	24,938,486	315,996
FCR-C	0.006326	116,777,948	738,737
FCR-I	0.006326	6,571,597,693	41,571,927
FD	0.027795	17,916,822,144	497,998,071
FDD	0.025187	4,658,159	117,325
XFDE	0.022007	148,284,597	3,263,299
XFDT	0.022405	3,053,860	68,422
FIRTU	0.017885	3,535,668	63,235
FMTU	0.015572	346,342,980	5,393,253
FPL	0.053453	208,600,836	11,150,340
XFSTU	0.020037	116,790,943	2,340,140
XGRTU	0.016696	146,187,111	2,440,740
HLF	0.009833	1,752,605,303	17,233,368
XHLTU	0.016764	20,045,975	336,051
XHMTU	0.020542	34,872,906	716,359
LAF	0.047446	20,860,776	989,760
LFS	0.028779	70,140,080	2,018,561
XLLTU	0.017103	6,324,209	108,163
XLMTU	0.020006	26,625,683	532,673
XLPLE	0.014158	559,249,593	7,917,856
XLPME	0.022931	1,609,702,640	36,912,091
XLPSE	0.032288	992,246,281	32,037,648
LPL	0.013218	3,228,943,397	42,680,174
LPLM	0.011588	6,522,729,703	75,585,392
LPM	0.030775	4,804,923,602	147,871,524
LPS	0.056264	391,188,409	22,009,825
XLPTL	0.013240	1,382,484,378	18,304,093
XLPTM	0.024209	53,114,924	1,285,859
XLPTS	0.026003	100,382,316	2,610,241
LTU	0.020716	24,413,712	505,754
MTU	0.011381	345,772,476	3,935,237
ODL	0.009677	166,291,143	1,609,199
OPF	0.017644	10,867,553	191,747
PG	0.036474	5,737,341	209,264
PMTU	0.011965	496,947,887	5,945,981
PTU	0.013882	21,504,369	298,524
XRLTU	0.017794	9,041,019	160,876
XRMTU	0.019548	103,733,440	2,027,781
RTA	0.025043	1,891,912	47,379
RTAE	0.026500	21,588,123	572,085
RTP	0.015543	1,140,197,276	17,722,086
XRTPD	0.012608	36,235	457
SCGTU	0.013193	129,837,335	1,712,944
SCH	0.023671	427,025,620	10,108,123
SLM	0.028151	30,227,850	850,944
TS	0.015981	17,158,668	274,213
TSTU	0.015737	4,376,125	68,867
TXTU	0.016712	13,611,630	227,478
XTP	0.029399	633,199	18,615
XWP	0.013659	734,333	10,030
Total		<u>53,072,050,405</u>	<u>\$ 1,060,885,685</u>

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2026

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)
NET INVESTMENT						
1	ELECTRIC GROSS PLANT	\$37,053,957,535	\$19,532,462,844	\$17,286,649,134	\$36,819,111,978	\$234,845,557
2	PROVISION FOR ACCUM DEPR & AMORT	12,337,228,407	6,414,559,208	5,840,806,821	12,255,366,029	81,862,378
3	NET PLANT	\$24,716,729,128	\$13,117,903,636	\$11,445,842,313	\$24,563,745,949	\$152,983,179
ADD:						
4	PLANT HELD FOR FUTURE USE	49,963,428	23,866,259	25,691,344	49,557,603	405,825
5	MATERIALS AND SUPPLIES	1,029,421,395	467,100,808	554,640,437	1,021,741,245	7,680,151
6	UNAMORTIZED LEASEHOLD IMPROVEMENTS	0	0	0	0	0
7	CONSTRUCTION WORK IN PROGRESS	1,392,691,342	713,601,786	669,983,932	1,383,585,718	9,105,624
8	AVERAGE DAILY BANK BALANCES	90,579,500	38,476,527	51,350,976	89,829,503	749,997
9	ELECTRIC PLANT ACQUISITION ADJUSTMENT	259,667,476	117,290,141	139,998,835	257,288,976	2,378,500
10	NUCLEAR FUEL	262,495,529	88,190,305	171,962,762	260,153,068	2,342,462
DEDUCT:						
11	SEGCO/AEC DEPOSIT	28,374,176	9,532,838	18,588,133	28,120,970	253,206
12	CUSTOMER ADVANCES FOR CONSTRUCTION	2,808,643	3,294	2,805,349	2,808,643	0
13	CUSTOMER DEPOSITS	112,613,305	45,833,690	66,779,616	112,613,305	0
14	TOTAL NET INVESTMENT	\$27,657,751,675	\$14,511,061,641	\$12,971,297,501	\$27,482,359,142	\$175,392,533
15	PERCENT OF TOTAL ELECTRIC SYSTEM	100.00%	52.47%	46.90%	99.37%	0.63%
16	RETAIL ELECTRIC INVESTMENT FACTOR				99.37%	
EXPENSES						
17	OPERATION AND MAINTENANCE EXPENSES	\$3,327,119,761	\$1,413,373,525	\$1,886,197,729	\$3,299,571,254	\$27,548,507
18	DEPRECIATION AND AMORTIZATION EXPENSE	1,463,119,051	747,735,610	705,353,371	1,453,088,981	10,030,069
19	OTHER AMORTIZATION AND ACCRETION	18,634,998	9,038,948	9,455,027	18,493,975	141,023
20	TAXES OTHER THAN INCOME TAXES	463,696,384	227,621,595	234,937,771	462,559,367	1,137,018
21	SALES TO NON-ASSOCIATED COMPANIES	(217,916,681)	(74,624,532)	(141,344,623)	(215,969,155)	(1,947,526)
22	OTHER ELECTRIC REVENUES	(242,196,312)	(128,275,910)	(112,232,998)	(240,508,908)	(1,687,404)
23	TOTAL EXPENSES	\$4,812,457,201	\$2,194,869,236	\$2,582,366,278	\$4,777,235,514	\$35,221,687
24	PERCENT OF TOTAL ELECTRIC SYSTEM	100.00%	45.61%	53.66%	99.27%	0.73%
25	RETAIL EXPENSE ALLOCATION FACTOR				99.27%	
ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION						
25	TOTAL AFUDC	\$75,741,989	\$38,399,246	\$36,839,333	\$75,238,579	\$503,410
26	PERCENT OF TOTAL ELECTRIC SYSTEM	100.00%	50.70%	48.64%	99.34%	0.66%
27	RETAIL ELECTRIC AFUDC ALLOCATION FACTOR				99.34%	

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)
NET INVESTMENT						
1	ELECTRIC GROSS PLANT	37,053,957,535	18,953,146,644	16,776,279,223	35,729,425,867	1,324,531,667
2	PROVISION FOR ACCUM DEPR & AMORT	12,337,228,407	6,212,182,851	5,661,818,112	11,874,000,963	463,227,444
3	NET PLANT	24,716,729,128	12,740,963,794	11,114,461,111	23,855,424,904	861,304,224
ADD:						
4	PLANT HELD FOR FUTURE USE	49,963,428	22,853,908	24,790,398	47,644,306	2,319,122
5	MATERIALS AND SUPPLIES	1,029,421,395	451,611,032	532,593,173	984,204,205	45,217,190
6	UNAMORTIZED LEASEHOLD IMPROVEMENTS	0	0	0	0	0
7	CONSTRUCTION WORK IN PROGRESS	1,392,691,342	690,982,063	649,940,002	1,340,922,064	51,769,278
8	AVERAGE DAILY BANK BALANCES	90,579,500	37,315,137	49,146,596	86,461,733	4,117,767
9	ELECTRIC PLANT ACQUISITION ADJUSTMENT	259,667,476	111,339,509	134,695,504	246,035,014	13,632,463
10	NUCLEAR FUEL	262,495,529	84,938,588	163,000,127	247,938,715	14,556,814
DEDUCT:						
11	SECCO/AEC DEPOSIT	28,374,176	9,181,347	17,619,326	26,800,673	1,573,503
12	CUSTOMER ADVANCES FOR CONSTRUCTION	2,808,643	3,294	2,805,349	2,808,643	0
13	CUSTOMER DEPOSITS	112,613,305	45,833,690	66,779,616	112,613,305	0
14	TOTAL NET INVESTMENT	\$27,657,751,675	\$14,084,985,701	\$12,581,422,620	\$26,666,408,320	\$991,343,355
15	PERCENT OF TOTAL ELECTRIC SYSTEM	100.00%	50.93%	45.49%	96.42%	3.58%
16	RETAIL ELECTRIC INVESTMENT FACTOR				96.42%	
EXPENSES						
17	OPERATION AND MAINTENANCE EXPENSES	3,327,119,761	1,370,640,469	1,805,227,575	3,175,868,044	151,251,717
18	DEPRECIATION AND AMORTIZATION EXPENSE	1,463,119,051	722,833,620	683,329,542	1,406,163,162	56,955,889
19	OTHER AMORTIZATION AND ACCRETION	18,634,998	8,686,633	9,140,846	17,827,479	807,518
20	TAXES OTHER THAN INCOME TAXES	463,696,384	224,837,509	232,465,591	457,303,100	6,393,284
21	SALES TO NON-ASSOCIATED COMPANIES	(217,916,681)	(71,796,642)	(134,071,414)	(205,868,055)	(12,048,625)
22	OTHER ELECTRIC REVENUES	(242,196,312)	(124,117,092)	(108,395,667)	(232,512,759)	(9,683,554)
23	TOTAL EXPENSES	\$4,812,457,201	\$2,131,084,497	\$2,487,696,474	\$4,618,780,971	\$193,676,229
24	PERCENT OF TOTAL ELECTRIC SYSTEM	100.00%	44.28%	51.69%	95.98%	4.02%
25	RETAIL EXPENSE ALLOCATION FACTOR				95.98%	
ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION						
25	TOTAL AFUDC	75,741,989	37,171,951	35,699,346	72,871,297	2,870,691
26	PERCENT OF TOTAL ELECTRIC SYSTEM	100.00%	49.08%	47.13%	96.21%	3.79%
27	RETAIL ELECTRIC AFUDC ALLOCATION FACTOR				96.21%	

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2026

Retail Cost of Capital Revenue Requirement Rate for 2024

Overall Cost of Capital as of December 31, 2024 - Environmental

Description - Environmental	Amount of Capital	Weight in Capital Structure	Cost	Weighted Cost	Income Tax Requirement (see below)	Revenue Requirement
Tax Exempt Debt	\$ 717,676,632	20.7791%	2.9586%	0.6148%	0.0000%	0.6148%
Other Debt	875,432,204	25.3466%	4.0322%	1.0220%	0.0000%	1.0220%
Total Debt	1,593,108,836	46.1257%	3.5485%	1.6368%	0.0000%	1.6368%
Common Equity	1,860,734,603	53.8743%		6.0500%	2.1231%	8.1731%
TOTAL	\$ 3,453,843,439	100.0000%		7.6868%		9.8099%

Overall Cost of Capital as of December 31, 2024 - Other

Description - Other	Amount of Capital	Weight in Capital Structure	Cost	Weighted Cost	Income Tax Requirement (see below)	Revenue Requirement
Total Debt	\$ 205,688,638	46.1257%	4.0322%	1.8599%	0.0000%	1.8599%
Common Equity	240,242,197	53.8743%		6.0500%	2.1231%	8.1731%
	\$ 445,930,835	100.0000%		7.9099%		10.0330%

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

F = Effective Statutory Federal Income Tax Rate = 22.0996%
S = Effective Statutory State Income Tax Rate = 6.3005%

$(0.220996 + 0.063005) - 2 * (0.220996 * 0.063005) = 25.9770\%$
 $1 - (0.220996 * 0.063005)$

Income Tax Requirement = $\frac{0.259770}{1 - 0.259770} = 35.0932\%$

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2026

Retail Cost of Capital Revenue Requirement Rate for 2025

Overall Cost of Capital as of September 30, 2025 - Environmental

Description - Environmental	Amount of Capital	Weight in Capital Structure	*Cost	*Weighted Cost	Income Tax Requirement (see below)	Revenue Requirement
Tax Exempt Debt	\$ 702,668,280	20.7272%	3.3153%	0.6872%	0.0000%	0.6872%
Other Debt	859,145,813	25.3430%	4.1125%	1.0422%	0.0000%	1.0422%
Total Debt	1,561,814,093	46.0702%	3.7538%	1.7294%	0.0000%	1.7294%
Common Equity	1,828,263,293	53.9298%		6.0500%	2.1406%	8.1906%
TOTAL	\$ 3,390,077,386	100.0000%		7.7794%		9.9200%

Overall Cost of Capital as of September 30, 2025 - Other

Description - Other	Amount of Capital	Weight in Capital Structure	*Cost	*Weighted Cost	Income Tax Requirement (see below)	Revenue Requirement
Total Debt	\$ 212,658,194	46.0702%	4.1125%	1.8946%	0.0000%	1.8946%
Common Equity	248,938,187	53.9298%		6.0500%	2.1406%	8.1906%
Combined Tax Rate =	\$ 461,596,381	100.0000%		7.9446%		10.0852%

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

F = Effective Statutory Federal Income Tax Rate
S = Effective Statutory State Income Tax Rate

$$\frac{(0.221367 + 0.065000) - 2 * (0.221367 * 0.065000)}{1 - (0.221367 * 0.065000)} = \frac{22.1367\% + 6.5000\% - 28.8834\%}{1 - 14.5889\%} = \frac{0.261350}{0.854111} = 30.6000\%$$

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

*The weighting in the capital structure for Total Debt in Cost Years 2026 and 2025 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 2026

Retail Cost of Capital Revenue Requirement Rate for 2026

Overall Cost of Capital as of September 30, 2025 - Environmental

Description - Environmental	Amount of Capital	Weight in Capital Structure	*Cost	*Weighted Cost	Income Tax Requirement (see below)	Revenue Requirement
Tax Exempt Debt	\$ 717,621,862	20.5826%	3.3153%	0.6824%	0.0000%	0.6824%
Other Debt	888,633,156	25.4876%	4.1120%	1.0480%	0.0000%	1.0480%
Total Debt	1,606,255,018	46.0702%	3.7560%	1.7304%	0.0000%	1.7304%
Common Equity	1,890,285,945	53.9298%		6.0500%	2.1406%	8.1906%
TOTAL	\$ 3,496,540,963	100.0000%		7.7804%		9.9210%

Overall Cost of Capital as of September 30, 2025 - Other

Description - Other	Amount of Capital	Weight in Capital Structure	*Cost	*Weighted Cost	Income Tax Requirement (see below)	Revenue Requirement
Total Debt	\$ 242,025,138	46.0702%	4.1120%	1.8944%	0.0000%	1.8944%
Common Equity	283,315,203	53.9298%		6.0500%	2.1406%	8.1906%
TOTAL	\$ 525,340,341	100.0000%		7.9444%		10.0850%

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%

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

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

*The weighting in the capital structure for Total Debt in Cost Years 2026 and 2025 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 2026

Accumulated Depreciation & Amortization - Environmental¹

Total Company		Depreciation & Amortization Expense [Appendix 3]	Retirements	Cost of Removal CCR Facility Closure Cost	Closure Cost CCR Facility Recovery [Appendix 3]	All Other Cost of Removal/Salvage	Accumulated Depreciation & Amortization²
Beginning Balance							\$ 1,544,553,674
January	2026	\$ 26,076,181	\$ (23,091)	\$ (16,072,835)	\$ 5,972,989	\$ (537,250)	\$ 1,559,969,668
February	2026	26,076,198	-	(16,072,835)	5,972,989	(430,000)	1,575,516,020
March	2026	26,076,198	-	(16,072,835)	5,972,989	(430,000)	1,591,062,372
April	2026	26,076,198	-	(16,072,835)	5,972,989	(430,000)	1,606,608,724
May	2026	26,076,198	(57,660)	(16,072,835)	5,972,989	(430,000)	1,622,097,416
June	2026	26,074,669	(46,244)	(16,072,835)	5,972,989	(460,000)	1,637,565,995
July	2026	26,078,040	(116,944)	(16,072,835)	5,972,989	(430,000)	1,652,997,245
August	2026	26,072,606	-	(16,072,835)	5,972,989	(634,000)	1,668,336,005
September	2026	26,068,565	(49,973)	(16,072,835)	5,972,989	(480,000)	1,683,774,751
October	2026	26,038,109	(68,000)	(16,072,835)	5,972,989	(430,000)	1,699,215,014
November	2026	26,031,376	-	(16,072,835)	5,972,989	(430,000)	1,714,716,544
December	2026	26,031,376	(24,082,110)	(16,072,835)	5,972,989	(520,000)	1,706,045,964

¹Impact of third party offsets are not included. In addition, in accordance with the Order dated August 13, 2025 in Docket No. 33513, costs associated with Lindsay Hill will be recovered through Rate CNP-C beginning May 1, 2027. In the interim, costs associated with Lindsay Hill, included in the environmental compliance plan, have been removed from the amounts presented herein.

²In 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 2026

Net Unrecovered Investment - Environmental

		Unrecovered Investment ¹	Accumulated Amortization	Accumulated Deferred Income Taxes ²	Accumulated Cost of Removal (Cost)/Recovery	Net Unrecovered Investment ³
January	2026	\$ 1,105,556,046	\$ 238,824,316	\$ 373,122,188	\$ (398,993,008)	\$ 892,602,550
February	2026	1,117,450,781	242,010,170	373,122,188	(400,304,358)	902,622,781
March	2026	1,129,345,516	245,196,025	373,122,188	(401,615,708)	912,643,011
April	2026	1,141,240,252	248,381,879	373,122,188	(402,927,058)	922,663,243
May	2026	1,153,134,987	251,567,734	373,122,188	(404,238,408)	932,683,473
June	2026	1,165,029,722	254,753,588	373,122,188	(405,549,758)	942,703,704
July	2026	1,176,924,457	257,939,443	373,122,188	(406,861,108)	952,723,934
August	2026	1,188,819,192	261,125,297	373,122,188	(408,172,458)	962,744,165
September	2026	1,200,713,928	264,311,152	373,122,188	(409,483,808)	972,764,396
October	2026	1,212,608,663	267,497,006	373,122,188	(410,795,158)	982,784,627
November	2026	1,224,503,398	270,596,836	373,122,188	(412,106,508)	992,890,882
December	2026	1,236,398,133	273,696,666	373,122,188	(413,417,859)	1,002,997,138

Unrecovered Investment - Accumulated Cost of Removal - Environmental

		Cost of Removal CCR Facility Closure Cost	Closure Cost CCR Facility Recovery	All Other Cost of Removal - Net (Cost) / Recovery ⁴	Accumulated Cost of Removal (Cost)/Recovery
Beginning Balance					\$ (397,681,658)
January	2026	\$ (5,281,310)	\$ 3,574,108	\$ 395,852	\$ (398,993,008)
February	2026	(5,281,310)	3,574,108	395,852	(400,304,358)
March	2026	(5,281,310)	3,574,108	395,852	(401,615,708)
April	2026	(5,281,310)	3,574,108	395,852	(402,927,058)
May	2026	(5,281,310)	3,574,108	395,852	(404,238,408)
June	2026	(5,281,310)	3,574,108	395,852	(405,549,758)
July	2026	(5,281,310)	3,574,108	395,852	(406,861,108)
August	2026	(5,281,310)	3,574,108	395,852	(408,172,458)
September	2026	(5,281,310)	3,574,108	395,852	(409,483,808)
October	2026	(5,281,310)	3,574,108	395,852	(410,795,158)
November	2026	(5,281,310)	3,574,108	395,852	(412,106,508)
December	2026	(5,281,310)	3,574,108	395,851	(413,417,859)

Unrecovered Investment - Cost Recovery - Environmental

		<u>Cost of Removal Recovery</u>					
		Amortization	Accretion ⁵	Net (Accretion) / Amortization	Closure Cost CCR Facility Recovery	All Other Cost of Removal Recovery ⁶	Total Cost of Removal Recovery
January	2026	\$ 3,185,854	\$ (9,556,417)	\$ (6,370,563)	\$ 3,574,108	\$ 395,852	\$ 3,969,960
February	2026	3,185,854	(9,556,418)	(6,370,564)	3,574,108	395,852	3,969,960
March	2026	3,185,854	(9,556,418)	(6,370,564)	3,574,108	395,852	3,969,960
April	2026	3,185,854	(9,556,418)	(6,370,564)	3,574,108	395,852	3,969,960
May	2026	3,185,854	(9,556,418)	(6,370,564)	3,574,108	395,852	3,969,960
June	2026	3,185,854	(9,556,418)	(6,370,564)	3,574,108	395,852	3,969,960
July	2026	3,185,854	(9,556,418)	(6,370,564)	3,574,108	395,852	3,969,960
August	2026	3,185,854	(9,556,418)	(6,370,564)	3,574,108	395,852	3,969,960
September	2026	3,185,854	(9,556,418)	(6,370,564)	3,574,108	395,852	3,969,960
October	2026	3,185,854	(9,556,418)	(6,370,564)	3,574,108	395,852	3,969,960
November	2026	3,099,830	(9,556,418)	(6,456,588)	3,574,108	395,852	3,969,960
December	2026	3,099,830	(9,556,418)	(6,456,588)	3,574,108	395,852	3,969,960
		<u>\$ 38,058,200</u>	<u>\$ (114,677,015)</u>	<u>\$ (76,618,815)</u>	<u>\$ 42,889,296</u>	<u>\$ 4,750,224</u>	<u>\$ 47,639,520</u>

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

²Accumulated Deferred Income Taxes are estimated and not actualized.

³Reflects authorization in APSC Docket No. U-5033 related to unit retirements as a result of the effects of pending Environmental Mandates.

⁴Includes non-CCR ARO and dismantlement cost and recovery.

⁵Represents 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.

⁶Includes non-CCR ARO and dismantlement cost recovery.