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November 16, 2020

BY ELECTRONIC FILING AND FEDEX

Alabama Public Service Commission
RSA Union Building
100 North Union Street, Suite 950
Montgomery, Alabama 36130



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

Re: Filing of Rate CNP-Part C Compliance Factors, Calculations
and Information for Compliance Cost Year 2021
Docket Nos. 18117 and 18416

Dear Commissioners:

In accordance with the provisions of Rate CNP-Part C, we are submitting the factors, calculations and other related information associated with the Company's cost of complying with governmental mandates for compliance cost year 2021. The enclosed filing reflects a projected under-recovery of such costs that is recoverable in 2021 as part of the overall revenue requirement determined by the rate.

Although entitled under Rate CNP-Part 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 2021, 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 2021, 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 2021.

If further information is needed, please contact Mr. Richard Hutto, who is the designated Company individual under Rule 10 of the Special Rules. The Company is available to meet with the Commission or its Staff to discuss the enclosed materials.

Sincerely,

Enclosures

Alabama Public Service Commission
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cc: Legal Division
Electricity Policy Division
Office of the Attorney General (attention: Ms. Olivia W. Martin)

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

- (1) Revenue requirement for the retail average net investment balance for compliance with governmental mandates for the year 2021.

\$ 386,947,319 [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 2021.

\$ 272,014,758	Operation & Maintenance Expense [See Appendix 2]
<u>244,468,066</u>	Depreciation & Amortization Expense [See Appendix 3]
<u>\$ 516,482,824</u>	Total

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

\$ (33,151,441) [See Appendix 4 (1 of 14)]

- (4) The retail revenue requirement for compliance with governmental mandates for the year 2021.

\$ 870,278,702 [Sum of Items (1), (2) and (3) above]

- (5) The projected compliance cost recovery for the year 2021 under currently effective factors.

\$ 811,639,560 [See Appendix 5]

- (6) The projected under-recovered retail revenue requirement for compliance with governmental mandates for the year 2021.

\$ 58,639,142 [Item (4) less Item (5) above]

- (7) Per the transmittal letter, the compliance factors in effect for year 2020 are anticipated to remain in effect for cost year 2021.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

Net Investment - Environmental

		Plant in Service**	Accumulated Depreciation & Amortization (Appendix 8)**	Accumulated Deferred Income Taxes	Net Unrecovered Investment (Appendix 9)	Net Investment
January	2021	\$ 4,933,751,728	\$ 1,025,334,258	\$ 823,784,666	\$ 553,341,709	\$ 3,637,974,513
February	2021	4,934,651,784	1,024,593,574	823,784,666	555,171,914	3,641,445,458
March	2021	4,935,378,841	1,023,028,503	823,784,666	557,002,118	3,645,567,790
April	2021	4,937,078,248	1,021,913,363	823,784,666	558,832,323	3,650,212,542
May	2021	4,937,900,105	1,017,574,861	823,784,666	560,791,839	3,657,332,417
June	2021	4,957,045,634	1,017,383,317	823,784,666	562,751,355	3,678,629,006
July	2021	4,957,020,690	1,017,487,253	823,784,666	564,710,871	3,680,459,642
August	2021	4,957,332,205	1,016,972,017	823,784,666	566,670,387	3,683,245,909
September	2021	4,958,994,686	1,015,498,868	823,784,666	568,629,904	3,688,341,056
October	2021	4,965,745,654	1,014,521,794	823,784,666	570,589,420	3,698,028,614
November	2021	4,987,290,098	1,012,588,019	823,784,666	572,548,936	3,723,466,349
December	2021	4,984,397,093	1,008,425,130	823,784,666	574,508,452	3,728,695,749
12 Months Average Net Investment - Environmental						\$ 3,676,116,587

Central Alabama*

		Plant in Service**	Accumulated Depreciation & Amortization**	Accumulated Deferred Income Taxes	Net Investment
January	2021	\$ 15,413,664	\$ 4,327,805	\$ 325,874	\$ 10,759,985
February	2021	15,413,664	4,381,746	325,874	10,706,044
March	2021	15,413,664	4,435,687	325,874	10,652,103
April	2021	15,413,664	4,489,628	325,874	10,598,162
May	2021	15,413,664	4,543,569	325,874	10,544,221
June	2021	15,413,664	4,597,510	325,874	10,490,280
July	2021	15,413,664	4,651,451	325,874	10,436,339
August	2021	15,413,664	4,705,391	325,874	10,382,399
September	2021	15,413,664	4,759,332	325,874	10,328,458
October	2021	15,413,664	4,813,273	325,874	10,274,517
November	2021	15,413,664	4,867,214	325,874	10,220,576
December	2021	15,413,664	4,921,155	325,874	10,166,635
12 Months Average Net Investment - Environmental					\$ 10,463,310

Total Company Average Net Plant Investment - Environmental	\$ 3,676,116,587
Less Central Alabama Average Net Plant Investment - Environmental	10,463,310
Average Net Plant Balance - Environmental	<u>\$ 3,665,653,277</u>
Retail Electric Investment Factor [See Appendix 6]	96.52%
Retail Average Net Environmental Plant Balance	<u>\$ 3,538,088,543</u>
Retail Cost of Capital Rev. Requirement Rate [See Appendix 7, pg 3 of 3]	9.7403%
Retail Revenue Requirement for Net Investment - Environmental	<u>\$ 344,620,438</u>

*In accordance with the Order dated August 14, 2020 in Docket No. 32953, costs associated with Central Alabama will be recovered through Rate CNP-C beginning June 1, 2023. In the interim, costs associated with Central Alabama have been removed from the amounts presented herein.

**Includes \$6,531,119 related to acquisition adjustment that is being amortized over 272.5 months at \$23,967 per month.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

Net Investment - Other

		Plant in Service	Accumulated Depreciation & Amortization	Accumulated Deferred Income Taxes	Net Investment
January	2021	\$ 650,240,769	\$ 102,180,321	\$ 122,735,754	\$ 425,324,694
February	2021	650,329,198	103,312,064	122,735,754	424,281,380
March	2021	661,576,509	104,444,841	122,735,754	434,395,914
April	2021	661,635,435	105,633,558	122,735,754	433,266,123
May	2021	661,694,892	106,637,943	122,735,754	432,321,195
June	2021	660,034,224	105,580,161	122,735,754	431,718,309
July	2021	660,094,117	106,617,617	122,735,754	430,740,746
August	2021	660,154,646	107,714,585	122,735,754	429,704,307
September	2021	657,414,375	105,636,090	122,735,754	429,042,531
October	2021	657,456,025	106,616,069	122,735,754	428,104,202
November	2021	658,642,675	107,719,889	122,735,754	428,187,032
December	2021	670,120,648	108,715,320	122,735,754	438,669,574

12 Months Average Net Investment - Other	\$ 430,479,667
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Central Alabama*

		Plant in Service	Accumulated Depreciation & Amortization	Accumulated Deferred Income Taxes	Net Investment
January	2021	\$ -	\$ -	\$ -	\$ -
February	2021	-	-	-	-
March	2021	-	-	-	-
April	2021	-	-	-	-
May	2021	-	-	-	-
June	2021	-	-	-	-
July	2021	-	-	-	-
August	2021	-	-	-	-
September	2021	-	-	-	-
October	2021	-	-	-	-
November	2021	-	-	-	-
December	2021	-	-	-	-

12 Months Average Net Investment - Other	\$ -
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Total Company Average Net Plant Balance - Other	\$ 430,479,667
Less Central Alabama Average Net Plant Investment - Other	-
Average Net Plant Balance - Other	\$ 430,479,667
Retail Electric Investment Factor [See Appendix 6]	96.52%
Retail Average Net Plant Balance - Other	\$ 415,498,975
Retail Cost of Capital Rev. Requirement Rate [See Appendix 7, pg 3 of 3]	10.1870%
Retail Revenue Requirement for Net Investment - Other	\$ 42,326,881
Total Retail Revenue Requirement for Net Investment	\$ 386,947,319

*See Order dated August 14, 2020 in Docket No. 32953.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

Operation & Maintenance Expense - Environmental

		O&M	Labor Overhead	Taxes Other Than Income Taxes	Total Central Alabama*	Joint Use Rent	Total Company Less Central Alabama & Joint Use Rent
January	2021	\$ 10,388,994	\$ 1,096,857	\$ 1,515,267	\$ 100,327	\$ 551,392	\$ 12,349,399
February	2021	10,115,532	1,020,090	1,515,267	100,327	551,392	11,999,170
March	2021	13,216,523	1,111,949	1,515,267	100,521	551,392	15,191,826
April	2021	19,763,590	1,088,557	1,515,267	100,371	551,392	21,715,651
May	2021	11,798,977	1,110,001	1,515,267	143,005	551,392	13,729,848
June	2021	10,621,441	1,083,175	1,515,267	101,206	551,392	12,567,285
July	2021	10,222,143	1,109,194	1,515,267	100,425	551,392	12,194,787
August	2021	10,227,390	1,115,252	1,515,267	100,371	551,392	12,206,146
September	2021	11,477,978	1,093,888	1,515,267	100,371	551,392	13,435,370
October	2021	12,160,215	1,121,190	1,535,915	118,740	551,392	14,147,188
November	2021	11,071,417	1,101,761	1,535,915	100,371	551,392	13,057,330
December	2021	10,373,338	1,120,305	1,535,915	101,198	551,392	12,376,968
		<u>\$ 141,437,538</u>	<u>\$ 13,172,219</u>	<u>\$ 18,245,148</u>	<u>\$ 1,267,233</u>	<u>\$ 6,616,704</u>	<u>\$ 164,970,968</u>

Total Operation & Maintenance Expense - Environmental - Excluding Central Alabama \$ 164,970,968
Retail Expense Allocation Factor [See Appendix 6] 96.25%
Retail Operation & Maintenance Expense - Environmental \$ 158,784,557

Operation & Maintenance Expense - Other

		O&M	Labor Overhead	Taxes Other Than Income Taxes	Total Central Alabama*	Total Company Less Central Alabama
January	2021	\$ 7,900,912	\$ 201,546	\$ 557,855	\$ 6,751	\$ 8,653,562
February	2021	7,694,369	198,614	557,855	6,751	8,444,087
March	2021	8,807,126	249,466	557,855	7,148	9,607,299
April	2021	7,607,784	214,107	557,855	6,840	8,372,906
May	2021	8,738,367	219,230	557,855	6,840	9,508,612
June	2021	9,674,756	200,454	557,855	10,123	10,422,942
July	2021	9,966,617	205,612	557,855	7,151	10,722,933
August	2021	9,985,070	230,222	557,855	6,840	10,766,307
September	2021	10,286,751	213,425	557,855	6,840	11,051,191
October	2021	9,415,921	205,979	577,974	6,840	10,193,034
November	2021	8,885,520	203,513	577,974	6,840	9,660,167
December	2021	9,456,764	214,112	577,974	10,123	10,238,727
		<u>\$ 108,419,957</u>	<u>\$ 2,556,280</u>	<u>\$ 6,754,617</u>	<u>\$ 89,087</u>	<u>\$ 117,641,767</u>

Total Operation & Maintenance Expense - Other - Excluding Central Alabama \$ 117,641,767
Retail Expense Allocation Factor [See Appendix 6] 96.25%
Retail Operation & Maintenance Expense - Other \$ 113,230,201

Total Retail Operation & Maintenance Expense \$ 272,014,758

*See Order dated August 14, 2020 in Docket No. 32953.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

Depreciation & Amortization Expense - Environmental

		Depreciation & Amortization Expense*	Central Alabama Depreciation & Amortization Expense*	Total Company Less Central Alabama	Closure Cost CCR Facility Recovery
January	2021	\$ 12,002,635	\$ 53,941	\$ 11,948,694	\$ 1,558,954
February	2021	12,004,095	53,941	11,950,154	1,558,954
March	2021	12,005,605	53,941	11,951,664	1,558,954
April	2021	12,007,366	53,941	11,953,425	1,558,954
May	2021	12,013,072	53,941	11,959,131	1,558,954
June	2021	12,017,153	53,941	11,963,212	1,558,954
July	2021	12,062,234	53,941	12,008,293	1,558,954
August	2021	12,062,369	53,941	12,008,428	1,558,954
September	2021	12,063,494	53,941	12,009,553	1,558,954
October	2021	12,069,393	53,941	12,015,452	1,558,954
November	2021	12,087,681	53,941	12,033,740	1,558,954
December	2021	12,133,802	53,941	12,079,861	1,558,954
		<u>\$ 144,528,899</u>	<u>\$ 647,292</u>	<u>\$ 143,881,607</u>	<u>\$ 18,707,448</u>

Total Depreciation & Amortization Expense - Environmental - Excluding Central Alabama	\$ 143,881,607
Closure Cost CCR Facility Recovery - Environmental	18,707,448
Unrecovered Investment Amortization Expense - Environmental [See Appendix 9]	66,230,196
Total Cost of Removal Recovery - Environmental [See Appendix 9]	9,076,560
Total Depreciation & Amortization Expense - Environmental	<u>\$ 237,895,811</u>
Retail Expense Allocation Factor [See Appendix 6]	96.25%
Retail Depreciation & Amortization Expense - Environmental	<u>\$ 228,974,718</u>

Depreciation & Amortization Expense - Other

		Depreciation & Amortization Expense*	Central Alabama Depreciation & Amortization Expense*	Total Company Less Central Alabama
January	2021	\$ 1,307,144	\$ -	\$ 1,307,144
February	2021	1,307,043	-	1,307,043
March	2021	1,307,187	-	1,307,187
April	2021	1,355,204	-	1,355,204
May	2021	1,355,275	-	1,355,275
June	2021	1,355,346	-	1,355,346
July	2021	1,352,862	-	1,352,862
August	2021	1,352,933	-	1,352,933
September	2021	1,353,004	-	1,353,004
October	2021	1,349,392	-	1,349,392
November	2021	1,349,463	-	1,349,463
December	2021	1,352,132	-	1,352,132
		<u>\$ 16,096,985</u>	<u>\$ -</u>	<u>16,096,985</u>

Total Depreciation & Amortization Expense - Other - Excluding Central Alabama	\$ 16,096,985
Retail Expense Allocation Factor [See Appendix 6]	96.25%
Retail Other Depreciation & Amortization Expense - Other	<u>\$ 15,493,348</u>
Total Retail Depreciation & Amortization Expense	<u>\$ 244,468,066</u>

*See Order dated August 14, 2020 in Docket No. 32953. Environmental depreciation & amortization includes amortization of acquisition adjustment of \$23,967 per month.

**Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021**

(Over)/Under-Recovery Calculation Summary

Total Over-Recovery from Prior Year Filing [See 2020 Filing, Appendix 4 (pg 1 of 13)]		\$ (55,155,763)
2021 Filing Over-Recovery for Compliance Cost Year 2019 [See Appendix 4 (pg 7 of 14)]	\$ (107,122,635)	
2020 Filing Over-Recovery for Compliance Cost Year 2019 [See 2020 Filing, Appendix 4 (pg 13 of 13)]	(103,216,564)	
	<u>(3,906,071)</u>	
2021 Filing Under-Recovery for Compliance Cost Year 2020 [See Appendix 4 (pg 14 of 14)]		<u>25,910,393</u>
Total Over-Recovery for Compliance Cost Year 2021		<u>\$ (33,151,441)</u>

**Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021**

(Over)/Under Recovery Calculation
Actual January - December 2019

Net Investment True-up - Environmental

		Plant In Service*	Accumulated Depreciation*	Accumulated Deferred Income Taxes	Net Unrecovered Investment**	Net Investment
January	2019	\$ 5,079,192,693	\$ 1,388,187,867	\$ 769,859,786	\$ 32,671,972	\$ 2,953,817,012
February	2019	5,103,516,302	1,386,742,971	772,474,720	32,005,418	2,976,304,029
March	2019	5,110,884,955	1,394,675,964	775,094,611	31,338,864	2,972,453,244
April	2019	4,359,289,999	1,000,151,739	736,892,694	476,694,569	3,098,940,135
May	2019	4,371,257,677	1,008,880,811	739,135,822	476,689,954	3,099,930,998
June	2019	4,386,170,183	1,010,286,721	741,383,298	475,188,632	3,109,688,796
July	2019	4,387,482,059	1,014,884,213	743,632,357	473,857,272	3,102,822,761
August	2019	4,763,867,641	1,020,714,288	746,074,077	473,791,858	3,470,871,134
September	2019	4,770,685,158	1,018,959,885	748,519,795	475,802,453	3,479,007,931
October	2019	4,787,357,227	1,027,583,553	750,973,308	475,932,785	3,484,733,151
November	2019	4,822,416,522	1,029,426,583	753,445,078	480,663,560	3,520,208,421
December	2019	4,824,925,602	1,023,975,128	755,923,011	485,266,512	3,530,293,975
12 Months Average Net Investment - Environmental						\$ 3,233,255,966

Average Net Investment Balance - Environmental	\$ 3,233,255,966
Retail Electric Investment Factor [See Appendix 6]	96.52%
Retail Average Net Investment Balance - Environmental	\$ 3,120,738,658
Retail Cost of Capital Rev. Requirement Rate [See Appendix 7, pg 1 of 3]	10.0318%
Retail Revenue Requirement for Net Investment - Environmental	\$ 313,066,281

Net Investment True-up - Other

		Plant In Service	Accumulated Depreciation	Accumulated Deferred Income Taxes	Net Investment
January	2019	\$ 585,520,210	\$ 77,938,422	\$ 113,564,427	\$ 394,017,361
February	2019	586,715,904	79,286,395	114,069,620	393,359,889
March	2019	586,173,185	80,481,758	114,575,063	391,116,364
April	2019	585,761,064	81,616,801	115,080,129	389,064,134
May	2019	586,141,162	81,844,593	115,585,693	388,710,876
June	2019	586,756,006	83,463,976	116,091,449	387,200,581
July	2019	587,104,583	84,310,527	116,597,377	386,196,679
August	2019	587,400,986	85,166,778	117,103,590	385,130,618
September	2019	587,718,267	85,736,552	117,610,157	384,371,558
October	2019	588,446,799	86,806,376	118,117,223	383,523,200
November	2019	589,056,195	87,805,770	118,624,835	382,625,590
December	2019	596,421,102	88,614,550	119,139,362	388,667,190
12 Months Average Net Investment - Other					\$ 387,832,003

Average Net Plant Balance - Other	\$ 387,832,003
Retail Electric Investment Factor [See Appendix 6]	96.52%
Retail Average Net Plant Balance - Other	\$ 374,335,449
Retail Cost of Capital Rev. Requirement Rate [See Appendix 7, pg 1 of 3]	10.3584%
Retail Revenue Requirement for Net Investment - Other	\$ 38,775,163
Total Retail Revenue Requirement for Net Investment	\$ 351,841,424 (A)

* 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. [See Appendix 4, pg 5 of 14]

**Net Unrecovered Investment. [See Appendix 4, pg 6 of 14]

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

(Over)/Under Recovery Calculation
 Actual January - December 2019

Operation & Maintenance Expense True-up - Environmental

		O&M	Labor Overhead	Joint Use Rent	Total Company Less Joint Use Rent
January	2019	\$ 7,482,948	\$ 699,332	\$ 442,320	\$ 7,739,960
February	2019	9,273,813	883,839	465,588	9,692,064
March	2019	19,701,013	1,266,610	491,729	20,475,894
April	2019	11,750,208	791,534	288,264	12,253,478
May	2019	12,674,496	848,279	458,708	13,064,067
June	2019	8,923,184	826,759	468,574	9,281,369
July	2019	9,147,363	818,823	479,214	9,486,972
August	2019	11,594,744	1,313,741	490,200	12,418,285
September	2019	12,509,632	904,389	497,908	12,916,113
October	2019	11,764,527	876,286	502,130	12,138,683
November	2019	10,629,381	820,914	504,714	10,945,581
December	2019	12,296,623	799,160	509,267	12,586,516
		\$ 137,747,932	\$ 10,849,666	\$ 5,598,516	\$ 142,998,982

Operation & Maintenance Expense - Environmental	\$ 142,998,982
Retail Expense Allocation Factor [See Appendix 6]	96.25%
Retail Operation & Maintenance Expense - Environmental	\$ 137,838,520

Operation & Maintenance Expense True-up - Other

		O&M	Labor Overhead	Total Company
January	2019	\$ 6,402,838	\$ 201,365	\$ 6,604,203
February	2019	6,665,404	216,157	6,881,561
March	2019	7,536,872	364,329	7,901,201
April	2019	6,757,168	212,448	6,969,616
May	2019	7,870,338	213,707	8,084,045
June	2019	7,591,160	200,751	7,791,911
July	2019	7,553,480	196,820	7,750,300
August	2019	9,330,349	323,225	9,653,574
September	2019	9,560,698	222,825	9,783,523
October	2019	7,352,208	229,015	7,581,223
November	2019	7,351,490	201,453	7,552,943
December	2019	7,676,944	205,915	7,882,859
		\$ 91,648,949	\$ 2,788,010	\$ 94,436,959

Operation & Maintenance Expense - Other	\$ 94,436,959
Retail Expense Allocation Factor [See Appendix 6]	96.25%
Retail Operation & Maintenance Expense - Other	\$ 90,895,573

Total Retail Operation & Maintenance Expense **\$ 228,532,093 (B)**

**Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021**

**(Over)/Under Recovery Calculation
Actual January - December 2019**

Depreciation & Amortization Expense True-up - Environmental

		Depreciation Expense	Closure Cost CCR Facility Recovery
January	2019	\$ 15,742,662	\$ 2,060,807
February	2019	16,228,837	2,060,807
March	2019	16,311,772	2,060,807
April	2019	16,298,982	2,060,807
May	2019	13,580,006	1,558,954
June	2019	11,097,552	1,558,954
July	2019	11,043,723	1,558,954
August	2019	11,116,656	1,558,954
September	2019	11,550,781	1,558,954
October	2019	11,860,652	1,558,954
November	2019	11,829,123	1,558,954
December	2019	11,925,838	1,558,954
		<u>\$ 158,586,584</u>	<u>\$ 20,714,860</u>

Depreciation Expense - Environmental	\$ 158,586,584
Closure Cost CCR Facility Recovery - Environmental	20,714,860
Unrecovered Investment Amortization Expense - Environmental [Appendix 4, pg 6 of 14]	46,413,592
Total Cost of Removal Recovery - Environmental [See Appendix 4, pg 6 of 14]	<u>6,051,040</u>
Total Depreciation & Amortization Expense - Environmental	<u>\$ 231,766,076</u>
Retail Expense Allocation Factor [See Appendix 6]	96.25%
Retail Depreciation & Amortization Expense - Environmental	<u>\$ 223,074,848</u>

Depreciation & Amortization Expense True-up - Other

		Amortization Expense
January	2019	\$ 1,127,881
February	2019	1,350,754
March	2019	1,195,364
April	2019	1,195,608
May	2019	1,195,944
June	2019	1,195,056
July	2019	1,196,145
August	2019	1,196,571
September	2019	1,197,183
October	2019	1,197,415
November	2019	1,198,940
December	2019	1,200,459
		<u>\$ 14,447,320</u>

Depreciation & Amortization Expense - Other	\$ 14,447,320
Retail Expense Allocation Factor [See Appendix 6]	96.25%
Retail Other Depreciation & Amortization Expense - Other	<u>\$ 13,905,646</u>
Total Retail Depreciation & Amortization Expense	<u>\$ 236,980,394 (C)</u>

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

(Over)/Under Recovery Calculation
Actual January - December 2019

Accumulated Depreciation True Up - Environmental

		Depreciation Expense*	Retirements	Cost of Removal CCR Facility Closure Cost	Closure Cost CCR Facility Recovery*	All Other Cost of Removal/Salvage	Accumulated Depreciation
Beginning Balance							\$ 1,393,811,113
January	2019	\$ 15,742,662	\$ (18,842,557)	\$ (4,376,916)	\$ 2,060,807	\$ (207,242)	\$ 1,388,187,867
February	2019	16,228,837	(12,834,195)	(6,219,898)	2,060,807	(680,447)	1,386,742,971
March	2019	16,311,772	-	(7,397,776)	2,060,807	(3,041,810)	1,394,675,964
April	2019	16,298,982	(439,640,993)	10,504,559	2,060,807	16,252,420	1,000,151,739
May	2019	13,580,006	-	(5,410,846)	1,558,954	(999,042)	1,008,880,811
June	2019	11,097,552	(5,162,211)	(5,250,955)	1,558,954	(837,430)	1,010,286,721
July	2019	11,043,723	(2,907,860)	(4,614,521)	1,558,954	(482,804)	1,014,884,213
August	2019	11,116,856	(10,237)	(6,618,806)	1,558,954	(216,492)	1,020,714,288
September	2019	11,550,781	(1,965,902)	(6,446,172)	1,558,954	(6,452,064)	1,018,959,885
October	2019	11,860,652	-	(7,718,376)	1,558,954	2,922,438	1,027,583,553
November	2019	11,829,123	(9,510)	(8,059,484)	1,558,954	(3,476,053)	1,029,426,583
December	2019	11,925,838	(10,172,474)	(7,763,570)	1,558,954	(1,000,203)	1,023,975,128

*Depreciation Expense & Closure Cost CCR Facility Recovery. [See Appendix 4, pg 4 of 14]

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

(Over)/Under Recovery Calculation
Actual January - December 2019

Net Unrecovered Investment True-up - Environmental

		Unrecovered Investment	Accumulated Amortization	Accumulated Deferred Income Taxes	Accumulated Cost of Removal (Cost)/Recovery	Net Unrecovered Investment*
January	2019	\$ 92,377,431	\$ 50,735,001	\$ 8,970,458	\$ -	\$ 32,671,972
February	2019	92,377,431	51,542,557	8,829,456	-	32,005,418
March	2019	92,377,431	52,350,113	8,688,454	-	31,338,864
April	2019	743,551,031	53,157,669	216,125,887	(2,427,094)	476,694,569
May	2019	743,551,031	58,555,591	215,802,267	(7,298,781)	476,689,954
June	2019	743,551,031	63,953,512	214,811,623	(10,402,736)	475,188,632
July	2019	743,551,031	69,351,433	214,081,115	(13,738,789)	473,857,272
August	2019	743,551,031	74,749,355	213,798,526	(18,788,708)	473,791,858
September	2019	743,551,031	80,147,276	214,250,472	(26,649,170)	475,802,453
October	2019	743,551,031	85,545,197	214,037,141	(31,964,092)	475,932,785
November	2019	743,551,031	90,943,119	215,468,586	(43,524,234)	480,663,560
December	2019	743,551,031	96,341,040	216,871,846	(54,928,367)	485,266,512

Unrecovered Investment - Accumulated Cost of Removal True up - Environmental

		Cost of Removal CCR Facility Closure Cost	CCR Facility Recovery	All Other Cost of Removal - Net (Cost) / Recovery**	Accumulated Cost of Removal (Cost)/Recovery
Beginning Balance					\$ -
January	2019	\$ -	\$ -	\$ -	\$ -
February	2019	-	-	-	-
March	2019	-	-	-	-
April	2019	(16,381,397)	14,051,881	(97,578)	(2,427,094) ***
May	2019	(4,686,176)	501,853	(685,364)	(7,298,781)
June	2019	(2,900,040)	501,853	(707,768)	(10,402,736)
July	2019	(3,061,768)	501,853	(776,138)	(13,738,789)
August	2019	(4,576,754)	501,853	(975,018)	(18,788,708)
September	2019	(7,422,527)	501,853	(939,788)	(26,649,170)
October	2019	(4,874,752)	501,853	(942,023)	(31,964,092)
November	2019	(10,989,556)	501,853	(1,072,439)	(43,524,234)
December	2019	(10,840,152)	501,853	(1,065,834)	(54,928,367)

Unrecovered Investment - Cost Recovery True-up - Environmental

		Amortization	Cost of Removal Recovery		
			Closure Cost CCR Facility Recovery	All Other Cost of Removal Recovery****	Total Cost of Removal Recovery
January	2019	\$ 807,556	\$ -	\$ -	\$ -
February	2019	807,556	-	-	-
March	2019	807,556	-	-	-
April	2019	807,556	-	-	-
May	2019	5,397,921	501,853	254,527	756,380
June	2019	5,397,921	501,853	254,527	756,380
July	2019	5,397,921	501,853	254,527	756,380
August	2019	5,397,921	501,853	254,527	756,380
September	2019	5,397,921	501,853	254,527	756,380
October	2019	5,397,921	501,853	254,527	756,380
November	2019	5,397,921	501,853	254,527	756,380
December	2019	5,397,921	501,853	254,527	756,380
		<u>\$ 46,413,592</u>	<u>\$ 4,014,824</u>	<u>\$ 2,038,216</u>	<u>\$ 6,051,040</u>

*In accordance with authorization in APSC Docket #U-5033 related to unit retirements as a result of the effects of pending Environmental Mandates.

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

***Represents accumulated COR at time of Gorgas Plant retirement - Includes CCR-ARO, non-CCR ARO, other COR and dismantlement.

****Includes non-CCR ARO and dismantlement recovery.

**Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021**

**(Over)/Under Recovery Calculation
Actual January - December 2019**

Retail Revenue Requirement Recovery True-Up

		<u>Retail Revenue Requirement Recovery</u>	
January	2019	\$ 78,131,770	
February	2019	75,524,326	
March	2019	65,292,627	
April	2019	62,216,150	
May	2019	67,095,828	
June	2019	83,397,029 *	
July	2019	89,605,410	
August	2019	91,978,757	
September	2019	92,956,007	
October	2019	83,308,556	
November	2019	62,714,022	
December	2019	72,256,064	
		<u>\$ 924,476,546</u>	(D)

*Increased for prior recovery of \$598,490.

True-up Calculation

Retail Revenue Requirement for Net Investment	\$ 351,841,424	(A)
Retail Operation & Maintenance Expense	228,532,093	(B)
Retail Depreciation & Amortization Expense	236,980,394	(C)
2019 Retail Revenue Requirement	<u>\$ 817,353,911</u>	
2019 Retail Revenue Requirement Recovery	<u>924,476,546</u>	(D)

Amount of (over)/under recovery $[(A)+(B)+(C)-(D)]$ \$ (107,122,636)

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

(Over)/Under Recovery Calculation
 Actual January - September 2020

Projected October - December 2020

Net Investment True-up - Environmental

		Plant in Service****	Accumulated Depreciation & Amortization****	Accumulated Deferred Income Taxes*	Net Unrecovered Investment**	Net Investment
January	2020	\$ 4,928,432,247	\$ 1,030,239,777	\$ 766,668,212	\$ 487,759,153	\$ 3,619,283,411
February	2020	4,933,411,249	1,036,519,438	769,782,152	490,733,472	3,617,843,131
March	2020	4,938,817,898	1,041,489,091	772,898,812	491,862,368	3,616,292,363
April	2020	4,943,874,161	1,045,296,995	776,018,404	494,926,862	3,617,485,624
May	2020	4,947,739,430	1,050,249,796	779,140,946	498,929,573	3,617,278,261
June	2020	4,909,885,920	1,009,519,297	782,238,384	500,864,690	3,618,992,929
July	2020	4,908,787,620	1,011,666,214	785,336,612	504,278,470	3,616,063,264
August	2020	4,927,060,028	1,017,938,425	788,435,757	506,584,288	3,627,270,134
September	2020	4,916,052,401	1,038,652,751	791,576,293	544,037,840	3,629,861,197
October	2020	4,925,534,207	1,036,463,510	794,722,916	547,793,372	3,642,141,153
November	2020	4,928,224,988	1,034,390,333	797,871,230	550,115,278	3,646,078,703
December	2020	4,932,858,368	1,025,232,156	801,022,553	553,106,248	3,659,709,907
12 Months Average Net Investment - Environmental						\$ 3,627,358,340

Central Alabama***

		Plant in Service****	Accumulated Depreciation & Amortization****	Accumulated Deferred Income Taxes*	Net Investment	
January	2020	\$ -	\$ -	\$ -	\$ -	
February	2020	-	-	-	-	
March	2020	-	-	-	-	
April	2020	-	-	-	-	
May	2020	-	-	-	-	
June	2020	-	-	-	-	
July	2020	-	-	-	-	
August	2020	15,382,364	4,071,342	-	11,311,022	
September	2020	15,382,364	4,125,175	48,125	11,209,064	
October	2020	15,382,364	4,179,008	96,250	11,107,106	
November	2020	15,379,164	4,220,042	144,365	11,014,757	
December	2020	15,413,664	4,273,864	192,588	10,947,212	
12 Months Average Net Investment - Environmental						\$ 4,632,430

Total Company Average Net Plant Investment - Environmental	\$ 3,627,358,340
Less Central Alabama Average Net Plant Investment - Environmental	4,632,430
Average Net Plant Balance - Environmental	\$ 3,622,725,910
Retail Electric Investment Factor [See Appendix 6]	96.52%
Retail Average Net Environmental Plant Balance	\$ 3,496,655,048
Retail Cost of Capital Rev. Requirement Rate [See Appendix 7, pg 2 of 3]	9.7382%
Retail Revenue Requirement for Net Investment - Environmental	\$ 340,511,262

*Accumulated Deferred Income Taxes are estimated and not actualized.

**Net Unrecovered Investment. [See Appendix 4, pg 13 of 14]

***In accordance with the Order dated August 14, 2020 In Docket No. 32953, costs associated with Central Alabama will be recovered through Rate CNP-C beginning June 1, 2023. In the interim, costs associated with Central Alabama have been removed from the amounts presented herein.

****Includes \$6,531,119 related to acquisition adjustment that is being amortized over 272.5 months at \$23,967 per month beginning in September 2020.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

(Over)/Under Recovery Calculation
 Actual January - September 2020

Projected October - December 2020

Net Investment True-up - Other

		Plant in Service	Accumulated Depreciation & Amortization	Accumulated Deferred Income Taxes*	Net Investment
January	2020	\$ 596,210,223	\$ 89,802,284	\$ 119,359,515	\$ 387,048,424
February	2020	597,952,067	90,918,121	119,580,167	387,453,779
March	2020	597,924,250	92,006,328	119,801,027	386,116,895
April	2020	598,461,450	93,155,481	120,021,879	385,284,090
May	2020	598,582,785	94,203,831	120,242,739	384,136,215
June	2020	598,511,633	95,378,551	120,463,782	382,669,300
July	2020	623,411,615	96,553,964	120,693,900	406,163,751
August	2020	624,873,459	97,664,066	120,924,445	406,284,948
September	2020	635,938,340	98,496,257	121,159,265	416,282,818
October	2020	642,313,458	99,312,837	121,396,261	421,604,360
November	2020	642,409,683	100,336,349	121,633,294	420,440,040
December	2020	650,310,748	101,209,231	121,873,241	427,228,276
12 Months Average Net Investment - Other					\$ 400,892,741

Central Alabama**

		Plant In Service	Accumulated Depreciation & Amortization	Accumulated Deferred Income Taxes*	Net Investment
January	2020	\$ -	\$ -	\$ -	\$ -
February	2020	-	-	-	-
March	2020	-	-	-	-
April	2020	-	-	-	-
May	2020	-	-	-	-
June	2020	-	-	-	-
July	2020	-	-	-	-
August	2020	-	-	-	-
September	2020	-	-	-	-
October	2020	-	-	-	-
November	2020	-	-	-	-
December	2020	-	-	-	-
12 Months Average Net Investment - Other					\$ -

Total Company Average Net Plant Balance - Other	\$ 400,892,741
Less Central Alabama Average Net Plant Investment - Other	-
Average Net Plant Balance - Other	<u>\$ 400,892,741</u>
Retail Electric Investment Factor [See Appendix 6]	96.52%
Retail Average Net Plant Balance - Other	<u>\$ 386,941,674</u>
Retail Cost of Capital Rev. Requirement Rate [See Appendix 7, pg 2 of 3]	10.1862%
Retail Revenue Requirement for Net Investment - Other	<u>\$ 39,414,653</u>
Total Retail Revenue Requirement for Net Investment	\$ 379,925,915 (A)

*Accumulated Deferred Income Taxes are estimated and not actualized.

**See Order dated August 14, 2020 in Docket No. 32953.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

(Over)/Under Recovery Calculation
 Actual January - September 2020

Projected October - December 2020

Operation & Maintenance Expense True-up - Environmental

		O&M	Labor Overhead	Taxes Other Than Income Taxes	Total Central Alabama*	Joint Use Rent	Total Company Less Central Alabama & Joint Use Rent
January	2020	\$ 8,130,435	\$ 1,134,738	\$ 1,520,007	\$ -	\$ 511,308	\$ 10,273,872
February	2020	7,254,901	848,345	1,520,007	-	523,412	9,099,841
March	2020	5,791,671	875,841	1,520,007	-	530,253	7,657,266
April	2020	6,350,095	895,185	1,520,007	-	515,089	8,250,198
May	2020	6,074,074	859,604	1,520,007	-	520,385	7,933,300
June	2020	6,728,254	853,446	1,520,007	-	519,503	8,582,204
July	2020	6,764,936	1,256,549	1,520,007	-	519,586	9,021,906
August	2020	7,418,939	890,036	1,520,007	-	519,836	9,309,146
September	2020	7,837,890	854,690	1,520,007	45,793	520,024	9,646,770
October	2020	11,310,789	1,060,450	1,525,590	161,000	520,024	13,215,805
November	2020	10,072,480	1,033,901	1,525,590	92,000	520,024	12,019,947
December	2020	9,993,616	1,060,907	1,525,590	92,000	520,024	11,968,089
		\$ 93,728,080	\$ 11,623,692	\$ 18,256,833	\$ 390,793	\$ 6,239,468	\$ 116,978,344

Total Operation & Maintenance Expense - Environmental - Excluding Central Alabama \$ 116,978,344
 Retail Expense Allocation Factor [See Appendix 6] 96.25%
 Retail Operation & Maintenance Expense - Environmental **\$ 112,591,656**

Operation & Maintenance Expense True-up - Other

		O&M	Labor Overhead	Taxes Other Than Income Taxes	Total Central Alabama*	Total Company Less Central Alabama
January	2020	\$ 7,261,155	\$ 297,893	\$ 535,557	\$ -	\$ 8,094,605
February	2020	6,459,679	190,606	535,557	-	7,185,842
March	2020	8,171,262	223,458	535,557	-	8,930,277
April	2020	6,877,567	210,613	535,557	-	7,623,737
May	2020	7,780,189	207,928	535,557	-	8,523,674
June	2020	7,038,686	253,993	535,557	-	7,828,236
July	2020	8,049,408	305,629	535,557	-	8,890,594
August	2020	8,294,250	197,191	535,557	-	9,026,998
September	2020	7,965,787	199,497	535,557	-	8,700,841
October	2020	8,323,849	194,808	536,754	-	9,055,411
November	2020	7,420,001	191,030	536,754	-	8,147,785
December	2020	7,444,671	206,757	536,754	-	8,188,182
		\$ 91,086,504	\$ 2,679,403	\$ 6,430,275	\$ -	\$ 100,196,182

Total Operation & Maintenance Expense - Other - Excluding Central Alabama \$ 100,196,182
 Retail Expense Allocation Factor [See Appendix 6] 96.25%
 Retail Operation & Maintenance Expense - Other **\$ 96,438,825**

Total Retail Operation & Maintenance Expense **\$ 209,030,481 (B)**

*See Order dated August 14, 2020 In Docket No. 32953.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

(Over)/Under Recovery Calculation
 Actual January - September 2020

Projected October - December 2020

Depreciation & Amortization Expense True-up - Environmental

		Depreciation & Amortization Expense*	Central Alabama Depreciation & Amortization Expense*	Total Company Less Central Alabama	Closure Cost CCR Facility Recovery
January	2020	\$ 11,933,016	\$ -	\$ 11,933,016	\$ 1,558,954
February	2020	12,114,980	-	12,114,980	1,558,954
March	2020	12,128,320	-	12,128,320	1,558,954
April	2020	12,135,867	-	12,135,867	1,558,954
May	2020	12,145,219	-	12,145,219	1,558,954
June	2020	12,155,234	-	12,155,234	1,558,954
July	2020	12,057,671	-	12,057,671	1,558,954
August	2020	12,061,311	-	12,061,311	1,558,954
September	2020	12,158,657	53,833	12,104,824	1,558,954
October	2020	11,973,864	53,833	11,920,031	1,558,954
November	2020	11,989,709	53,833	11,935,876	1,558,954
December	2020	11,991,877	53,822	11,938,055	1,558,954
		<u>\$ 144,845,725</u>	<u>\$ 215,321</u>	<u>144,630,404</u>	<u>\$ 18,707,448</u>

Total Depreciation & Amortization Expense - Environmental - Excluding Central Alabama	\$ 144,630,404
Closure Cost CCR Facility Recovery - Environmental	18,707,448
Unrecovered investment Amortization Expense - Environmental [Appendix 4, pg 13 of 14]	63,898,315
Total Cost of Removal Recovery - Environmental [See Appendix 4, pg 13 of 14]	9,076,560
Total Depreciation & Amortization Expense - Environmental	<u>\$ 236,312,727</u>
Retail Expense Allocation Factor [See Appendix 6]	96.25%
Retail Depreciation & Amortization Expense - Environmental	<u>\$ 227,451,000</u>

Depreciation & Amortization Expense True-up - Other

		Depreciation & Amortization Expense*	Central Alabama Depreciation & Amortization Expense*	Total Company Less Central Alabama
January	2020	\$ 1,210,704	\$ -	\$ 1,210,704
February	2020	1,211,475	-	1,211,475
March	2020	1,214,244	-	1,214,244
April	2020	1,214,268	-	1,214,268
May	2020	1,215,246	-	1,215,246
June	2020	1,215,086	-	1,215,086
July	2020	1,215,248	-	1,215,248
August	2020	1,253,910	-	1,253,910
September	2020	1,255,819	-	1,255,819
October	2020	1,285,358	-	1,285,358
November	2020	1,294,483	-	1,294,483
December	2020	1,294,864	-	1,294,864
		<u>\$ 14,880,705</u>	<u>\$ -</u>	<u>14,880,705</u>

Total Depreciation & Amortization Expense - Other - Excluding Central Alabama	\$ 14,880,705
Retail Expense Allocation Factor [See Appendix 6]	96.25%
Retail Other Depreciation & Amortization Expense - Other	<u>\$ 14,322,679</u>
Total Retail Depreciation & Amortization Expense	<u>\$ 241,773,679 (C)</u>

*See Order dated August 14, 2020 in Docket No. 32953. Includes amortization of acquisition adjustment of \$23,967 per month beginning in September 2020.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

(Over)/Under Recovery Calculation
 Actual January - September 2020

Projected October - December 2020

Accumulated Depreciation True Up - Environmental**

		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*
Beginning Balance							\$ 1,023,975,128
January	2020	\$ 11,933,016	\$ (101,744)	\$ (7,006,011)	\$ 1,558,954	\$ (119,566)	\$ 1,030,239,777
February	2020	12,114,980	(30,191)	(7,300,587)	1,558,954	(63,495)	1,036,519,438
March	2020	12,128,320	(136,890)	(8,518,606)	1,558,954	(62,125)	1,041,489,091
April	2020	12,135,867	(190,616)	(9,641,805)	1,558,954	(54,496)	1,045,296,995
May	2020	12,145,219	-	(8,795,618)	1,558,954	44,246	1,050,249,796
June	2020	12,155,234	(43,704,748)	(10,680,123)	1,558,954	(59,816)	1,009,519,297
July	2020	12,057,671	(13,273)	(11,407,538)	1,558,954	(48,897)	1,011,666,214
August	2020	12,061,311	4,047,552	(11,373,071)	1,558,954	(22,535)	1,017,938,425
September	2020	12,158,657	17,500,710	(10,347,077)	1,558,954	(156,918)	1,038,652,751
October	2020	11,973,864	(62,827)	(13,416,021)	1,558,954	(2,243,211)	1,036,463,510
November	2020	11,989,709	(94,199)	(14,133,761)	1,558,954	(1,393,880)	1,034,390,333
December	2020	11,991,877	(1,371,507)	(19,946,574)	1,558,954	(1,390,927)	1,025,232,156

* 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.

**Central Alabama amounts included above.

***Includes amortization of acquisition adjustment of \$23,967 per month beginning in September 2020.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

(Over)/Under Recovery Calculation
 Actual January - September 2020

Projected October - December 2020

Net Unrecovered Investment True-up - Environmental*****

		Unrecovered Investment	Accumulated Amortization	Accumulated Deferred Income Taxes*	Accumulated Cost of Removal (Cost)/Recovery	Net Unrecovered Investment**
January	2020	\$ 716,418,698	\$ 74,454,085	\$ 217,474,460	\$ (63,269,000)	\$ 487,759,153
February	2020	716,418,698	79,699,464	218,247,501	(72,261,739)	490,733,472
March	2020	716,418,698	84,944,843	218,367,594	(78,756,107)	491,862,368
April	2020	716,418,698	90,190,222	219,172,542	(87,870,928)	494,926,862
May	2020	716,418,698	95,414,181	220,301,872	(98,226,928)	498,929,573
June	2020	716,418,698	100,638,139	220,699,643	(105,783,774)	500,864,690
July	2020	716,418,698	105,862,097	221,620,596	(115,342,465)	504,278,470
August	2020	716,418,698	111,086,056	222,149,530	(123,401,176)	506,584,288
September	2020	764,536,013	116,290,850	235,244,963	(131,037,640)	544,037,840
October	2020	764,536,015	121,896,241	236,142,785	(141,296,383)	547,793,372
November	2020	764,536,015	127,501,632	236,670,630	(149,751,525)	550,115,278
December	2020	764,536,015	133,107,022	237,435,204	(159,112,459)	553,106,248

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***	Accumulated Cost of Removal (Cost)/Recovery
Beginning Balance					\$ (54,928,367)
January	2020	\$ (7,896,012)	\$ 501,853	\$ (946,474)	(63,269,000)
February	2020	(8,542,545)	501,853	(952,047)	(72,261,739)
March	2020	(6,676,260)	501,853	(319,961)	(78,756,107)
April	2020	(8,754,858)	501,853	(861,816)	(87,870,928)
May	2020	(9,541,747)	501,853	(1,316,106)	(98,226,928)
June	2020	(6,216,692)	501,853	(1,842,007)	(105,783,774)
July	2020	(8,222,837)	501,853	(1,837,707)	(115,342,465)
August	2020	(7,357,633)	501,853	(1,202,931)	(123,401,176)
September	2020	(7,284,726)	501,853	(853,591)	(131,037,640)
October	2020	(9,224,495)	501,853	(1,536,101)	(141,296,383)
November	2020	(8,527,913)	501,853	(429,082)	(149,751,525)
December	2020	(8,906,319)	501,853	(956,468)	(159,112,459)

Unrecovered Investment - Cost Recovery True-up - Environmental

		Amortization	Cost of Removal Recovery		
			Closure Cost CCR Facility Recovery	All Other Cost of Removal Recovery****	Total Cost of Removal Recovery
January	2020	\$ 5,245,379	\$ 501,853	\$ 254,527	\$ 756,380
February	2020	5,245,379	501,853	254,527	756,380
March	2020	5,245,379	501,853	254,527	756,380
April	2020	5,245,379	501,853	254,527	756,380
May	2020	5,223,958	501,853	254,527	756,380
June	2020	5,223,958	501,853	254,527	756,380
July	2020	5,223,958	501,853	254,527	756,380
August	2020	5,223,958	501,853	254,527	756,380
September	2020	5,204,794	501,853	254,527	756,380
October	2020	5,605,391	501,853	254,527	756,380
November	2020	5,605,391	501,853	254,527	756,380
December	2020	5,605,391	501,853	254,527	756,380
		<u>\$ 63,898,315</u>	<u>\$ 6,022,236</u>	<u>\$ 3,054,324</u>	<u>\$ 9,076,560</u>

*Accumulated Deferred Income Taxes are estimated and not actualized.

**In accordance with authorization in APSC Docket #U-5033 related to unit retirements as a result of the effects of pending Environmental Mandates.

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

****Includes non-CCR ARO and dismantlement recovery.

*****Fully amortized Unrecovered Investment assets (\$27,132,334) have been removed beginning January 1, 2020.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

(Over)/Under Recovery Calculation
 Actual January - September 2020

Projected October - December 2020

Retail Revenue Requirement Recovery True-Up

		<u>Retail Revenue Requirement Recovery</u>	
January	2020	\$ 66,330,289	
February	2020	65,746,605	
March	2020	63,024,476	
April	2020	53,540,949	
May	2020	54,541,416	
June	2020	67,870,831	
July	2020	77,150,818	
August	2020	80,831,818	
September	2020	78,087,085	
October	2020	67,626,737	
November	2020	60,854,601	
December	2020	<u>69,214,057</u>	
		<u>\$ 804,819,682</u>	(D)

True-up Calculation

Retail Revenue Requirement for Net Investment	\$ 379,925,915	(A)
Retail Operation & Maintenance Expense	209,030,481	(B)
Retail Depreciation & Amortization Expense	<u>241,773,679</u>	(C)
2020 Retail Revenue Requirement	\$ 830,730,075	
2020 Retail Revenue Requirement Recovery	<u>804,819,682</u>	(D)

Amount of (over)/under recovery [(A)+(B)+(C)-(D)]	\$ 25,910,393
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ALABAMA POWER COMPANY
Projected Compliance Cost Recovery for 2021
(under currently effective factors)

(A)	(B)	(C)	(D)
Rate Schedule	Currently Effective CNP (Subpart C) Factor \$/kWh	Forecasted kWh 2021	Cost Recovery using Currently Effective Factor (B) X (C)
ASL	0.018135	29,317,616	531,675
BEVT	0.026949	1,108,046	29,861
BTA	0.016057	434,928,755	6,983,651
BTAL	0.009342	1,673,845,505	15,637,065
CFTU	0.010347	24,888,115	257,517
FCR	0.004677	6,641,979,356	31,064,537
FD	0.021924	17,119,637,925	375,330,942
XFDE	0.017464	196,281,000	3,427,851
XFDT	0.017460	4,253,456	74,265
FIRTU	0.014572	3,952,927	57,602
FMTU	0.011829	451,610,839	5,342,105
FPL	0.042583	344,801,895	14,682,699
XFSTU	0.015311	174,784,042	2,676,118
XGRTU	0.013145	175,950,857	2,312,874
HLF	0.007718	1,830,398,302	14,127,014
XHLTU	0.012773	30,813,205	393,577
XHMTU	0.015915	41,137,181	654,698
LAF	0.037610	19,629,187	738,254
LFS	0.022734	78,580,622	1,786,452
XLLTU	0.013178	9,407,782	123,976
XLMTU	0.016860	33,883,260	570,935
LPLE	0.010342	749,597,180	7,752,334
LPME	0.018159	1,898,302,430	34,471,274
LPSE	0.025254	1,430,632,858	36,129,202
LPL	0.010461	2,461,743,524	25,752,299
LPLM	0.009276	5,879,537,937	54,538,594
LPM	0.024261	3,960,606,650	96,088,278
LPS	0.042640	425,262,725	18,133,203
XLPTL	0.010426	1,363,706,407	14,218,003
XLPTM	0.019103	68,832,446	1,314,906
XLPTS	0.020795	118,150,714	2,456,944
LTU	0.015305	30,867,496	472,427
MTU	0.008998	377,474,091	3,396,512
ODL	0.007705	121,879,628	939,083
OFF	0.015893	18,994,295	301,876
PG	0.027574	5,678,898	156,590
PMTU	0.009154	680,200,609	6,226,556
PTU	0.011108	32,918,395	365,658
XRLTU	0.013668	20,010,788	273,507
XRMTU	0.015112	152,217,581	2,300,312
RTA	0.024555	1,461,318	35,883
RTAE	0.020495	6,259,155	128,281
RTP	0.007438	1,401,809,971	10,426,663
RTPDX	0.003804	1,651,716,590	6,283,130
SCGTU	0.009461	134,708,810	1,274,480
SCH	0.018824	406,281,907	7,647,851
SLM	0.025883	125,571,666	3,250,171
TS	0.012631	17,173,395	216,917
TSTU	0.009744	2,906,062	28,317
TXTU	0.011595	19,673,439	228,114
XTP	0.022286	960,276	21,401
XWP	0.012872	553,592	7,126
Total		52,886,860,706	\$ 611,639,560

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

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	\$30,039,625,964	\$15,090,648,723	\$13,932,309,465	\$29,022,958,187	\$1,016,667,776
2	PROVISION FOR ACCUM DEPR & AMORT	9,988,015,870	5,031,662,487	4,623,708,260	9,655,370,747	332,645,123
3	NET PLANT	\$20,051,610,094	\$10,058,986,236	\$9,308,601,205	\$19,367,587,441	\$684,022,653
ADD:						
4	PLANT HELD FOR FUTURE USE	50,090,071	22,956,934	25,026,345	47,983,279	2,106,792
5	MATERIALS AND SUPPLIES	654,863,586	290,568,618	337,036,108	627,604,725	27,258,861
6	UNAMORTIZED LEASEHOLD IMPROVEMENTS	0	0	0	0	0
7	CONSTRUCTION WORK IN PROGRESS	889,625,234	441,486,265	417,174,864	858,661,129	30,964,105
8	AVERAGE DAILY BANK BALANCES	107,964,350	46,232,806	57,190,485	103,423,291	4,541,059
9	ELECTRIC PLANT ACQUISITION ADJUSTMENT	1,425,253	834,339	590,859	1,425,198	55
10	NUCLEAR FUEL	295,887,050	94,876,227	184,572,182	279,448,410	16,438,640
DEDUCT:						
11	SEGC/AEC DEPOSIT	19,688,204	6,313,027	12,281,357	18,594,384	1,093,820
12	CUSTOMER ADVANCES FOR CONSTRUCTION	522,982	11,342	511,640	522,982	0
13	CUSTOMER DEPOSITS	100,151,374	48,041,602	52,109,772	100,151,374	0
14	TOTAL NET INVESTMENT	\$21,931,103,078	\$10,901,575,454	\$10,265,289,278	\$21,166,864,733	\$764,238,345
15	PERCENT OF TOTAL ELECTRIC SYSTEM	100.00%	49.71%	46.81%	96.52%	3.48%
16	RETAIL ELECTRIC INVESTMENT FACTOR				96.52%	
EXPENSES						
17	OPERATION AND MAINTENANCE EXPENSES	\$3,228,144,437	\$1,382,365,336	\$1,710,000,984	\$3,092,366,330	\$135,778,107
18	DEPRECIATION AND AMORTIZATION EXPENSE	781,048,574	396,949,820	367,339,477	754,289,297	26,759,277
19	OTHER AMORTIZATION AND ACCRETION	20,317,959	8,860,754	10,531,369	19,392,123	925,836
20	TAXES OTHER THAN INCOME TAXES	400,465,934	190,417,430	205,142,082	395,559,511	4,906,423
21	SALES TO NON-ASSOCIATED COMPANIES	(138,735,075)	(45,726,284)	(85,389,920)	(131,116,204)	(7,618,871)
22	OTHER ELECTRIC REVENUES	(173,894,065)	(92,220,584)	(75,520,318)	(167,740,902)	(6,153,163)
23	TOTAL EXPENSES	\$4,117,347,763	\$1,830,646,470	\$2,132,103,684	\$3,962,750,154	\$154,597,609
24	PERCENT OF TOTAL ELECTRIC SYSTEM	100.00%	44.46%	51.78%	96.25%	3.75%
25	RETAIL EXPENSE ALLOCATION FACTOR				96.25%	
ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION						
25	TOTAL AFUDC	\$70,938,263	\$33,088,846	\$35,038,440	\$68,127,286	\$2,810,977
26	PERCENT OF TOTAL ELECTRIC SYSTEM	100.00%	46.64%	49.39%	96.04%	3.96%
27	RETAIL ELECTRIC AFUDC ALLOCATION FACTOR				96.04%	

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

Retail Cost of Capital Revenue Requirement Rate for 2019

Overall Cost of Capital as of December 31, 2019 - Environmental

Description - Environmental	Amount of Capital	Weight in Capital Structure	Cost	Weighted Cost	Income Tax Requirement (see below)	Revenue Requirement
Tax Exempt Debt	\$ 482,622,032	15.4650%	2.1790%	0.3370%	0.0000%	0.3370%
Other Debt	982,648,838	31.4877%	4.2909%	1.3511%	0.0000%	1.3511%
Total Debt	1,465,270,870	46.9527%	3.5953%	1.6881%	0.0000%	1.6881%
Trust Preferred Securities	36,112,947	1.1572%	5.2676%	0.0610%	0.0000%	0.0610%
Preferred Equity	50,976,311	1.6335%	5.0375%	0.0822%	0.0289%	0.1111%
Common Equity	1,568,378,530	50.2586%		6.0500%	2.1216%	8.1716%
TOTAL	\$ 3,120,738,658	100.0000%		7.8813%		10.0318%

Overall Cost of Capital as of December 31, 2019 - Other

Description - Other	Amount of Capital	Weight in Capital Structure	Cost	Weighted Cost	Income Tax Requirement (see below)	Revenue Requirement
Total Debt	\$ 175,760,578	46.9527%	4.2909%	2.0147%	0.0000%	2.0147%
Trust Preferred Securities	4,331,781	1.1572%	5.2676%	0.0610%	0.0000%	0.0610%
Preferred Equity	6,114,655	1.6335%	5.0375%	0.0822%	0.0289%	0.1111%
Common Equity	188,128,435	50.2586%		6.0500%	2.1216%	8.1716%
Combined Tax Rate =	\$ 374,335,449	100.0000%		8.2079%		10.3584%

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

F = Effective Statutory Federal Income Tax Rate

S = Effective Statutory State Income Tax Rate

$$\frac{(0.220967 + 0.062827) - 2 * (0.220967 * 0.062827)}{1 - (0.220967 * 0.062827)} = 25.9633\%$$

$$\text{Income Tax Requirement} = \frac{0.259633}{1 - 0.259633} = 35.0681\%$$

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

Retail Cost of Capital Revenue Requirement Rate for 2020

Overall Cost of Capital as of September 30, 2020 - Environmental

Description - Environmental	Amount of Capital	Weight in Capital Structure	*Cost	*Weighted Cost	Income Tax Requirement (see below)	Revenue Requirement
Tax Exempt Debt	\$ 519,730,131	14.8636%	0.9989%	0.1485%	0.0000%	0.1485%
Other Debt	1,097,959,294	31.4003%	4.0131%	1.2601%	0.0000%	1.2601%
Total Debt	1,617,689,425	46.2639%	3.0447%	1.4086%	0.0000%	1.4086%
Trust Preferred Securities	37,206,127	1.0641%	3.4412%	0.0366%	0.0000%	0.0366%
Preferred Equity	52,519,423	1.5020%	5.0375%	0.0757%	0.0267%	0.1024%
Common Equity	1,789,240,073	51.1700%		6.0500%	2.1406%	8.1906%
TOTAL	\$ 3,496,655,048	100.0000%		7.5709%		9.7382%

Overall Cost of Capital as of September 30, 2020 - Other

Description - Other	Amount of Capital	Weight in Capital Structure	Cost	Weighted Cost	Income Tax Requirement (see below)	Revenue Requirement
Total Debt	\$ 179,014,357	46.2639%	4.0131%	1.8566%	0.0000%	1.8566%
Trust Preferred Securities	4,117,249	1.0641%	3.4412%	0.0366%	0.0000%	0.0366%
Preferred Equity	5,811,827	1.5020%	5.0375%	0.0757%	0.0267%	0.1024%
Common Equity	197,998,241	51.1700%		6.0500%	2.1406%	8.1906%
TOTAL	\$ 386,941,674	100.0000%		8.0189%		10.1862%

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 2021 and 2020 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 2021

Retail Cost of Capital Revenue Requirement Rate for 2021

Overall Cost of Capital as of September 30, 2020 - Environmental

Description - Environmental	Amount of Capital	Weight in Capital Structure	*Cost	*Weighted Cost	Income Tax Requirement (see below)	Revenue Requirement
Tax Exempt Debt	\$ 524,132,628	14.8140%	0.9989%	0.1480%	0.0000%	0.1480%
Other Debt	1,112,725,553	31.4499%	4.0147%	1.2626%	0.0000%	1.2626%
Total Debt	1,636,858,181	46.2639%	3.0490%	1.4106%	0.0000%	1.4106%
Trust Preferred Securities	37,647,000	1.0641%	3.4412%	0.0366%	0.0000%	0.0366%
Preferred Equity	53,141,750	1.5020%	5.0375%	0.0757%	0.0268%	0.1025%
Common Equity	1,810,441,612	51.1700%		6.0500%	2.1406%	8.1906%
TOTAL	\$ 3,538,088,543	100.0000%		7.5729%		9.7403%

Overall Cost of Capital as of September 30, 2020 - Other

Description - Other	Amount of Capital	Weight in Capital Structure	Cost	Weighted Cost	Income Tax Requirement (see below)	Revenue Requirement
Total Debt	\$ 192,226,081	46.2639%	4.0147%	1.8573%	0.0000%	1.8573%
Trust Preferred Securities	4,421,113	1.0641%	3.4412%	0.0366%	0.0000%	0.0366%
Preferred Equity	6,240,755	1.5020%	5.0375%	0.0757%	0.0268%	0.1025%
Common Equity	212,611,026	51.1700%		6.0500%	2.1406%	8.1906%
TOTAL	\$ 415,498,975	100.0000%		8.0196%		10.1870%

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 2021 and 2020 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 2021

Accumulated Depreciation & Amortization - Environmental**

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 & Amortization*
Beginning Balance							\$ 1,025,232,156
January	2021	\$ 12,002,635	\$ (11,499)	\$ (12,828,636)	\$ 1,558,954	\$ (619,352)	\$ 1,025,334,258
February	2021	12,004,095	(1,499)	(12,828,572)	1,558,954	(1,473,662)	1,024,593,574
March	2021	12,005,605	(55,499)	(12,828,572)	1,558,954	(2,245,559)	1,023,028,503
April	2021	12,007,366	(1,015,499)	(12,828,572)	1,558,954	(837,389)	1,021,913,363
May	2021	12,013,072	(4,778,071)	(12,828,572)	1,558,954	(303,885)	1,017,574,861
June	2021	12,017,153	(582,539)	(12,828,572)	1,558,954	(356,540)	1,017,383,317
July	2021	12,062,234	(391,499)	(12,828,572)	1,558,954	(297,181)	1,017,487,253
August	2021	12,062,369	(45,705)	(12,828,572)	1,558,954	(1,262,282)	1,016,972,017
September	2021	12,063,494	(575,763)	(12,828,572)	1,558,954	(1,691,262)	1,015,498,868
October	2021	12,069,393	(375,587)	(12,828,572)	1,558,954	(1,401,262)	1,014,521,794
November	2021	12,087,681	(1,512,827)	(12,828,572)	1,558,954	(1,239,011)	1,012,588,019
December	2021	12,133,802	(6,900,689)	(12,890,187)	1,558,954	(64,769)	1,006,425,130

*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.

**Central Alabama amounts included above.

***Includes amortization of acquisition adjustment of \$23,967 per month.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

Net Unrecovered Investment - Environmental*****

		Unrecovered Investment	Accumulated Amortization	Accumulated Deferred Income Taxes*	Accumulated Cost of Removal (Cost)/Recovery	Net Unrecovered Investment**
January	2021	\$ 762,100,901	\$ 136,277,299	\$ 239,029,951	\$ (166,548,058)	\$ 553,341,709
February	2021	762,100,901	141,882,689	239,029,951	(173,983,653)	555,171,914
March	2021	762,100,901	147,488,080	239,029,951	(181,419,248)	557,002,118
April	2021	762,100,901	153,093,470	239,029,951	(188,854,843)	558,832,323
May	2021	762,100,901	158,569,549	239,029,951	(196,290,438)	560,791,839
June	2021	762,100,901	164,045,628	239,029,951	(203,726,033)	562,751,355
July	2021	762,100,901	169,521,707	239,029,951	(211,161,628)	564,710,871
August	2021	762,100,901	174,997,786	239,029,951	(218,597,223)	566,670,387
September	2021	762,100,901	180,473,864	239,029,951	(226,032,818)	568,629,904
October	2021	762,100,901	185,949,943	239,029,951	(233,468,413)	570,589,420
November	2021	762,100,901	191,426,022	239,029,951	(240,904,008)	572,548,936
December	2021	762,100,901	196,902,101	239,029,951	(248,339,603)	574,508,452

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***	Accumulated Cost of Removal (Cost)/Recovery
Beginning Balance					\$ (159,112,459)
January	2021	\$ (7,728,392)	\$ 501,853	\$ (209,060)	\$ (166,548,058)
February	2021	(7,728,392)	501,853	(209,056)	(173,983,653)
March	2021	(7,728,392)	501,853	(209,056)	(181,419,248)
April	2021	(7,728,392)	501,853	(209,056)	(188,854,843)
May	2021	(7,728,392)	501,853	(209,056)	(196,290,438)
June	2021	(7,728,392)	501,853	(209,056)	(203,726,033)
July	2021	(7,728,392)	501,853	(209,056)	(211,161,628)
August	2021	(7,728,392)	501,853	(209,056)	(218,597,223)
September	2021	(7,728,392)	501,853	(209,056)	(226,032,818)
October	2021	(7,728,392)	501,853	(209,056)	(233,468,413)
November	2021	(7,728,392)	501,853	(209,056)	(240,904,008)
December	2021	(7,728,392)	501,853	(209,056)	(248,339,603)

Unrecovered Investment - Cost Recovery - Environmental

		Amortization	Cost of Removal Recovery		
			Closure Cost CCR Facility Recovery	All Other Cost of Removal Recovery****	Total Cost of Removal Recovery
January	2021	5,605,391	\$ 501,853	\$ 254,527	\$ 756,380
February	2021	5,605,391	501,853	254,527	756,380
March	2021	5,605,391	501,853	254,527	756,380
April	2021	5,605,391	501,853	254,527	756,380
May	2021	5,476,079	501,853	254,527	756,380
June	2021	5,476,079	501,853	254,527	756,380
July	2021	5,476,079	501,853	254,527	756,380
August	2021	5,476,079	501,853	254,527	756,380
September	2021	5,476,079	501,853	254,527	756,380
October	2021	5,476,079	501,853	254,527	756,380
November	2021	5,476,079	501,853	254,527	756,380
December	2021	5,476,079	501,853	254,527	756,380
		\$ 66,230,196	\$ 6,022,236	\$ 3,054,324	\$ 9,078,560

*Accumulated Deferred Income Taxes are estimated and not actualized.

**In accordance with authorization in APSC Docket #U-6033 related to unit retirements as a result of the effects of pending Environmental Mandates.

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

****Includes non-CCR ARO and dismantlement recovery.

*****Reflects the annual removal of 2020 fully amortized Unrecovered Investment assets (\$2,435,114) beginning January 1, 2021.

Alabama Public Service Commission

November 16, 2020

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cc: Legal Division
 Electricity Policy Division
 Office of the Attorney General (attention: Ms. Olivia W. Martin)

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

- (1) Revenue requirement for the retail average net investment balance for compliance with governmental mandates for the year 2021.

\$ 386,947,319 [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 2021.

\$ 272,014,758	Operation & Maintenance Expense [See Appendix 2]
<u>244,468,066</u>	Depreciation & Amortization Expense [See Appendix 3]
<u>\$ 516,482,824</u>	Total

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

\$ (33,151,441) [See Appendix 4 (1 of 14)]

- (4) The retail revenue requirement for compliance with governmental mandates for the year 2021.

\$ 870,278,702 [Sum of Items (1), (2) and (3) above]

- (5) The projected compliance cost recovery for the year 2021 under currently effective factors.

\$ 811,639,560 [See Appendix 5]

- (6) The projected under-recovered retail revenue requirement for compliance with governmental mandates for the year 2021.

\$ 58,639,142 [Item (4) less Item (5) above]

- (7) Per the transmittal letter, the compliance factors in effect for year 2020 are anticipated to remain in effect for cost year 2021.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

Net Investment - Environmental

		Plant in Service**	Accumulated Depreciation & Amortization (Appendix 8)**	Accumulated Deferred Income Taxes	Net Unrecovered Investment (Appendix 9)	Net Investment
January	2021	\$ 4,933,751,728	\$ 1,025,334,258	\$ 823,784,666	\$ 553,341,709	\$ 3,637,974,513
February	2021	4,934,651,784	1,024,593,574	823,784,666	555,171,914	3,641,445,458
March	2021	4,935,378,841	1,023,028,503	823,784,666	557,002,118	3,645,567,790
April	2021	4,937,078,248	1,021,913,363	823,784,666	558,832,323	3,650,212,542
May	2021	4,937,900,105	1,017,574,861	823,784,666	560,791,839	3,657,332,417
June	2021	4,957,045,634	1,017,383,317	823,784,666	562,751,355	3,678,629,006
July	2021	4,957,020,690	1,017,487,253	823,784,666	564,710,871	3,680,459,642
August	2021	4,957,332,205	1,016,972,017	823,784,666	566,670,387	3,683,245,909
September	2021	4,958,994,686	1,015,498,868	823,784,666	568,629,904	3,688,341,056
October	2021	4,965,745,654	1,014,521,794	823,784,666	570,589,420	3,698,028,614
November	2021	4,987,290,098	1,012,588,019	823,784,666	572,548,936	3,723,466,349
December	2021	4,984,397,093	1,006,425,130	823,784,666	574,508,452	3,728,695,749
12 Months Average Net Investment - Environmental						\$ 3,676,116,587

Central Alabama*

		Plant in Service**	Accumulated Depreciation & Amortization**	Accumulated Deferred Income Taxes	Net Investment
January	2021	\$ 15,413,664	\$ 4,327,805	\$ 325,874	\$ 10,759,985
February	2021	15,413,664	4,381,746	325,874	10,706,044
March	2021	15,413,664	4,435,687	325,874	10,652,103
April	2021	15,413,664	4,489,628	325,874	10,598,162
May	2021	15,413,664	4,543,569	325,874	10,544,221
June	2021	15,413,664	4,597,510	325,874	10,490,280
July	2021	15,413,664	4,651,451	325,874	10,436,339
August	2021	15,413,664	4,705,391	325,874	10,382,399
September	2021	15,413,664	4,759,332	325,874	10,328,458
October	2021	15,413,664	4,813,273	325,874	10,274,517
November	2021	15,413,664	4,867,214	325,874	10,220,576
December	2021	15,413,664	4,921,155	325,874	10,166,635
12 Months Average Net Investment - Environmental					\$ 10,463,310

Total Company Average Net Plant Investment - Environmental	\$ 3,676,116,587
Less Central Alabama Average Net Plant Investment - Environmental	10,463,310
Average Net Plant Balance - Environmental	<u>\$ 3,665,653,277</u>
Retail Electric Investment Factor [See Appendix 6]	96.52%
Retail Average Net Environmental Plant Balance	<u>\$ 3,538,088,543</u>
Retail Cost of Capital Rev. Requirement Rate [See Appendix 7, pg 3 of 3]	9.7403%
Retail Revenue Requirement for Net Investment - Environmental	<u>\$ 344,620,438</u>

*In accordance with the Order dated August 14, 2020 in Docket No. 32953, costs associated with Central Alabama will be recovered through Rate CNP-C beginning June 1, 2023. In the interim, costs associated with Central Alabama have been removed from the amounts presented herein.

**Includes \$6,531,119 related to acquisition adjustment that is being amortized over 272.5 months at \$23,967 per month.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

Net Investment - Other

		Plant in Service	Accumulated Depreciation & Amortization	Accumulated Deferred Income Taxes	Net Investment
January	2021	\$ 650,240,769	\$ 102,180,321	\$ 122,735,754	\$ 425,324,694
February	2021	650,329,198	103,312,064	122,735,754	424,281,380
March	2021	661,576,509	104,444,841	122,735,754	434,395,914
April	2021	661,635,435	105,633,558	122,735,754	433,266,123
May	2021	661,694,892	106,637,943	122,735,754	432,321,195
June	2021	660,034,224	105,580,161	122,735,754	431,718,309
July	2021	660,094,117	106,617,617	122,735,754	430,740,746
August	2021	660,154,646	107,714,585	122,735,754	429,704,307
September	2021	657,414,375	105,636,090	122,735,754	429,042,531
October	2021	657,456,025	106,616,069	122,735,754	428,104,202
November	2021	658,642,675	107,719,889	122,735,754	428,187,032
December	2021	670,120,648	108,715,320	122,735,754	438,669,574

12 Months Average Net Investment - Other	\$ 430,479,667
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Central Alabama*

		Plant in Service	Accumulated Depreciation & Amortization	Accumulated Deferred Income Taxes	Net Investment
January	2021	\$ -	\$ -	\$ -	\$ -
February	2021	-	-	-	-
March	2021	-	-	-	-
April	2021	-	-	-	-
May	2021	-	-	-	-
June	2021	-	-	-	-
July	2021	-	-	-	-
August	2021	-	-	-	-
September	2021	-	-	-	-
October	2021	-	-	-	-
November	2021	-	-	-	-
December	2021	-	-	-	-

12 Months Average Net Investment - Other	\$ -
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Total Company Average Net Plant Balance - Other	\$ 430,479,667
Less Central Alabama Average Net Plant Investment - Other	-
Average Net Plant Balance - Other	\$ 430,479,667
Retail Electric Investment Factor [See Appendix 6]	96.52%
Retail Average Net Plant Balance - Other	\$ 415,498,975
Retail Cost of Capital Rev. Requirement Rate [See Appendix 7, pg 3 of 3]	10.1870%
Retail Revenue Requirement for Net Investment - Other	\$ 42,326,881
Total Retail Revenue Requirement for Net Investment	\$ 386,947,319

*See Order dated August 14, 2020 in Docket No. 32953.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

Operation & Maintenance Expense - Environmental

		O&M	Labor Overhead	Taxes Other Than Income Taxes	Total Central Alabama*	Joint Use Rent	Total Company Less Central Alabama & Joint Use Rent
January	2021	\$ 10,388,994	\$ 1,096,857	\$ 1,515,267	\$ 100,327	\$ 551,392	\$ 12,349,399
February	2021	10,115,532	1,020,090	1,515,267	100,327	551,392	11,999,170
March	2021	13,216,523	1,111,949	1,515,267	100,521	551,392	15,191,826
April	2021	19,763,590	1,088,557	1,515,267	100,371	551,392	21,715,651
May	2021	11,798,977	1,110,001	1,515,267	143,005	551,392	13,729,848
June	2021	10,621,441	1,083,175	1,515,267	101,206	551,392	12,567,285
July	2021	10,222,143	1,109,194	1,515,267	100,425	551,392	12,194,787
August	2021	10,227,390	1,115,252	1,515,267	100,371	551,392	12,206,146
September	2021	11,477,978	1,093,888	1,515,267	100,371	551,392	13,435,370
October	2021	12,160,215	1,121,190	1,535,915	118,740	551,392	14,147,188
November	2021	11,071,417	1,101,761	1,535,915	100,371	551,392	13,057,330
December	2021	10,373,338	1,120,305	1,535,915	101,198	551,392	12,376,968
		<u>\$ 141,437,538</u>	<u>\$ 13,172,219</u>	<u>\$ 18,245,148</u>	<u>\$ 1,267,233</u>	<u>\$ 6,616,704</u>	<u>\$ 164,970,968</u>

Total Operation & Maintenance Expense - Environmental - Excluding Central Alabama Retail Expense Allocation Factor [See Appendix 6] \$ 164,970,968
Retail Operation & Maintenance Expense - Environmental \$ 158,784,557

Operation & Maintenance Expense - Other

		O&M	Labor Overhead	Taxes Other Than Income Taxes	Total Central Alabama*	Total Company Less Central Alabama
January	2021	\$ 7,900,912	\$ 201,546	\$ 557,855	\$ 6,751	\$ 8,653,562
February	2021	7,694,369	198,614	557,855	6,751	8,444,087
March	2021	8,807,126	249,466	557,855	7,148	9,607,299
April	2021	7,607,784	214,107	557,855	6,840	8,372,906
May	2021	8,738,367	219,230	557,855	6,840	9,508,612
June	2021	9,674,756	200,454	557,855	10,123	10,422,942
July	2021	9,966,617	205,612	557,855	7,151	10,722,933
August	2021	9,985,070	230,222	557,855	6,840	10,766,307
September	2021	10,286,751	213,425	557,855	6,840	11,051,191
October	2021	9,415,921	205,979	577,974	6,840	10,193,034
November	2021	8,885,520	203,513	577,974	6,840	9,660,167
December	2021	9,456,764	214,112	577,974	10,123	10,238,727
		<u>\$ 108,419,957</u>	<u>\$ 2,556,280</u>	<u>\$ 6,754,617</u>	<u>\$ 89,087</u>	<u>\$ 117,641,767</u>

Total Operation & Maintenance Expense - Other - Excluding Central Alabama Retail Expense Allocation Factor [See Appendix 6] \$ 117,641,767
Retail Operation & Maintenance Expense - Other \$ 113,230,201

Total Retail Operation & Maintenance Expense \$ 272,014,758

*See Order dated August 14, 2020 in Docket No. 32953.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

Depreciation & Amortization Expense - Environmental

		Depreciation & Amortization Expense*	Central Alabama Depreciation & Amortization Expense*	Total Company Less Central Alabama	Closure Cost CCR Facility Recovery
January	2021	\$ 12,002,635	\$ 53,941	\$ 11,948,694	\$ 1,558,954
February	2021	12,004,095	53,941	11,950,154	1,558,954
March	2021	12,005,605	53,941	11,951,664	1,558,954
April	2021	12,007,366	53,941	11,953,425	1,558,954
May	2021	12,013,072	53,941	11,959,131	1,558,954
June	2021	12,017,153	53,941	11,963,212	1,558,954
July	2021	12,062,234	53,941	12,008,293	1,558,954
August	2021	12,062,369	53,941	12,008,428	1,558,954
September	2021	12,063,494	53,941	12,009,553	1,558,954
October	2021	12,069,393	53,941	12,015,452	1,558,954
November	2021	12,087,681	53,941	12,033,740	1,558,954
December	2021	12,133,802	53,941	12,079,861	1,558,954
		<u>\$ 144,528,899</u>	<u>\$ 647,292</u>	<u>\$ 143,881,607</u>	<u>\$ 18,707,448</u>

Total Depreciation & Amortization Expense - Environmental - Excluding Central Alabama	\$ 143,881,607
Closure Cost CCR Facility Recovery - Environmental	18,707,448
Unrecovered Investment Amortization Expense - Environmental [See Appendix 9]	66,230,196
Total Cost of Removal Recovery - Environmental [See Appendix 9]	9,076,560
Total Depreciation & Amortization Expense - Environmental	\$ 237,895,811
Retail Expense Allocation Factor [See Appendix 6]	96.25%
Retail Depreciation & Amortization Expense - Environmental	\$ 228,974,718

Depreciation & Amortization Expense - Other

		Depreciation & Amortization Expense*	Central Alabama Depreciation & Amortization Expense*	Total Company Less Central Alabama
January	2021	\$ 1,307,144	\$ -	\$ 1,307,144
February	2021	1,307,043	-	1,307,043
March	2021	1,307,187	-	1,307,187
April	2021	1,355,204	-	1,355,204
May	2021	1,355,275	-	1,355,275
June	2021	1,355,346	-	1,355,346
July	2021	1,352,862	-	1,352,862
August	2021	1,352,933	-	1,352,933
September	2021	1,353,004	-	1,353,004
October	2021	1,349,392	-	1,349,392
November	2021	1,349,463	-	1,349,463
December	2021	1,352,132	-	1,352,132
		<u>\$ 16,096,985</u>	<u>\$ -</u>	<u>16,096,985</u>

Total Depreciation & Amortization Expense - Other - Excluding Central Alabama	\$ 16,096,985
Retail Expense Allocation Factor [See Appendix 6]	96.25%
Retail Other Depreciation & Amortization Expense - Other	\$ 15,493,348
Total Retail Depreciation & Amortization Expense	\$ 244,468,066

*See Order dated August 14, 2020 in Docket No. 32953. Environmental depreciation & amortization includes amortization of acquisition adjustment of \$23,967 per month.

**Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021**

(Over)/Under-Recovery Calculation Summary

Total Over-Recovery from Prior Year Filing [See 2020 Filing, Appendix 4 (pg 1 of 13)]		\$ (55,155,763)
2021 Filing Over-Recovery for Compliance Cost Year 2019 [See Appendix 4 (pg 7 of 14)]	\$ (107,122,635)	
2020 Filing Over-Recovery for Compliance Cost Year 2019 [See 2020 Filing, Appendix 4 (pg 13 of 13)]	(103,216,564)	
	<hr/>	(3,906,071)
2021 Filing Under-Recovery for Compliance Cost Year 2020 [See Appendix 4 (pg 14 of 14)]		<hr/> 25,910,393
Total Over-Recovery for Compliance Cost Year 2021		<hr/> \$ (33,151,441) <hr/>

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

(Over)/Under Recovery Calculation
Actual January - December 2019

Net Investment True-up - Environmental

		Plant in Service*	Accumulated Depreciation*	Accumulated Deferred Income Taxes	Net Unrecovered Investment**	Net Investment
January	2019	\$ 5,079,192,693	\$ 1,388,187,867	\$ 769,859,786	\$ 32,671,972	\$ 2,953,817,012
February	2019	5,103,516,302	1,386,742,971	772,474,720	32,005,418	2,976,304,029
March	2019	5,110,884,955	1,394,675,964	775,094,611	31,338,864	2,972,453,244
April	2019	4,359,289,999	1,000,151,739	736,892,694	476,694,569	3,098,940,135
May	2019	4,371,257,677	1,008,880,811	739,135,822	476,689,954	3,099,930,998
June	2019	4,386,170,183	1,010,286,721	741,383,298	475,188,632	3,109,688,796
July	2019	4,387,482,059	1,014,884,213	743,632,357	473,857,272	3,102,822,761
August	2019	4,763,867,641	1,020,714,288	746,074,077	473,791,858	3,470,871,134
September	2019	4,770,685,158	1,018,959,885	748,519,795	475,802,453	3,479,007,931
October	2019	4,787,357,227	1,027,583,553	750,973,308	475,932,785	3,484,733,151
November	2019	4,822,416,522	1,029,426,583	753,445,078	480,663,560	3,520,208,421
December	2019	4,824,925,602	1,023,975,128	755,923,011	485,266,512	3,530,293,975
12 Months Average Net Investment - Environmental						\$ 3,233,255,966

Average Net Investment Balance - Environmental	\$ 3,233,255,966
Retail Electric Investment Factor [See Appendix 6]	96.52%
Retail Average Net Investment Balance - Environmental	<u>\$ 3,120,738,658</u>
Retail Cost of Capital Rev. Requirement Rate [See Appendix 7, pg 1 of 3]	10.0318%
Retail Revenue Requirement for Net Investment - Environmental	<u>\$ 313,066,261</u>

Net Investment True-up - Other

		Plant in Service	Accumulated Depreciation	Accumulated Deferred Income Taxes	Net Investment	
January	2019	\$ 585,520,210	\$ 77,938,422	\$ 113,564,427	\$ 394,017,361	
February	2019	586,715,904	79,286,395	114,069,620	393,359,889	
March	2019	586,173,185	80,481,758	114,575,063	391,116,364	
April	2019	585,761,064	81,616,801	115,080,129	389,064,134	
May	2019	586,141,162	81,844,593	115,585,693	388,710,876	
June	2019	586,756,006	83,463,976	116,091,449	387,200,581	
July	2019	587,104,583	84,310,527	116,597,377	386,196,679	
August	2019	587,400,986	85,166,778	117,103,590	385,130,618	
September	2019	587,718,267	85,736,552	117,610,157	384,371,558	
October	2019	588,446,799	86,806,376	118,117,223	383,523,200	
November	2019	589,056,195	87,805,770	118,624,835	382,625,590	
December	2019	596,421,102	88,614,550	119,139,362	388,667,190	
12 Months Average Net Investment - Other						\$ 387,832,003

Average Net Plant Balance - Other	\$ 387,832,003
Retail Electric Investment Factor [See Appendix 6]	96.52%
Retail Average Net Plant Balance - Other	<u>\$ 374,335,449</u>
Retail Cost of Capital Rev. Requirement Rate [See Appendix 7, pg 1 of 3]	10.3584%
Retail Revenue Requirement for Net Investment - Other	<u>\$ 38,775,163</u>

Total Retail Revenue Requirement for Net Investment **\$ 351,841,424** (A)

* 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. [See Appendix 4, pg 5 of 14]

**Net Unrecovered Investment. [See Appendix 4, pg 6 of 14]

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

(Over)/Under Recovery Calculation
Actual January - December 2019

Operation & Maintenance Expense True-up - Environmental

		O&M	Labor Overhead	Joint Use Rent	Total Company Less Joint Use Rent
January	2019	\$ 7,482,948	\$ 699,332	\$ 442,320	\$ 7,739,960
February	2019	9,273,813	883,839	465,588	9,692,064
March	2019	19,701,013	1,266,610	491,729	20,475,894
April	2019	11,750,208	791,534	288,264	12,253,478
May	2019	12,674,496	848,279	458,708	13,064,067
June	2019	8,923,184	826,759	468,574	9,281,369
July	2019	9,147,363	818,823	479,214	9,486,972
August	2019	11,594,744	1,313,741	490,200	12,418,285
September	2019	12,509,632	904,389	497,908	12,916,113
October	2019	11,764,527	876,286	502,130	12,138,683
November	2019	10,629,381	820,914	504,714	10,945,581
December	2019	12,296,623	799,160	509,267	12,586,516
		<u>\$ 137,747,932</u>	<u>\$ 10,849,666</u>	<u>\$ 5,598,616</u>	<u>\$ 142,998,982</u>

Operation & Maintenance Expense - Environmental	\$ 142,998,982
Retail Expense Allocation Factor [See Appendix 6]	96.25%
Retail Operation & Maintenance Expense - Environmental	<u>\$ 137,636,520</u>

Operation & Maintenance Expense True-up - Other

		O&M	Labor Overhead	Total Company
January	2019	\$ 6,402,838	\$ 201,365	\$ 6,604,203
February	2019	6,665,404	216,157	6,881,561
March	2019	7,536,872	364,329	7,901,201
April	2019	6,757,168	212,448	6,969,616
May	2019	7,870,338	213,707	8,084,045
June	2019	7,591,160	200,751	7,791,911
July	2019	7,553,480	196,820	7,750,300
August	2019	9,330,349	323,225	9,653,574
September	2019	9,560,698	222,825	9,783,523
October	2019	7,352,208	229,015	7,581,223
November	2019	7,351,490	201,453	7,552,943
December	2019	7,676,944	205,915	7,882,859
		<u>\$ 91,648,949</u>	<u>\$ 2,788,010</u>	<u>\$ 94,436,959</u>

Operation & Maintenance Expense - Other	\$ 94,436,959
Retail Expense Allocation Factor [See Appendix 6]	96.25%
Retail Operation & Maintenance Expense - Other	<u>\$ 90,895,573</u>
Total Retail Operation & Maintenance Expense	<u>\$ 228,532,093</u> (B)

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

(Over)/Under Recovery Calculation
Actual January - December 2019

Depreciation & Amortization Expense True-up - Environmental

		Depreciation Expense	Closure Cost CCR Facility Recovery
January	2019	\$ 15,742,662	\$ 2,060,807
February	2019	16,228,837	2,060,807
March	2019	16,311,772	2,060,807
April	2019	16,298,982	2,060,807
May	2019	13,580,006	1,558,954
June	2019	11,097,552	1,558,954
July	2019	11,043,723	1,558,954
August	2019	11,116,656	1,558,954
September	2019	11,550,781	1,558,954
October	2019	11,860,652	1,558,954
November	2019	11,829,123	1,558,954
December	2019	11,925,838	1,558,954
		<u>\$ 158,586,584</u>	<u>\$ 20,714,860</u>

Depreciation Expense - Environmental	\$ 158,586,584
Closure Cost CCR Facility Recovery - Environmental	20,714,860
Unrecovered Investment Amortization Expense - Environmental [Appendix 4, pg 6 of 14]	46,413,592
Total Cost of Removal Recovery - Environmental [See Appendix 4, pg 6 of 14]	6,051,040
Total Depreciation & Amortization Expense - Environmental	<u>\$ 231,766,076</u>
Retail Expense Allocation Factor [See Appendix 6]	96.25%
Retail Depreciation & Amortization Expense - Environmental	<u>\$ 223,074,848</u>

Depreciation & Amortization Expense True-up - Other

		Amortization Expense
January	2019	\$ 1,127,881
February	2019	1,350,754
March	2019	1,195,364
April	2019	1,195,608
May	2019	1,195,944
June	2019	1,195,056
July	2019	1,196,145
August	2019	1,196,571
September	2019	1,197,183
October	2019	1,197,415
November	2019	1,198,940
December	2019	1,200,459
		<u>\$ 14,447,320</u>

Depreciation & Amortization Expense - Other	\$ 14,447,320
Retail Expense Allocation Factor [See Appendix 6]	96.25%
Retail Other Depreciation & Amortization Expense - Other	<u>\$ 13,905,546</u>
Total Retail Depreciation & Amortization Expense	<u>\$ 236,980,394</u> (C)

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

(Over)/Under Recovery Calculation
Actual January - December 2019

Accumulated Depreciation True Up - Environmental

		Depreciation Expense*	Retirements	Cost of Removal CCR Facility Closure Cost	Closure Cost CCR Facility Recovery*	All Other Cost of Removal/Salvage	Accumulated Depreciation
Beginning Balance							\$ 1,393,811,113
January	2019	\$ 15,742,662	\$ (18,842,557)	\$ (4,376,916)	\$ 2,060,807	\$ (207,242)	\$ 1,388,187,867
February	2019	16,228,837	(12,834,195)	(6,219,898)	2,060,807	(680,447)	1,386,742,971
March	2019	16,311,772	-	(7,397,776)	2,060,807	(3,041,810)	1,394,675,964
April	2019	16,298,982	(439,640,993)	10,504,559	2,060,807	16,252,420	1,000,151,739
May	2019	13,580,006	-	(5,410,846)	1,558,954	(999,042)	1,008,880,811
June	2019	11,097,552	(5,162,211)	(5,250,955)	1,558,954	(837,430)	1,010,286,721
July	2019	11,043,723	(2,907,860)	(4,614,521)	1,558,954	(482,804)	1,014,884,213
August	2019	11,116,656	(10,237)	(6,618,806)	1,558,954	(216,492)	1,020,714,288
September	2019	11,550,781	(1,965,902)	(6,446,172)	1,558,954	(6,452,064)	1,018,959,885
October	2019	11,860,652	-	(7,718,376)	1,558,954	2,922,438	1,027,583,553
November	2019	11,829,123	(9,510)	(8,059,484)	1,558,954	(3,476,053)	1,029,426,583
December	2019	11,925,838	(10,172,474)	(7,763,570)	1,558,954	(1,000,203)	1,023,975,128

*Depreciation Expense & Closure Cost CCR Facility Recovery. [See Appendix 4, pg 4 of 14]

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

(Over)/Under Recovery Calculation
Actual January - December 2019

Net Unrecovered Investment True-up - Environmental

		Unrecovered Investment	Accumulated Amortization	Accumulated Deferred Income Taxes	Accumulated Cost of Removal (Cost)/Recovery	Net Unrecovered Investment*
January	2019	\$ 92,377,431	\$ 50,735,001	\$ 8,970,458	\$ -	\$ 32,671,972
February	2019	92,377,431	51,542,557	8,829,456	-	32,005,418
March	2019	92,377,431	52,350,113	8,688,454	-	31,338,864
April	2019	743,551,031	53,157,669	216,125,887	(2,427,094)	476,694,569
May	2019	743,551,031	58,555,591	215,602,267	(7,296,781)	476,689,954
June	2019	743,551,031	63,953,512	214,811,623	(10,402,736)	475,188,632
July	2019	743,551,031	69,351,433	214,081,115	(13,738,789)	473,857,272
August	2019	743,551,031	74,749,355	213,798,526	(18,788,708)	473,791,858
September	2019	743,551,031	80,147,276	214,250,472	(26,649,170)	475,802,453
October	2019	743,551,031	85,545,197	214,037,141	(31,964,092)	475,932,785
November	2019	743,551,031	90,943,119	215,468,586	(43,524,234)	480,663,560
December	2019	743,551,031	96,341,040	216,871,846	(54,928,367)	485,266,512

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**	Accumulated Cost of Removal (Cost)/Recovery
Beginning Balance					\$ -
January	2019	\$ -	\$ -	\$ -	\$ -
February	2019	-	-	-	-
March	2019	-	-	-	-
April	2019	(16,381,397)	14,051,881	(97,578)	(2,427,094) ***
May	2019	(4,686,176)	501,853	(685,364)	(7,296,781)
June	2019	(2,900,040)	501,853	(707,768)	(10,402,736)
July	2019	(3,061,768)	501,853	(776,138)	(13,738,789)
August	2019	(4,576,754)	501,853	(975,018)	(18,788,708)
September	2019	(7,422,527)	501,853	(939,788)	(26,649,170)
October	2019	(4,874,752)	501,853	(942,023)	(31,964,092)
November	2019	(10,989,556)	501,853	(1,072,439)	(43,524,234)
December	2019	(10,840,152)	501,853	(1,065,834)	(54,928,367)

Unrecovered Investment - Cost Recovery True-up - Environmental

		Amortization	Cost of Removal Recovery		
			Closure Cost CCR Facility Recovery	All Other Cost of Removal Recovery****	Total Cost of Removal Recovery
January	2019	\$ 807,556	\$ -	\$ -	\$ -
February	2019	807,556	-	-	-
March	2019	807,556	-	-	-
April	2019	807,556	-	-	-
May	2019	5,397,921	501,853	254,527	756,380
June	2019	5,397,921	501,853	254,527	756,380
July	2019	5,397,921	501,853	254,527	756,380
August	2019	5,397,921	501,853	254,527	756,380
September	2019	5,397,921	501,853	254,527	756,380
October	2019	5,397,921	501,853	254,527	756,380
November	2019	5,397,921	501,853	254,527	756,380
December	2019	5,397,921	501,853	254,527	756,380
		<u>\$ 46,413,592</u>	<u>\$ 4,014,824</u>	<u>\$ 2,036,216</u>	<u>\$ 6,051,040</u>

*In accordance with authorization in APSC Docket #U-5033 related to unit retirements as a result of the effects of pending Environmental Mandates.

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

***Represents accumulated COR at time of Gorgas Plant retirement - includes CCR-ARO, non-CCR ARO, other COR and dismantlement.

****Includes non-CCR ARO and dismantlement recovery.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

(Over)/Under Recovery Calculation
Actual January - December 2019

Retail Revenue Requirement Recovery True-Up

		Retail Revenue Requirement Recovery
January	2019	\$ 78,131,770
February	2019	75,524,326
March	2019	65,292,627
April	2019	62,216,150
May	2019	67,095,828
June	2019	83,397,029 *
July	2019	89,605,410
August	2019	91,978,757
September	2019	92,956,007
October	2019	83,308,556
November	2019	62,714,022
December	2019	72,256,064
		<u>\$ 924,476,546</u> (D)

*Increased for prior recovery of \$598,490.

True-up Calculation

Retail Revenue Requirement for Net Investment	\$ 351,841,424	(A)
Retail Operation & Maintenance Expense	228,532,093	(B)
Retail Depreciation & Amortization Expense	<u>236,980,394</u>	(C)
2019 Retail Revenue Requirement	\$ 817,353,911	
2019 Retail Revenue Requirement Recovery	<u>924,476,546</u>	(D)
Amount of (over)/under recovery [(A)+(B)+(C)-(D)]	\$ (107,122,635)	

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

(Over)/Under Recovery Calculation
Actual January - September 2020

Projected October - December 2020

Net Investment True-up - Environmental

		Plant in Service****	Accumulated Depreciation & Amortization****	Accumulated Deferred Income Taxes*	Net Unrecovered Investment**	Net Investment
January	2020	\$ 4,928,432,247	\$ 1,030,239,777	\$ 766,668,212	\$ 487,759,153	\$ 3,619,283,411
February	2020	4,933,411,249	1,036,519,438	769,782,152	490,733,472	3,617,843,131
March	2020	4,938,817,898	1,041,489,091	772,898,812	491,862,368	3,616,292,363
April	2020	4,943,874,161	1,045,296,995	776,018,404	494,926,862	3,617,485,624
May	2020	4,947,739,430	1,050,249,796	779,140,946	498,929,573	3,617,278,261
June	2020	4,909,885,920	1,009,519,297	782,238,384	500,864,690	3,618,992,929
July	2020	4,908,787,620	1,011,666,214	785,336,612	504,278,470	3,616,063,264
August	2020	4,927,060,028	1,017,938,425	788,435,757	506,584,288	3,627,270,134
September	2020	4,916,052,401	1,038,652,751	791,576,293	544,037,840	3,629,861,197
October	2020	4,925,534,207	1,036,463,510	794,722,916	547,793,372	3,642,141,153
November	2020	4,928,224,988	1,034,390,333	797,871,230	550,115,278	3,646,078,703
December	2020	4,932,858,368	1,025,232,156	801,022,553	553,106,248	3,659,709,907
12 Months Average Net Investment - Environmental						\$ 3,627,358,340

Central Alabama***

		Plant in Service****	Accumulated Depreciation & Amortization****	Accumulated Deferred Income Taxes*	Net Investment	
January	2020	\$ -	\$ -	\$ -	\$ -	
February	2020	-	-	-	-	
March	2020	-	-	-	-	
April	2020	-	-	-	-	
May	2020	-	-	-	-	
June	2020	-	-	-	-	
July	2020	-	-	-	-	
August	2020	15,382,364	4,071,342	-	11,311,022	
September	2020	15,382,364	4,125,175	48,125	11,209,064	
October	2020	15,382,364	4,179,008	96,250	11,107,106	
November	2020	15,379,164	4,220,042	144,365	11,014,757	
December	2020	15,413,664	4,273,864	192,588	10,947,212	
12 Months Average Net Investment - Environmental						\$ 4,632,430

Total Company Average Net Plant Investment - Environmental	\$ 3,627,358,340
Less Central Alabama Average Net Plant Investment - Environmental	4,632,430
Average Net Plant Balance - Environmental	<u>\$ 3,622,725,910</u>
Retail Electric Investment Factor [See Appendix 6]	96.52%
Retail Average Net Environmental Plant Balance	<u>\$ 3,496,655,048</u>
Retail Cost of Capital Rev. Requirement Rate [See Appendix 7, pg 2 of 3]	9.7382%
Retail Revenue Requirement for Net Investment - Environmental	<u>\$ 340,511,262</u>

*Accumulated Deferred Income Taxes are estimated and not actualized.

**Net Unrecovered Investment. [See Appendix 4, pg 13 of 14]

***In accordance with the Order dated August 14, 2020 in Docket No. 32953, costs associated with Central Alabama will be recovered through Rate CNP-C beginning June 1, 2023. In the interim, costs associated with Central Alabama have been removed from the amounts presented herein.

****Includes \$6,531,119 related to acquisition adjustment that is being amortized over 272.5 months at \$23,967 per month beginning in September 2020.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

(Over)/Under Recovery Calculation
 Actual January - September 2020

Projected October - December 2020

Net Investment True-up - Other

		Plant in Service	Accumulated Depreciation & Amortization	Accumulated Deferred Income Taxes*	Net Investment
January	2020	\$ 596,210,223	\$ 89,802,284	\$ 119,359,515	\$ 387,048,424
February	2020	597,952,067	90,918,121	119,580,167	387,453,779
March	2020	597,924,250	92,006,328	119,801,027	386,116,895
April	2020	598,461,450	93,155,481	120,021,879	385,284,090
May	2020	598,582,785	94,203,831	120,242,739	384,136,215
June	2020	598,511,633	95,378,551	120,463,782	382,669,300
July	2020	623,411,615	96,553,964	120,693,900	406,163,751
August	2020	624,873,459	97,664,066	120,924,445	406,284,948
September	2020	635,938,340	98,496,257	121,159,265	416,282,818
October	2020	642,313,458	99,312,837	121,396,261	421,604,360
November	2020	642,409,683	100,336,349	121,633,294	420,440,040
December	2020	650,310,748	101,209,231	121,873,241	427,228,276

12 Months Average Net Investment - Other	\$ 400,892,741
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Central Alabama**

		Plant in Service	Accumulated Depreciation & Amortization	Accumulated Deferred Income Taxes*	Net Investment
January	2020	\$ -	\$ -	\$ -	\$ -
February	2020	-	-	-	-
March	2020	-	-	-	-
April	2020	-	-	-	-
May	2020	-	-	-	-
June	2020	-	-	-	-
July	2020	-	-	-	-
August	2020	-	-	-	-
September	2020	-	-	-	-
October	2020	-	-	-	-
November	2020	-	-	-	-
December	2020	-	-	-	-

12 Months Average Net Investment - Other	\$ -
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Total Company Average Net Plant Balance - Other	\$ 400,892,741
Less Central Alabama Average Net Plant Investment - Other	-
Average Net Plant Balance - Other	<u>\$ 400,892,741</u>
Retail Electric Investment Factor [See Appendix 6]	96.52%
Retail Average Net Plant Balance - Other	<u>\$ 386,941,674</u>
Retail Cost of Capital Rev. Requirement Rate [See Appendix 7, pg 2 of 3]	10.1862%
Retail Revenue Requirement for Net Investment - Other	<u>\$ 39,414,653</u>
Total Retail Revenue Requirement for Net Investment	<u>\$ 379,925,915</u> (A)

*Accumulated Deferred Income Taxes are estimated and not actualized.

**See Order dated August 14, 2020 in Docket No. 32953.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

(Over)/Under Recovery Calculation
 Actual January - September 2020

Projected October - December 2020

Operation & Maintenance Expense True-up - Environmental

		O&M	Labor Overhead	Taxes Other Than Income Taxes	Total Central Alabama*	Joint Use Rent	Total Company Less Central Alabama & Joint Use Rent
January	2020	\$ 8,130,435	\$ 1,134,738	\$ 1,520,007	\$ -	\$ 511,308	\$ 10,273,872
February	2020	7,254,901	848,345	1,520,007	-	523,412	9,099,841
March	2020	5,791,671	875,841	1,520,007	-	530,253	7,657,266
April	2020	6,350,095	895,185	1,520,007	-	515,089	8,250,198
May	2020	6,074,074	859,604	1,520,007	-	520,385	7,933,300
June	2020	6,728,254	853,446	1,520,007	-	519,503	8,582,204
July	2020	6,764,936	1,256,549	1,520,007	-	519,586	9,021,906
August	2020	7,418,939	890,036	1,520,007	-	519,836	9,309,146
September	2020	7,837,890	854,690	1,520,007	45,793	520,024	9,646,770
October	2020	11,310,789	1,060,450	1,525,590	161,000	520,024	13,215,805
November	2020	10,072,480	1,033,901	1,525,590	92,000	520,024	12,019,947
December	2020	9,993,616	1,060,907	1,525,590	92,000	520,024	11,968,089
		<u>\$ 93,728,080</u>	<u>\$ 11,623,692</u>	<u>\$ 18,256,833</u>	<u>\$ 390,793</u>	<u>\$ 6,239,468</u>	<u>\$ 116,978,344</u>

Total Operation & Maintenance Expense - Environmental - Excluding Central Alabama \$ 116,978,344
 Retail Expense Allocation Factor [See Appendix 6] 96.25%
Retail Operation & Maintenance Expense - Environmental **\$ 112,591,656**

Operation & Maintenance Expense True-up - Other

		O&M	Labor Overhead	Taxes Other Income Taxes	Total Central Alabama*	Total Company Less Central Alabama
January	2020	\$ 7,261,155	\$ 297,893	\$ 535,557	\$ -	\$ 8,094,605
February	2020	6,459,679	190,606	535,557	-	7,185,842
March	2020	8,171,262	223,458	535,557	-	8,930,277
April	2020	6,877,567	210,613	535,557	-	7,623,737
May	2020	7,780,189	207,928	535,557	-	8,523,674
June	2020	7,038,686	253,993	535,557	-	7,828,236
July	2020	8,049,408	305,629	535,557	-	8,890,594
August	2020	8,294,250	197,191	535,557	-	9,026,998
September	2020	7,965,787	199,497	535,557	-	8,700,841
October	2020	8,323,849	194,808	536,754	-	9,055,411
November	2020	7,420,001	191,030	536,754	-	8,147,785
December	2020	7,444,671	206,757	536,754	-	8,188,182
		<u>\$ 91,086,504</u>	<u>\$ 2,679,403</u>	<u>\$ 6,430,275</u>	<u>\$ -</u>	<u>\$ 100,196,182</u>

Total Operation & Maintenance Expense - Other - Excluding Central Alabama \$ 100,196,182
 Retail Expense Allocation Factor [See Appendix 6] 96.25%
Retail Operation & Maintenance Expense - Other **\$ 96,438,825**

Total Retail Operation & Maintenance Expense **\$ 209,030,481** (B)

*See Order dated August 14, 2020 in Docket No. 32953.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

(Over)/Under Recovery Calculation
 Actual January - September 2020

Projected October - December 2020

Depreciation & Amortization Expense True-up - Environmental

		Depreciation & Amortization Expense*	Central Alabama Depreciation & Amortization Expense*	Total Company Less Central Alabama	Closure Cost CCR Facility Recovery
January	2020	\$ 11,933,016	\$ -	\$ 11,933,016	\$ 1,558,954
February	2020	12,114,980	-	12,114,980	1,558,954
March	2020	12,128,320	-	12,128,320	1,558,954
April	2020	12,135,867	-	12,135,867	1,558,954
May	2020	12,145,219	-	12,145,219	1,558,954
June	2020	12,155,234	-	12,155,234	1,558,954
July	2020	12,057,671	-	12,057,671	1,558,954
August	2020	12,061,311	-	12,061,311	1,558,954
September	2020	12,158,657	53,833	12,104,824	1,558,954
October	2020	11,973,864	53,833	11,920,031	1,558,954
November	2020	11,989,709	53,833	11,935,876	1,558,954
December	2020	11,991,877	53,822	11,938,055	1,558,954
		<u>\$ 144,845,725</u>	<u>\$ 215,321</u>	<u>144,630,404</u>	<u>\$ 18,707,448</u>

Total Depreciation & Amortization Expense - Environmental - Excluding Central Alabama	\$ 144,630,404
Closure Cost CCR Facility Recovery - Environmental	18,707,448
Unrecovered Investment Amortization Expense - Environmental [Appendix 4, pg 13 of 14]	63,898,315
Total Cost of Removal Recovery - Environmental [See Appendix 4, pg 13 of 14]	9,076,560
Total Depreciation & Amortization Expense - Environmental	<u>\$ 236,312,727</u>
Retail Expense Allocation Factor [See Appendix 6]	96.25%
Retail Depreciation & Amortization Expense - Environmental	<u>\$ 227,451,000</u>

Depreciation & Amortization Expense True-up - Other

		Depreciation & Amortization Expense*	Central Alabama Depreciation & Amortization Expense*	Total Company Less Central Alabama
January	2020	\$ 1,210,704	\$ -	\$ 1,210,704
February	2020	1,211,475	-	1,211,475
March	2020	1,214,244	-	1,214,244
April	2020	1,214,268	-	1,214,268
May	2020	1,215,246	-	1,215,246
June	2020	1,215,086	-	1,215,086
July	2020	1,215,248	-	1,215,248
August	2020	1,253,910	-	1,253,910
September	2020	1,255,819	-	1,255,819
October	2020	1,285,358	-	1,285,358
November	2020	1,294,483	-	1,294,483
December	2020	1,294,864	-	1,294,864
		<u>\$ 14,880,705</u>	<u>\$ -</u>	<u>\$ 14,880,705</u>

Total Depreciation & Amortization Expense - Other - Excluding Central Alabama	\$ 14,880,705
Retail Expense Allocation Factor [See Appendix 6]	96.25%
Retail Other Depreciation & Amortization Expense - Other	<u>\$ 14,322,679</u>

Total Retail Depreciation & Amortization Expense **\$ 241,773,679** (C)

*See Order dated August 14, 2020 in Docket No. 32953. Includes amortization of acquisition adjustment of \$23,967 per month beginning in September 2020.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

(Over)/Under Recovery Calculation
 Actual January - September 2020

Projected October - December 2020

Accumulated Depreciation True Up - Environmental**

		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*
Beginning Balance							\$ 1,023,975,128
January	2020	\$ 11,933,016	\$ (101,744)	\$ (7,006,011)	\$ 1,558,954	\$ (119,566)	\$ 1,030,239,777
February	2020	12,114,980	(30,191)	(7,300,587)	1,558,954	(63,495)	1,036,519,438
March	2020	12,128,320	(136,890)	(8,518,606)	1,558,954	(62,125)	1,041,489,091
April	2020	12,135,867	(190,616)	(9,641,805)	1,558,954	(54,496)	1,045,296,995
May	2020	12,145,219	-	(8,795,618)	1,558,954	44,246	1,050,249,796
June	2020	12,155,234	(43,704,748)	(10,680,123)	1,558,954	(59,816)	1,009,519,297
July	2020	12,057,671	(13,273)	(11,407,538)	1,558,954	(48,897)	1,011,666,214
August	2020	12,061,311	4,047,552	(11,373,071)	1,558,954	(22,535)	1,017,938,425
September	2020	12,158,657	17,500,710	(10,347,077)	1,558,954	(156,918)	1,038,652,751
October	2020	<i>11,973,864</i>	<i>(62,827)</i>	<i>(13,416,021)</i>	<i>1,558,954</i>	<i>(2,243,211)</i>	1,036,463,510
November	2020	11,989,709	(94,199)	(14,133,761)	1,558,954	(1,393,880)	1,034,390,333
December	2020	11,991,877	(1,371,507)	(19,946,574)	1,558,954	(1,390,927)	1,025,232,156

* 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.

**Central Alabama amounts included above.

***Includes amortization of acquisition adjustment of \$23,967 per month beginning in September 2020.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

(Over)/Under Recovery Calculation
Actual January - September 2020

Projected October - December 2020

Net Unrecovered Investment True-up - Environmental*****

		Unrecovered Investment	Accumulated Amortization	Accumulated Deferred Income Taxes*	Accumulated Cost of Removal (Cost)/Recovery	Net Unrecovered Investment**
January	2020	\$ 716,418,698	\$ 74,454,085	\$ 217,474,460	\$ (63,269,000)	\$ 487,759,153
February	2020	716,418,698	79,699,464	218,247,501	(72,261,739)	490,733,472
March	2020	716,418,698	84,944,843	218,367,594	(78,756,107)	491,862,368
April	2020	716,418,698	90,190,222	219,172,542	(87,870,928)	494,926,862
May	2020	716,418,698	95,414,181	220,301,872	(98,226,928)	498,929,573
June	2020	716,418,698	100,638,139	220,699,643	(105,783,774)	500,864,690
July	2020	716,418,698	105,862,097	221,620,596	(115,342,465)	504,278,470
August	2020	716,418,698	111,086,056	222,149,530	(123,401,176)	506,584,288
September	2020	764,536,013	116,290,850	235,244,963	(131,037,640)	544,037,840
October	2020	764,536,015	121,896,241	236,142,785	(141,296,383)	547,793,372
November	2020	764,536,015	127,501,632	236,670,630	(149,751,525)	550,115,278
December	2020	764,536,015	133,107,022	237,435,204	(159,112,459)	553,106,248

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***	Accumulated Cost of Removal (Cost)/Recovery
Beginning Balance					\$ (54,928,367)
January	2020	\$ (7,896,012)	\$ 501,853	\$ (946,474)	(63,269,000)
February	2020	(8,542,545)	501,853	(952,047)	(72,261,739)
March	2020	(6,676,260)	501,853	(319,961)	(78,756,107)
April	2020	(8,754,858)	501,853	(861,816)	(87,870,928)
May	2020	(9,541,747)	501,853	(1,316,106)	(98,226,928)
June	2020	(6,216,692)	501,853	(1,842,007)	(105,783,774)
July	2020	(8,222,837)	501,853	(1,837,707)	(115,342,465)
August	2020	(7,357,633)	501,853	(1,202,931)	(123,401,176)
September	2020	(7,284,726)	501,853	(853,591)	(131,037,640)
October	2020	(9,224,495)	501,853	(1,536,101)	(141,296,383)
November	2020	(8,527,913)	501,853	(429,082)	(149,751,525)
December	2020	(8,906,319)	501,853	(956,468)	(159,112,459)

Unrecovered Investment - Cost Recovery True-up - Environmental

		Amortization	Closure Cost CCR Facility Recovery	All Other Cost of Removal Recovery****	Total Cost of Removal Recovery
January	2020	\$ 5,245,379	\$ 501,853	\$ 254,527	\$ 756,380
February	2020	5,245,379	501,853	254,527	756,380
March	2020	5,245,379	501,853	254,527	756,380
April	2020	5,245,379	501,853	254,527	756,380
May	2020	5,223,958	501,853	254,527	756,380
June	2020	5,223,958	501,853	254,527	756,380
July	2020	5,223,958	501,853	254,527	756,380
August	2020	5,223,958	501,853	254,527	756,380
September	2020	5,204,794	501,853	254,527	756,380
October	2020	5,605,391	501,853	254,527	756,380
November	2020	5,605,391	501,853	254,527	756,380
December	2020	5,605,391	501,853	254,527	756,380
		<u>\$ 63,898,315</u>	<u>\$ 6,022,236</u>	<u>\$ 3,054,324</u>	<u>\$ 9,076,560</u>

*Accumulated Deferred Income Taxes are estimated and not actualized.

**In accordance with authorization in APSC Docket #U-5033 related to unit retirements as a result of the effects of pending Environmental Mandates.

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

****Includes non-CCR ARO and dismantlement recovery.

*****Fully amortized Unrecovered Investment assets (\$27,132,334) have been removed beginning January 1, 2020.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

(Over)/Under Recovery Calculation
 Actual January - September 2020

Projected October - December 2020

Retail Revenue Requirement Recovery True-Up

			Retail Revenue Requirement Recovery	
January	2020	\$	66,330,289	
February	2020		65,746,605	
March	2020		63,024,476	
April	2020		53,540,949	
May	2020		54,541,416	
June	2020		67,870,831	
July	2020		77,150,818	
August	2020		80,831,818	
September	2020		78,087,085	
October	2020		67,626,737	
November	2020		60,854,601	
December	2020		69,214,057	
			<u>\$ 804,819,682</u>	(D)

True-up Calculation

Retail Revenue Requirement for Net Investment	\$	379,925,915	(A)
Retail Operation & Maintenance Expense		209,030,481	(B)
Retail Depreciation & Amortization Expense		<u>241,773,679</u>	(C)
2020 Retail Revenue Requirement	\$	830,730,075	
2020 Retail Revenue Requirement Recovery		<u>804,819,682</u>	(D)

Amount of (over)/under recovery [(A)+(B)+(C)-(D)]	\$	25,910,393	
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ALABAMA POWER COMPANY
Projected Compliance Cost Recovery for 2021
(under currently effective factors)

(A)	(B)	(C)	(D)
Rate Schedule	Currently Effective CNP (Subpart C) Factor \$/kWh	Forecasted kWh 2021	Cost Recovery using Currently Effective Factor (B) X (C)
ASL	0.018135	29,317,616	531,675
BEVT	0.026949	1,108,046	29,861
BTA	0.016057	434,928,755	6,983,651
BTAL	0.009342	1,673,845,505	15,637,065
CFTU	0.010347	24,888,115	257,517
FCR	0.004677	6,641,979,356	31,064,537
FD	0.021924	17,119,637,925	375,330,942
XFDE	0.017464	196,281,000	3,427,851
XFDT	0.017460	4,253,456	74,265
FIRTU	0.014572	3,952,927	57,602
FMTU	0.011829	451,610,839	5,342,105
FPL	0.042583	344,801,895	14,682,699
XFSTU	0.015311	174,784,042	2,676,118
XGRU	0.013145	175,950,857	2,312,874
HLF	0.007718	1,830,398,302	14,127,014
XHLTU	0.012773	30,813,205	393,577
XHMTU	0.015915	41,137,181	654,698
LAF	0.037610	19,629,187	738,254
LFS	0.022734	78,580,622	1,786,452
XLLTU	0.013178	9,407,782	123,976
XLMTU	0.016860	33,863,260	570,935
LPLE	0.010342	749,597,180	7,752,334
LPME	0.018159	1,898,302,430	34,471,274
LPSE	0.025254	1,430,632,858	36,129,202
LPL	0.010461	2,461,743,524	25,752,299
LPLM	0.009276	5,879,537,937	54,538,594
LPM	0.024261	3,960,606,650	96,088,278
LPS	0.042640	425,262,725	18,133,203
XLPTL	0.010426	1,363,706,407	14,218,003
XLPTM	0.019103	68,832,446	1,314,906
XLPTS	0.020795	118,150,714	2,456,944
LTU	0.015305	30,867,496	472,427
MTU	0.008998	377,474,091	3,396,512
ODL	0.007705	121,879,628	939,083
OFF	0.015893	18,994,295	301,876
PG	0.027574	5,678,898	156,590
PMTU	0.009154	680,200,609	6,226,556
PTU	0.011108	32,918,395	365,658
XRLTU	0.013668	20,010,788	273,507
XRMTU	0.015112	152,217,581	2,300,312
RTA	0.024555	1,461,318	35,883
RTAE	0.020495	6,259,155	128,281
RTP	0.007438	1,401,809,971	10,426,663
RTPDX	0.003804	1,651,716,590	6,283,130
SCGTU	0.009461	134,708,810	1,274,480
SCH	0.018824	406,281,907	7,647,851
SLM	0.025883	125,571,666	3,250,171
TS	0.012631	17,173,395	216,917
TSTU	0.009744	2,906,062	28,317
TXTU	0.011595	19,673,439	228,114
XTP	0.022286	960,276	21,401
XWP	0.012872	553,592	7,126
Total		<u>52,886,860,706</u>	<u>\$ 811,639,560</u>

ALABAMA POWER COMPANY
 RETAIL COST OF SERVICE
 TWELVE MONTHS ENDED DECEMBER 31, 2019

SCHEDULE 1.00

PAGE 1

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	\$30,039,625,964	\$15,090,648,723	\$13,932,309,465	\$29,022,958,187	\$1,016,667,776
2	PROVISION FOR ACCUM DEPR & AMORT	9,988,015,870	5,031,662,487	4,623,708,260	9,655,370,747	332,645,123
3	NET PLANT	\$20,051,610,094	\$10,058,986,236	\$9,308,601,205	\$19,367,587,441	\$684,022,653
ADD:						
4	PLANT HELD FOR FUTURE USE	50,090,071	22,956,934	25,026,345	47,983,279	2,106,792
5	MATERIALS AND SUPPLIES	654,863,586	290,568,618	337,036,108	627,604,725	27,258,861
6	UNAMORTIZED LEASEHOLD IMPROVEMENTS	0	0	0	0	0
7	CONSTRUCTION WORK IN PROGRESS	889,625,234	441,486,265	417,174,864	858,661,129	30,964,105
8	AVERAGE DAILY BANK BALANCES	107,964,350	46,232,806	57,190,485	103,423,291	4,541,059
9	ELECTRIC PLANT ACQUISITION ADJUSTMENT	1,425,253	834,339	590,859	1,425,198	55
10	NUCLEAR FUEL	295,887,050	94,876,227	184,572,182	279,448,410	16,438,640
DEDUCT:						
11	SEGCO/AEC DEPOSIT	19,688,204	6,313,027	12,281,357	18,594,384	1,093,820
12	CUSTOMER ADVANCES FOR CONSTRUCTION	522,982	11,342	511,640	522,982	0
13	CUSTOMER DEPOSITS	100,151,374	48,041,602	52,109,772	100,151,374	0
14	TOTAL NET INVESTMENT	\$21,931,103,078	\$10,901,575,454	\$10,265,289,278	\$21,166,864,733	\$764,238,345
15	PERCENT OF TOTAL ELECTRIC SYSTEM	100.00%	49.71%	46.81%	96.52%	3.48%
16	RETAIL ELECTRIC INVESTMENT FACTOR				96.52%	
EXPENSES						
17	OPERATION AND MAINTENANCE EXPENSES	\$3,228,144,437	\$1,382,365,336	\$1,710,000,994	\$3,092,366,330	\$135,778,107
18	DEPRECIATION AND AMORTIZATION EXPENSE	781,048,574	386,949,820	367,339,477	754,289,297	26,759,277
19	OTHER AMORTIZATION AND ACCRETION	20,317,959	8,860,754	10,531,369	19,392,123	925,836
20	TAXES OTHER THAN INCOME TAXES	400,465,934	190,417,430	205,142,082	395,559,511	4,906,423
21	SALES TO NON-ASSOCIATED COMPANIES	(138,735,075)	(45,726,284)	(85,389,920)	(131,116,204)	(7,618,871)
22	OTHER ELECTRIC REVENUES	(173,894,065)	(92,220,584)	(75,520,318)	(167,740,902)	(6,153,163)
23	TOTAL EXPENSES	\$4,117,347,763	\$1,830,646,470	\$2,132,103,684	\$3,962,750,154	\$154,597,609
24	PERCENT OF TOTAL ELECTRIC SYSTEM	100.00%	44.46%	51.78%	96.25%	3.75%
25	RETAIL EXPENSE ALLOCATION FACTOR				96.25%	
ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION						
25	TOTAL AFUDC	\$70,938,263	\$33,088,846	\$35,038,440	\$68,127,286	\$2,810,977
26	PERCENT OF TOTAL ELECTRIC SYSTEM	100.00%	46.64%	49.39%	96.04%	3.96%
27	RETAIL ELECTRIC AFUDC ALLOCATION FACTOR				96.04%	

Alabama Power Company
 Rate CNP Factor for Compliance with Governmental Mandates
 Cost Year 2021

Appendix 6

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

Retail Cost of Capital Revenue Requirement Rate for 2019

Overall Cost of Capital as of December 31, 2019 - Environmental

<u>Description - Environmental</u>	<u>Amount of Capital</u>	<u>Weight in Capital Structure</u>	<u>Cost</u>	<u>Weighted Cost</u>	<u>Income Tax Requirement (see below)</u>	<u>Revenue Requirement</u>
Tax Exempt Debt	\$ 482,622,032	15.4650%	2.1790%	0.3370%	0.0000%	0.3370%
Other Debt	982,648,838	31.4877%	4.2909%	1.3511%	0.0000%	1.3511%
Total Debt	1,465,270,870	46.9527%	3.5953%	1.6881%	0.0000%	1.6881%
Trust Preferred Securities	36,112,947	1.1572%	5.2676%	0.0610%	0.0000%	0.0610%
Preferred Equity	50,976,311	1.6335%	5.0375%	0.0822%	0.0289%	0.1111%
Common Equity	1,568,378,530	50.2566%		6.0500%	2.1216%	8.1716%
TOTAL	\$ 3,120,738,658	100.0000%		7.8813%		10.0318%

Overall Cost of Capital as of December 31, 2019 - Other

<u>Description - Other</u>	<u>Amount of Capital</u>	<u>Weight in Capital Structure</u>	<u>Cost</u>	<u>Weighted Cost</u>	<u>Income Tax Requirement (see below)</u>	<u>Revenue Requirement</u>
Total Debt	\$ 175,760,578	46.9527%	4.2909%	2.0147%	0.0000%	2.0147%
Trust Preferred Securities	4,331,781	1.1572%	5.2676%	0.0610%	0.0000%	0.0610%
Preferred Equity	6,114,655	1.6335%	5.0375%	0.0822%	0.0289%	0.1111%
Common Equity	188,128,435	50.2566%		6.0500%	2.1216%	8.1716%
	\$ 374,335,449	100.0000%		8.2079%		10.3584%

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

F = Effective Statutory Federal Income Tax Rate 22.0967%

S = Effective Statutory State Income Tax Rate 6.2827%

$$\frac{(0.220967 + 0.062827) - 2 * (0.220967 * 0.062827)}{1 - (0.220967 * 0.062827)} = 25.9633\%$$

Income Tax Requirement = $\frac{0.259633}{1 - 0.259633} = 35.0681\%$

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

Retail Cost of Capital Revenue Requirement Rate for 2020

Overall Cost of Capital as of September 30, 2020 - Environmental

<u>Description - Environmental</u>	<u>Amount of Capital</u>	<u>Weight in Capital Structure</u>	<u>*Cost</u>	<u>*Weighted Cost</u>	<u>Income Tax Requirement (see below)</u>	<u>Revenue Requirement</u>
Tax Exempt Debt	\$ 519,730,131	14.8636%	0.9989%	0.1485%	0.0000%	0.1485%
Other Debt	1,097,959,294	31.4003%	4.0131%	1.2601%	0.0000%	1.2601%
Total Debt	1,617,689,425	46.2639%	3.0447%	1.4086%	0.0000%	1.4086%
Trust Preferred Securities	37,206,127	1.0641%	3.4412%	0.0366%	0.0000%	0.0366%
Preferred Equity	52,519,423	1.5020%	5.0375%	0.0757%	0.0267%	0.1024%
Common Equity	1,789,240,073	51.1700%		6.0500%	2.1406%	8.1906%
TOTAL	\$ 3,496,655,048	100.0000%		7.5709%		9.7382%

Overall Cost of Capital as of September 30, 2020 - Other

<u>Description - Other</u>	<u>Amount of Capital</u>	<u>Weight in Capital Structure</u>	<u>Cost</u>	<u>Weighted Cost</u>	<u>Income Tax Requirement (see below)</u>	<u>Revenue Requirement</u>
Total Debt	\$ 179,014,357	46.2639%	4.0131%	1.8566%	0.0000%	1.8566%
Trust Preferred Securities	4,117,249	1.0641%	3.4412%	0.0366%	0.0000%	0.0366%
Preferred Equity	5,811,827	1.5020%	5.0375%	0.0757%	0.0267%	0.1024%
Common Equity	197,998,241	51.1700%		6.0500%	2.1406%	8.1906%
	\$ 386,941,674	100.0000%		8.0189%		10.1862%

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%

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

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

****The weighting in the capital structure for Total Debt in Cost Years 2021 and 2020 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 2021

Retail Cost of Capital Revenue Requirement Rate for 2021

Overall Cost of Capital as of September 30, 2020 - Environmental

<u>Description - Environmental</u>	<u>Amount of Capital</u>	<u>Weight in Capital Structure</u>	<u>*Cost</u>	<u>*Weighted Cost</u>	<u>Income Tax Requirement (see below)</u>	<u>Revenue Requirement</u>
Tax Exempt Debt	\$ 524,132,628	14.8140%	0.9989%	0.1480%	0.0000%	0.1480%
Other Debt	1,112,725,553	31.4499%	4.0147%	1.2626%	0.0000%	1.2626%
Total Debt	1,636,858,181	46.2639%	3.0490%	1.4106%	0.0000%	1.4106%
Trust Preferred Securities	37,647,000	1.0641%	3.4412%	0.0366%	0.0000%	0.0366%
Preferred Equity	53,141,750	1.5020%	5.0375%	0.0757%	0.0268%	0.1025%
Common Equity	1,810,441,612	51.1700%		6.0500%	2.1406%	8.1906%
TOTAL	\$ 3,538,088,543	100.0000%		7.5729%		9.7403%

Overall Cost of Capital as of September 30, 2020 - Other

<u>Description - Other</u>	<u>Amount of Capital</u>	<u>Weight in Capital Structure</u>	<u>Cost</u>	<u>Weighted Cost</u>	<u>Income Tax Requirement (see below)</u>	<u>Revenue Requirement</u>
Total Debt	\$ 192,226,081	46.2639%	4.0147%	1.8573%	0.0000%	1.8573%
Trust Preferred Securities	4,421,113	1.0641%	3.4412%	0.0366%	0.0000%	0.0366%
Preferred Equity	6,240,755	1.5020%	5.0375%	0.0757%	0.0268%	0.1025%
Common Equity	212,611,026	51.1700%		6.0500%	2.1406%	8.1906%
	\$ 415,498,975	100.0000%		8.0196%		10.1870%

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 2021 and 2020 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 2021

Accumulated Depreciation & Amortization - Environmental**

<u>Total Company</u>		<u>Depreciation & Amortization Expense [Appendix 3]**</u>	<u>Retirements</u>	<u>Cost of Removal CCR Facility Closure Cost</u>	<u>Closure Cost CCR Facility Recovery [Appendix 3]</u>	<u>All Other Cost of Removal/Salvage</u>	<u>Accumulated Depreciation & Amortization*</u>
Beginning Balance							\$ 1,025,232,156
January	2021	\$ 12,002,635	\$ (11,499)	\$ (12,828,636)	\$ 1,558,954	\$ (619,352)	\$ 1,025,334,258
February	2021	12,004,095	(1,499)	(12,828,572)	1,558,954	(1,473,662)	1,024,593,574
March	2021	12,005,605	(55,499)	(12,828,572)	1,558,954	(2,245,559)	1,023,028,503
April	2021	12,007,366	(1,015,499)	(12,828,572)	1,558,954	(837,389)	1,021,913,363
May	2021	12,013,072	(4,778,071)	(12,828,572)	1,558,954	(303,885)	1,017,574,861
June	2021	12,017,153	(582,539)	(12,828,572)	1,558,954	(356,540)	1,017,383,317
July	2021	12,062,234	(391,499)	(12,828,572)	1,558,954	(297,181)	1,017,487,253
August	2021	12,062,369	(45,705)	(12,828,572)	1,558,954	(1,262,282)	1,016,972,017
September	2021	12,063,494	(575,763)	(12,828,572)	1,558,954	(1,691,262)	1,015,498,868
October	2021	12,069,393	(375,587)	(12,828,572)	1,558,954	(1,401,262)	1,014,521,794
November	2021	12,087,681	(1,512,827)	(12,828,572)	1,558,954	(1,239,011)	1,012,588,019
December	2021	12,133,802	(6,900,689)	(12,890,187)	1,558,954	(64,769)	1,006,425,130

*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.

**Central Alabama amounts included above.

***Includes amortization of acquisition adjustment of \$23,967 per month.

Alabama Power Company
Rate CNP Factor for Compliance with Governmental Mandates
Cost Year 2021

Net Unrecovered Investment - Environmental*****

		Unrecovered Investment	Accumulated Amortization	Accumulated Deferred Income Taxes*	Accumulated Cost of Removal (Cost)/Recovery	Net Unrecovered Investment**
January	2021	\$ 762,100,901	\$ 136,277,299	\$ 239,029,951	\$ (166,548,058)	\$ 553,341,709
February	2021	762,100,901	141,882,689	239,029,951	(173,983,653)	555,171,914
March	2021	762,100,901	147,488,080	239,029,951	(181,419,248)	557,002,118
April	2021	762,100,901	153,093,470	239,029,951	(188,854,843)	558,832,323
May	2021	762,100,901	158,569,549	239,029,951	(196,290,438)	560,791,839
June	2021	762,100,901	164,045,628	239,029,951	(203,726,033)	562,751,355
July	2021	762,100,901	169,521,707	239,029,951	(211,161,628)	564,710,871
August	2021	762,100,901	174,997,786	239,029,951	(218,597,223)	566,670,387
September	2021	762,100,901	180,473,864	239,029,951	(226,032,818)	568,629,904
October	2021	762,100,901	185,949,943	239,029,951	(233,468,413)	570,589,420
November	2021	762,100,901	191,426,022	239,029,951	(240,904,008)	572,548,936
December	2021	762,100,901	196,902,101	239,029,951	(248,339,603)	574,508,452

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***	Accumulated Cost of Removal (Cost)/Recovery
Beginning Balance					\$ (159,112,459)
January	2021	\$ (7,728,392)	\$ 501,853	\$ (209,060)	\$ (166,548,058)
February	2021	(7,728,392)	501,853	(209,056)	(173,983,653)
March	2021	(7,728,392)	501,853	(209,056)	(181,419,248)
April	2021	(7,728,392)	501,853	(209,056)	(188,854,843)
May	2021	(7,728,392)	501,853	(209,056)	(196,290,438)
June	2021	(7,728,392)	501,853	(209,056)	(203,726,033)
July	2021	(7,728,392)	501,853	(209,056)	(211,161,628)
August	2021	(7,728,392)	501,853	(209,056)	(218,597,223)
September	2021	(7,728,392)	501,853	(209,056)	(226,032,818)
October	2021	(7,728,392)	501,853	(209,056)	(233,468,413)
November	2021	(7,728,392)	501,853	(209,056)	(240,904,008)
December	2021	(7,728,392)	501,853	(209,056)	(248,339,603)

Unrecovered Investment - Cost Recovery - Environmental

		Cost of Removal Recovery			
		Closure Cost CCR Facility Recovery	All Other Cost of Removal Recovery****	Total Cost of Removal Recovery	
		Amortization			
January	2021	5,605,391	\$ 501,853	\$ 254,527	\$ 756,380
February	2021	5,605,391	501,853	254,527	756,380
March	2021	5,605,391	501,853	254,527	756,380
April	2021	5,605,391	501,853	254,527	756,380
May	2021	5,476,079	501,853	254,527	756,380
June	2021	5,476,079	501,853	254,527	756,380
July	2021	5,476,079	501,853	254,527	756,380
August	2021	5,476,079	501,853	254,527	756,380
September	2021	5,476,079	501,853	254,527	756,380
October	2021	5,476,079	501,853	254,527	756,380
November	2021	5,476,079	501,853	254,527	756,380
December	2021	5,476,079	501,853	254,527	756,380
		<u>\$ 66,230,196</u>	<u>\$ 6,022,236</u>	<u>\$ 3,054,324</u>	<u>\$ 9,076,560</u>

*Accumulated Deferred Income Taxes are estimated and not actualized.

**In accordance with authorization in APSC Docket #U-5033 related to unit retirements as a result of the effects of pending Environmental Mandates.

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

****Includes non-CCR ARO and dismantlement recovery.

*****Reflects the annual removal of 2020 fully amortized Unrecovered Investment assets (\$2,435,114) beginning January 1, 2021.