



January 30, 2026

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

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Mr. Walter L. Thomas, Jr, Secretary
Alabama Public Service Commission
RSA Union Building
100 North Union Street, Suite 950
Montgomery, Alabama 36104

Re: Filing of Rate CNP, Subpart B Purchase Factors, Calculations
and Information for Purchase Factor Year 2026-2027
Docket Nos. 18117 and 18416



Dear Mr. Thomas:

In accordance with the provisions of Rate CNP, Subpart B, we are submitting the factors, calculations and related information associated with the Company's certificated power purchase arrangements, applicable to billings for the Purchase Factor Year of April 1, 2026 through March 31, 2027. This filing reflects the order of this Commission dated December 5, 2025, by which the current CNP Purchase Factors shall remain in effect for the upcoming cost year (*i.e.*, April 1, 2026 through March 31, 2027).¹

If further information is needed, please contact Mr. Alex McCrary, who is the designated Company individual under Rule 10 of the Special Rules Governing Operation of Rates RSE and CNP. The Company is available to meet with the Commission or its Staff to discuss the enclosed materials.

Sincerely,

Moses Feagin
Executive Vice President,
Chief Financial Officer and Treasurer

Enclosures

¹ As stated in the December 5 Order, the current CNP Purchase Factors will remain in effect for the 2027-2028 cost year as well. The Company intends to make a comparable filing under Rate CNP Subpart B next January to implement this directive.

Alabama Public Service Commission

January 30, 2026

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

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

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

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

Office of the Attorney General
Ms. Olivia W. Martin

Alabama Power Company
Rate CNP Purchase Factor for Certificated Power Purchase Arrangements
April 1, 2026 - March 31, 2027

(1) Estimated cost of certificated power purchase arrangement: Mobile Energy, LLC (Docket No. 32953).

\$ 12,082,433 [See Appendix 1]

(2) Item (1) multiplied by the retail electric service expense factor (99.27%) from the most recent cost of service study (Jurisdictional Allocation Study) filed with the Commission on April 30, 2025 [See Appendix 2].

\$ 11,994,231

(3) The projected amount of (over-recovery)/under-recovery balance as of March 31, 2026.

\$ 64,311,438 [See Appendix 3]

(4) The retail revenue requirement for certificated power purchase arrangements for the period April 1, 2026 through March 31, 2027.

\$ 76,305,669 [Item (2) plus Item (3)]

(5) The projected cost recovery for the period April 1, 2026 through March 31, 2027 under currently effective factors.

\$ 28,215,845 [See Appendix 4]

(6) The projected unrecovered retail revenue requirement for certificated power purchase arrangements for the period April 1, 2026 through March 31, 2027.

\$ 48,089,824 [Item (4) less Item (5) above]

(7) Per the transmittal letter, the CNP Purchase Factors will remain in effect for the period April 1, 2026 through March 31, 2027.

**Alabama Power Company
Rate CNP Purchase Factor for Certificated Power Purchase Arrangements
April 1, 2026 - March 31, 2027**

Summary of Initial and Replacement CNP Purchase Factors

	<u>Initial Purchase Factor</u>	<u>Replacement Purchase Factor</u>
April 2003 - June 2003	\$0.000000	
July 2003 - March 2004		\$0.001506
April 2004 - June 2004	\$0.001500	
July 2004 - March 2005		\$0.001960
April 2005 - March 2006	\$0.001623	
April 2006 - March 2010	\$0.001960	
April 2010 - March 2011	\$0.000638	
April 2011 - March 2018	\$0.000541	
April 2018 - March 2027*	See Appendix 4	

* The development of these factors is in accordance with Rate CNP, Subpart B, and the March 9, 2017 order in Docket Nos. 18117 and 18416.

Alabama Power Company
April 1, 2026 - March 31, 2027

Rate CNP Purchase Factor for Certificated Power Purchase Arrangements
Summary of Estimated PPA Cost for Existing Capacity

		Purchased Capacity (Kilowatts)*	Estimated PPA Expense	Third Party Offsets	Total Company
April	2026	211,655	\$ 645,174	\$ 34,194	\$ 610,980
May	2026	211,655	633,028	33,550	599,478
June	2026	211,655	633,028	33,550	599,478
July	2026	211,655	1,253,911	66,458	1,187,453
August	2026	211,655	1,253,911	66,458	1,187,453
September	2026	211,655	633,028	33,550	599,478
October	2026	211,655	620,883	32,907	587,976
November	2026	211,655	645,174	34,194	610,980
December	2026	211,655	1,682,111	89,152	1,592,959
January	2027	211,655	3,455,215	183,127	3,272,088
February	2027	211,655	657,801	34,863	622,938
March	2027	211,655	645,377	34,205	611,172
			<u>\$ 12,758,641</u>	<u>\$ 676,208</u>	<u>\$ 12,082,433</u>
Estimated PPA expense from April 1, 2026 through March 31, 2027					<u>\$ 12,082,433</u>

*Adjusted to reflect third party arrangement.

SCHEDULE 1.00--SUMMATION OF INVESTMENT AND EXPENSE ALLOCATIONS

LINE (1)	LINE DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RESIDENTIAL (4)	NON - RESIDENTIAL (5)	TOTAL DIRECT SERVICE (6)	TOTAL ALL OTHER SERVICE (7)
NET INVESTMENT						
1	ELECTRIC GROSS PLANT	\$37,053,957,535	\$19,532,462,844	\$17,286,649,134	\$36,819,111,978	\$234,845,557
2	PROVISION FOR ACCUM DEPR & AMORT	12,337,228,407	6,414,559,208	5,840,806,821	12,255,366,029	81,862,378
3	NET PLANT	\$24,716,729,128	\$13,117,903,636	\$11,445,842,313	\$24,563,745,949	\$152,983,179
ADD:						
4	PLANT HELD FOR FUTURE USE	49,963,428	23,866,259	25,691,344	49,557,603	405,825
5	MATERIALS AND SUPPLIES	1,029,421,395	467,100,808	554,640,437	1,021,741,245	7,680,151
6	UNAMORTIZED LEASEHOLD IMPROVEMENTS	0	0	0	0	0
7	CONSTRUCTION WORK IN PROGRESS	1,392,691,342	713,601,786	669,983,932	1,363,585,718	9,105,624
8	AVERAGE DAILY BANK BALANCES	90,579,500	38,478,527	51,350,976	89,829,503	749,997
9	ELECTRIC PLANT ACQUISITION ADJUSTMENT	259,867,476	117,290,141	139,998,835	257,288,976	2,378,500
10	NUCLEAR FUEL DEDUCT:	262,495,529	88,190,305	171,962,762	260,153,068	2,342,462
11	SESCO/AEC DEPOSIT	28,374,176	9,532,838	18,588,133	28,120,970	253,206
12	CUSTOMER ADVANCES FOR CONSTRUCTION	2,808,643	3,294	2,805,349	2,808,643	0
13	CUSTOMER DEPOSITS	112,613,305	45,833,690	66,779,616	112,613,305	0
14	TOTAL NET INVESTMENT	\$27,657,751,675	\$14,511,061,641	\$12,971,297,501	\$27,482,359,142	\$175,392,533
15	PERCENT OF TOTAL ELECTRIC SYSTEM	100.00%	52.47%	46.90%	99.37%	0.63%
16	RETAIL ELECTRIC INVESTMENT FACTOR				99.37%	
EXPENSES						

17	OPERATION AND MAINTENANCE EXPENSES	\$3,327,119,761	\$1,413,373,525	\$1,886,197,729	\$3,299,571,254	\$27,548,507
18	DEPRECIATION AND AMORTIZATION EXPENSE	1,463,119,051	747,735,610	705,353,371	1,453,088,981	10,030,069
19	OTHER AMORTIZATION AND ACCRETION	18,634,998	9,038,948	9,455,027	18,493,975	141,023
20	TAXES OTHER THAN INCOME TAXES	463,696,384	227,621,595	234,937,771	462,559,367	1,137,018
21	SALES TO NON-ASSOCIATED COMPANIES	(217,916,681)	(74,624,532)	(141,344,623)	(215,969,155)	(1,947,526)
22	OTHER ELECTRIC REVENUES	(242,196,312)	(128,275,910)	(112,232,988)	(240,508,908)	(1,687,404)
23	TOTAL EXPENSES	\$4,812,457,201	\$2,194,869,236	\$2,582,366,278	\$4,777,235,514	\$35,221,687
24	PERCENT OF TOTAL ELECTRIC SYSTEM	100.00%	45.61%	53.66%	99.27%	0.73%
25	RETAIL EXPENSE ALLOCATION FACTOR				99.27%	
ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION						

25	TOTAL AFUDC	\$75,741,989	\$38,399,246	\$36,839,333	\$75,238,579	\$503,410
26	PERCENT OF TOTAL ELECTRIC SYSTEM	100.00%	50.70%	48.64%	99.34%	0.66%
27	RETAIL ELECTRIC AFUDC ALLOCATION FACTOR				99.34%	

Alabama Power Company
Rate CNP Purchase Factor for Certificated Power Purchase Arrangements
April 1, 2026 - March 31, 2027

Summary of (Over)/Under Recovery of PPA Expense as of March 31, 2026

General Ledger Balance as of December 31, 2024				\$ 83,891,551
		<u>Actual 2025 Retail Expense Recovery</u>	<u>Actual 2025 PPA Expense</u>	
January	2025	\$ 2,623,438	\$ 3,013,228	
February	2025	2,423,229	586,414	
March	2025	2,043,785	597,217	
April	2025	1,890,465	564,160	
May	2025	2,054,135	564,161	
June	2025	2,381,630	553,370	
July	2025	2,774,042	1,106,739	
August	2025	2,858,395	1,117,529	
September	2025	2,581,451	553,370	
October	2025	2,275,301	511,584	
November	2025	1,853,066	596,534	
December	2025	2,224,657	1,499,656	
Total		<u>\$ 27,983,594 (A)</u>	<u>\$ 11,263,962 (B)</u>	<u>(16,719,632) [(B) - (A)]</u>

General Ledger Balance as of December 31, 2025 **\$ 67,171,919**

		<u>Projected 2026 Retail Expense Recovery</u>	<u>Projected 2026 PPA Expense</u>	
January	2026	\$ 2,586,435	\$ 3,163,311	
February	2026	2,395,150	595,101	
March	2026	2,220,992	583,684	
		<u>\$ 7,202,577 (A)</u>	<u>\$ 4,342,096 (B)</u>	<u>(2,860,481) [(B) - (A)]</u>

Projected General Ledger Balance as of March 31, 2026 **\$ 64,311,438**

ALABAMA POWER COMPANY
Projected PPA Cost Recovery for April 2026 - March 2027
(under currently effective factors)

(A)	(B)	(C)	(D)
Rate Schedule	Currently Effective CNP (Subpart B) Factor \$/kWh	Forecasted kWh April '26 - March '27	Cost Recovery using Currently Effective Factor (B) X (C)
ASL	0.000608	23,784,906	14,461
BEVT	0.000897	25,411,181	22,794
BTA	0.000447	567,061,633	253,477
BTAL	0.000292	2,357,132,239	688,283
CCI	0.000181	301,975,524	54,658
CFTU	0.000349	24,916,272	8,696
FCR-C	0.000152	231,621,524	35,206
FCR-I	0.000152	1,974,459,858	300,118
FD	0.000740	17,964,972,243	13,294,079
FDD	0.000740	4,931,940	3,650
XFDE	0.000585	145,506,664	85,121
XFDT	0.000577	2,996,232	1,729
FIRTU	0.000610	3,529,429	2,153
FMTU	0.000423	348,898,368	147,584
FPL	0.001395	204,401,998	285,141
XFSTU	0.000520	114,624,358	59,605
XGRTU	0.000440	142,801,433	62,833
HLF	0.000291	1,763,495,147	513,177
XHLTU	0.000432	19,980,535	8,632
XHMTU	0.000545	34,742,604	18,935
LAF	0.001263	20,824,631	26,302
LFS	0.000772	69,757,467	53,853
XLLTU	0.000495	6,301,388	3,119
XLMTU	0.000523	26,253,262	13,730
XLPLE	0.000355	550,679,154	195,491
XLPME	0.000616	1,582,677,379	974,929
XLPSE	0.000853	969,701,765	827,156
LPL	0.000357	3,250,534,279	1,160,441
LPLM	0.000310	6,564,463,766	2,034,984
LPM	0.000818	4,871,680,994	3,985,035
LPS	0.001437	389,895,419	560,280
XLPTL	0.000359	1,376,959,605	494,328
XLPTM	0.000651	52,591,481	34,237
XLPTS	0.000704	99,006,764	69,701
LSS	0.000181	3,756,320,007	679,894
LTU	0.000497	24,354,794	12,104
MTU	0.000294	344,407,711	101,256
ODL	0.000300	168,586,935	50,576
OFF	0.000446	10,674,057	4,761
PG	0.000812	5,731,544	4,654
PMTU	0.000342	497,020,072	169,981
PTU	0.000396	20,554,182	8,139
XRLTU	0.000437	8,682,069	3,794
XRMTU	0.000497	102,061,499	50,725
RTA	0.000737	1,884,030	1,389
RTAE	0.000695	21,914,847	15,231
RTP	0.000265	1,138,458,631	301,692
XRTPD	0.000173	36,199	6
SCGTU	0.000366	129,314,932	47,329
SCH	0.000646	425,326,047	274,761
SE	0.000120	-	0
SLM	0.000788	29,609,668	23,332
TOUI	0.000248	630,000,000	156,240
TS	0.000511	17,114,747	8,746
TSTU	0.000352	4,355,343	1,533
TXTU	0.000382	13,178,073	5,034
XTP	0.000593	630,693	374
XWP	0.000514	730,979	376
Total		53,439,518,501	\$ 28,215,845