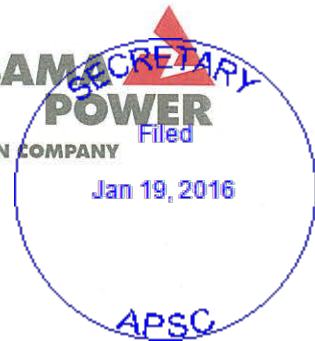


600 North 18th Street  
Post Office Box 2641  
Birmingham, Alabama 35291

January 19, 2016

**ALABAMA**  
**POWER**  
A SOUTHERN COMPANY



Alabama Public Service Commission  
Post Office Box 304260  
Montgomery, Alabama 36130

Re: Docket 18148

In accordance with the rules and regulations governing application of energy cost recovery rate, enclosed is a report showing the current status of energy cost as of December 31, 2015. Also, attached is a summary of monthly fuel cost adjustment factors for retail and wholesale. Consistent with the Commission's rules on e-filing, the original and one copy are being sent under separate cover.

Sincerely,

Nick Sellers

NCS/jbb

Enclosure

## Schedule 1

**ALABAMA POWER COMPANY**  
**RATE ECR**  
**Energy Cost**  
**December 2015**

	Actual Cost	Actual MWH
Steam Power (Account 501)		
Barry Steam Plant	\$ 13,172,091	353,965
Gadsden Steam Plant	488,556	14,853
Gaston Steam Plant - Unit #5	9,934,230	350,421
Gorgas Steam Plant	8,918,495	200,172
Greene County Steam Plant	3,875,298	101,543
Miller Steam Plant	23,884,811	1,082,645
	<u>60,273,481</u>	<u>2,103,599</u>
Total		
Nuclear Power (Account 518)		
Farley Nuclear Plant	9,544,697	1,331,797
	<u>9,544,697</u>	<u>1,331,797</u>
Other Power Generation (Account 547)	13,463,179	837,566
	<u>13,463,179</u>	<u>837,566</u>
Purchases and Sales (Accounts 555 and 447)		
Southern Electric Generating Company	863,744	26,924
Southern Company Pool:		
Purchases from Assoc. & Non-Assoc.	1,723,651	88,570
Sales to Assoc. & Non-Assoc.	(7,840,190)	(491,841)
Purchase Power Agreements (CNP - PPA)	6,271,905	174,323
Miscellaneous:		
Purchases	357,801	12,230
Sales	(0)	0
	<u>1,376,911</u>	<u>(189,794)</u>
Total		
Hedging Activity (Accounts 547 and 456)		
Net Gain/Loss on Hedge Activity	4,567,486	0
	<u>4,567,486</u>	<u>0</u>
Carrying Cost	(950,149)	0
	<u>(950,149)</u>	<u>0</u>
Total Energy Cost	<u>\$ 88,275,605</u>	<u>4,083,168</u>
Hydro Generation		<u>652,057</u>

Schedule 2

ALABAMA POWER COMPANY  
 RATE ECR  
 Energy Sales (MWH)  
 December 2015

	Actual	
	Subject to Rate ECR	Total
Residential	1,301,104	1,301,104
Commercial	1,047,433	1,047,433
Industrial	1,825,001	1,825,001
Street and Highway Lighting	16,762	16,762
Interdepartmental	-	-
Municipalities	-	10,545
Cooperatives	-	36,857
AMEA	-	201,094
Sales to Other Utilities	-	128,725
Total Booked Energy Sales	4,190,300	4,567,521
Less Unbilled Energy Sales Adjustment	(30,307)	
Total Billed Energy Sales	4,220,607	

Schedule 3

ALABAMA POWER COMPANY  
 RATE ECR  
 OVER/(UNDER) RECOVERED ENERGY COST AS OF  
 December 31, 2015

Total energy cost for the Month (Schedule 1)	\$ 88,275,605
Less:	
Energy cost applicable to wholesale sales	901,983
Energy cost applicable to AMEA	3,853,368
Energy cost recovered in long term contract sales to other utilities	<u>2,017,309</u>
	<u>6,772,660</u>
Plus:	
Emission allowance cost/revenue (net)	33,149
Coal contract buyout amortization	<u>0</u>
	<u>33,149</u>
Energy cost recoverable under Rate ECR	81,536,094
Energy cost recovered under Rate ECR	<u>107,552,811</u>
Energy cost over/(under) recovered through operation of Rate ECR for December 2015	26,016,718
Over/(Under) recovered energy cost applicable to Rate ECR as of November 30, 2015	<u>211,659,811</u>
Accumulated over/(under) recovered energy cost applicable to Rate ECR as of December 31, 2015	<u><u>\$ 237,676,529</u></u>

ALABAMA POWER COMPANY  
ENERGY COST RECOVERY FACTOR  
CALCULATED FROM RATE ECR

<u>Billing Month</u>	<u>Rate ECR (Mills)</u>
July 2007 – December 2009	31.000 (1)
Twenty Four Month Period beginning with October 9, 2008	39.830 (2)
June 9, 2009 –October 8, 2010	37.330 (3)
January 2010 – March 2011	24.030 (4)
April 2011 – December 2011	26.810 (5)
January 2012 – December 2012	26.810 (6)
January 2013 – December 2013	26.810 (7)
January 2014 – December 2014	26.810 (8)
January 2015 – December 2015	26.810 (9)
January 2016 – December 2016	20.300 (10)
January 2017 – December 2017	26.810 (10)

- (1) Effective for billing months of July, 2007 through December, 2009, as ordered in APSC Docket No. 18148, June 18, 2007.

****RDF Effect:	Non-Summer	Summer
Secondary	30.276	34.329
Primary	28.556	32.380
Subtransmission	-	-
Transmission	27.815	31.540

- (2) Effective based on a twenty four month period beginning with October 9, 2008 billings, as ordered in APSC Docket No. 18148, October 20, 2008.

****RDF Effect:	Non-Summer	Summer
Secondary	38.899	44.108
Primary	36.690	41.603
Transmission	35.738	40.523

- (3) Effective for the billing period of June 9, 2009 through October 8, 2010, as ordered in APSC Docket No. 18148, June 2, 2009.

****RDF Effect:	Non-Summer	Summer
Secondary	36.458	41.339
Primary	34.387	38.992
Transmission	33.495	37.980

- (4) Effective for the billing period of January 1, 2010 through December 31, 2010, as ordered in APSC Docket No. 18148, December 2, 2009. Extended through March 2011 as ordered on December 7, 2010.

****RDF Effect:	Non-Summer	Summer
Secondary	23.468	26.611
Primary	22.136	25.100
Transmission	21.561	24.448

- (5) Effective for the billing period of April 1, 2011 through December 31, 2011, as ordered in APSC Docket No. 18148, December 7, 2010.

*****RDF Effect:	Non-Summer	Summer
Secondary	26.183	29.689
Primary	24.697	28.004
Transmission	24.056	27.277

- (6) Effective for the billing period of January 1, 2012 through December 31, 2012, as ordered in APSC Docket No. 18148, December 6, 2011.

*****RDF Effect:	Non-Summer	Summer
Secondary	26.183	29.689
Primary	24.697	28.004
Transmission	24.056	27.277

- (7) Effective for the billing period of January 1, 2013 through December 31, 2013, as ordered in APSC Docket No. 18148, December 4, 2012.

*****RDF Effect:	Non-Summer	Summer
Secondary	26.183	29.689
Primary	24.697	28.004
Transmission	24.056	27.277

- (8) Effective for the billing period of January 1, 2014 through December 31, 2014, as ordered in APSC Docket No. 18148, December 3, 2013.

*****RDF Effect:	Non-Summer	Summer
Secondary	26.183	29.689
Primary	24.697	28.004
Transmission	24.056	27.277

- (9) Effective for the billing period of January 1, 2015 through December 31, 2015, as ordered in APSC Docket No. 18148, December 2, 2014.

*****RDF Effect:	Non-Summer	Summer
Secondary	26.183	29.689
Primary	24.697	28.004
Transmission	24.056	27.277

- (10) Effective for the billing period of January 1, 2016 through December 31, 2016, as ordered in APSC Docket No. 18148, December 1, 2015.

*****RDF Effect:	Non-Summer	Summer
Secondary	19.826	22.480
Primary	18.700	21.204
Transmission	18.214	20.653

Effective for the billing period of January 1, 2017 through December 31, 2017, as ordered in APSC Docket No. 18148, December 1, 2015.

*****RDF Effect:	Non-Summer	Summer
Secondary	26.183	29.689
Primary	24.697	28.004
Transmission	24.056	27.277

ALABAMA POWER COMPANY  
 Monthly Fuel Cost Adjustment Factor  
 Calculated From Rate Schedule REA and Mun  
In Mills/kWh

<u>Billing Month</u>	<b>Actual</b> <u>Wholesale Fuel Factors</u>	<b>Estimated</b> <u>Wholesale Fuel Factors</u>
January, 2013	5.569	
February	3.975	
March	5.024	
April	5.253	
May	4.727	
June	10.240	
July	7.534	
August	8.036	
September	8.462	
October	9.266	
November	5.156	
December	3.238	
January, 2014	11.300	
February	7.835	
March	5.451	
April	4.035	
May	7.347	
June	7.923	
July	8.118	
August	8.415	
September	7.342	
October	6.159	
November	7.115	
December	3.602	
January, 2015	3.625	
February	5.847	
March	3.442	
April	4.675	
May	8.003	
June	6.585	
July	6.831	
August	6.612	
September	6.081	
October	3.054	
November	0.920	
December	0.377	
January – March 2016		4.263