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June 30, 2010

VIA ELECTRONIC FILING

Mr. Walter Thomas, Jr.
Secretary
Alabama Public Service Commission
P.O. Box 991
Montgomery, Alabama 36101-0991



Re: Estimated Avoided Cost Information of Alabama Power Company

Dear Mr. Thomas:

Please find attached the Estimated Avoided Cost Information for Alabama Power Company as required by 18 C.F.R. § 292.302 of the Federal Energy Regulatory Commission's regulations. These regulations were issued to implement Section 201 and Section 202 of the Public Utility Regulatory Policies Act of 1978 ("PURPA") (relating to cogenerators and small power producers). We caution the Alabama Public Service Commission ("APSC") and others obtaining this filing that this information does not set forth rates. Moreover, we believe that an appropriate rate for purchases by Alabama Power Company from qualifying cogenerators and small power producers (i.e., qualifying facilities under PURPA) cannot be developed solely from the attached information.

Consistent with the APSC's rules on e-filing, the original and one copy of this submission are being sent to your attention by overnight mail. Additionally, we have enclosed a confirmation copy, along with a self-addressed and stamped envelope for return to us.

Should you have any questions or if there is anything further we can do to assist, please do not hesitate to contact us.

Sincerely,

S. Chris Still

SCS:eth
Enclosure

The data submitted fulfill the requirements of Section 292.302 of Chapter I, Title 18, Code of Federal Regulations.

NOTE: THE DATA GIVEN ARE ESTIMATES OF COSTS FOR ALABAMA POWER COMPANY AND ARE NOT INTENDED FOR USE AS RATES FOR PURCHASES BY THE COMPANY. THE ESTIMATED AVOIDED ENERGY COSTS ARE VERY SENSITIVE TO PROJECTIONS OF INFLATION AND ESTIMATED LOADS. BEFORE COMMITTING CAPITAL RESOURCES BASED ON THESE ESTIMATES, PLEASE CONSULT WITH APPROPRIATE UTILITY OFFICIALS.

1. 292.302 (b) (1)

Attachment I provides the estimated avoided costs for Alabama Power Company, solely with respect to the energy component for various levels of purchases. These costs are stated on a cents per kilowatt-hour basis, during daily and seasonal peak and off-peak periods for ten levels of purchases, by year, for the current year of 2010, and each of the next five years. All costs include fuel and variable O & M and CAA compliance cost, if any, and represent estimated avoided costs at the generator busses.

ALABAMA POWER COMPANY

PURPA FILING FOR THE 2010 PURPA REQUIREMENTS

**ESTIMATED AVOIDED COSTS
(CENTS/KWH)**

2010

MW Blocks	Period 1	Period 2	Period 3	Period 4
	Peak Season Peak Hour	Peak Season Off Peak Hour	Off Peak Season Peak Hour	Off Peak Season Off Peak Hour
1 - 100	5.23	3.84	4.03	3.39
101 - 200	5.21	3.83	4.01	3.38
201 - 300	5.19	3.82	4.00	3.38
301 - 400	5.17	3.80	3.98	3.38
401 - 500	5.15	3.79	3.97	3.37
501 - 600	5.13	3.78	3.95	3.37
601 - 700	5.12	3.76	3.92	3.37
701 - 800	5.10	3.74	3.90	3.36
801 - 900	5.08	3.73	3.88	3.36
901 - 1000	5.07	3.71	3.85	3.36

PRICING PERIOD DEFINITIONS

<u>Period No.</u>	<u>Months</u>	<u>Days</u>	<u>Hours</u>
(1) Peak Season Peak Hour	Jun - Sept	Mon - Fri	1100-2100
(2) Peak Season Off Peak Hour	Jun - Sept		All Other Hours
(3) Off Peak Season Peak Hour	Jan - May Oct - Dec	Mon - Fri	0800-2100
(4) Off Peak Season Off Peak Hour	Jan - May Oct - Dec		All Other Hours

Note:

Projected marginal energy costs for each of the ten 100 MW decrements into territorial load. These costs are based on a marginal dispatch of system units, and priced at marginal spot fuel rates. All costs include variable O&M and CAA compliance costs, if any, and represent estimated avoided costs at the generator busses.

ALABAMA POWER COMPANY

PURPA FILING FOR THE 2010 PURPA REQUIREMENTS

**ESTIMATED AVOIDED COSTS
(CENTS/KWH)**

2011

MW Blocks	Period 1	Period 2	Period 3	Period 4
	Peak Season Peak Hour	Peak Season Off Peak Hour	Off Peak Season Peak Hour	Off Peak Season Off Peak Hour
1 - 100	5.70	4.13	4.48	3.78
101 - 200	5.68	4.13	4.47	3.77
201 - 300	5.65	4.12	4.46	3.76
301 - 400	5.63	4.11	4.45	3.75
401 - 500	5.60	4.10	4.43	3.74
501 - 600	5.57	4.10	4.42	3.74
601 - 700	5.54	4.09	4.41	3.73
701 - 800	5.50	4.08	4.40	3.72
801 - 900	5.47	4.08	4.39	3.71
901 - 1000	5.44	4.07	4.37	3.70

PRICING PERIOD DEFINITIONS

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(3) Off Peak Season Peak Hour	Jan - May Oct - Dec	Mon - Fri	0800-2100
(4) Off Peak Season Off Peak Hour	Jan - May Oct - Dec		All Other Hours

Note:

Projected marginal energy costs for each of the ten 100 MW decrements into territorial load. These costs are based on a marginal dispatch of system units, and priced at marginal spot fuel rates. All costs include variable O&M and CAA compliance costs, if any, and represent estimated avoided costs at the generator busses.

ALABAMA POWER COMPANY

PURPA FILING FOR THE 2010 PURPA REQUIREMENTS

**ESTIMATED AVOIDED COSTS
(CENTS/KWH)**

2012

MW Blocks	Period 1	Period 2	Period 3	Period 4
	Peak Season Peak Hour	Peak Season Off Peak Hour	Off Peak Season Peak Hour	Off Peak Season Off Peak Hour
1 - 100	6.24	4.89	4.91	4.31
101 - 200	6.22	4.87	4.90	4.30
201 - 300	6.20	4.86	4.89	4.29
301 - 400	6.18	4.84	4.88	4.27
401 - 500	6.16	4.82	4.86	4.26
501 - 600	6.14	4.81	4.85	4.25
601 - 700	6.12	4.79	4.84	4.24
701 - 800	6.10	4.78	4.83	4.23
801 - 900	6.08	4.77	4.82	4.21
901 - 1000	6.06	4.75	4.81	4.20

PRICING PERIOD DEFINITIONS

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(2) Peak Season Off Peak Hour	Jun - Sept		All Other Hours
(3) Off Peak Season Peak Hour	Jan - May Oct - Dec	Mon - Fri	0800-2100
(4) Off Peak Season Off Peak Hour	Jan - May Oct - Dec		All Other Hours

Note:

Projected marginal energy costs for each of the ten 100 MW decrements into territorial load. These costs are based on a marginal dispatch of system units, and priced at marginal spot fuel rates. All costs include variable O&M and CAA compliance costs, if any, and represent estimated avoided costs at the generator busses.

ALABAMA POWER COMPANY

PURPA FILING FOR THE 2010 PURPA REQUIREMENTS

**ESTIMATED AVOIDED COSTS
(CENTS/KWH)**

2013

MW Blocks	Period 1	Period 2	Period 3	Period 4
	Peak Season Peak Hour	Peak Season Off Peak Hour	Off Peak Season Peak Hour	Off Peak Season Off Peak Hour
1 - 100	6.58	5.23	5.23	4.69
101 - 200	6.56	5.21	5.22	4.68
201 - 300	6.53	5.20	5.20	4.67
301 - 400	6.50	5.19	5.19	4.66
401 - 500	6.48	5.18	5.18	4.65
501 - 600	6.45	5.17	5.16	4.64
601 - 700	6.42	5.15	5.15	4.63
701 - 800	6.40	5.14	5.13	4.62
801 - 900	6.37	5.13	5.12	4.61
901 - 1000	6.34	5.11	5.11	4.60

PRICING PERIOD DEFINITIONS

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(3) Off Peak Season Peak Hour	Jan - May Oct - Dec	Mon - Fri	0800-2100
(4) Off Peak Season Off Peak Hour	Jan - May Oct - Dec		All Other Hours

Note:

Projected marginal energy costs for each of the ten 100 MW decrements into territorial load. These costs are based on a marginal dispatch of system units, and priced at marginal spot fuel rates. All costs include variable O&M and CAA compliance costs, if any, and represent estimated avoided costs at the generator busses.

ALABAMA POWER COMPANY

PURPA FILING FOR THE 2010 PURPA REQUIREMENTS

**ESTIMATED AVOIDED COSTS
(CENTS/KWH)**

2014

MW Blocks	Period 1	Period 2	Period 3	Period 4
	Peak Season Peak Hour	Peak Season Off Peak Hour	Off Peak Season Peak Hour	Off Peak Season Off Peak Hour
1 - 100	7.53	5.37	4.79	4.42
101 - 200	7.45	5.34	4.79	4.41
201 - 300	7.36	5.32	4.78	4.40
301 - 400	7.27	5.29	4.77	4.39
401 - 500	7.19	5.27	4.76	4.38
501 - 600	7.12	5.24	4.75	4.37
601 - 700	7.06	5.22	4.74	4.35
701 - 800	7.01	5.19	4.74	4.34
801 - 900	6.95	5.17	4.73	4.33
901 - 1000	6.90	5.14	4.72	4.32

PRICING PERIOD DEFINITIONS

<u>Period No.</u>	<u>Months</u>	<u>Days</u>	<u>Hours</u>
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(3) Off Peak Season Peak Hour	Jan - May Oct - Dec	Mon - Fri	0800-2100
(4) Off Peak Season Off Peak Hour	Jan - May Oct - Dec		All Other Hours

Note:

Projected marginal energy costs for each of the ten 100 MW decrements into territorial load. These costs are based on a marginal dispatch of system units, and priced at marginal spot fuel rates. All costs include variable O&M and CAA compliance costs, if any, and represent estimated avoided costs at the generator busses.

ALABAMA POWER COMPANY

PURPA FILING FOR THE 2010 PURPA REQUIREMENTS

**ESTIMATED AVOIDED COSTS
(CENTS/KWH)**

2015

MW Blocks	Period 1	Period 2	Period 3	Period 4
	Peak Season Peak Hour	Peak Season Off Peak Hour	Off Peak Season Peak Hour	Off Peak Season Off Peak Hour
1 - 100	8.95	5.86	5.06	4.49
101 - 200	8.87	5.83	5.04	4.47
201 - 300	8.79	5.80	5.02	4.45
301 - 400	8.71	5.77	4.99	4.43
401 - 500	8.63	5.73	4.97	4.41
501 - 600	8.55	5.70	4.95	4.40
601 - 700	8.45	5.67	4.93	4.38
701 - 800	8.36	5.63	4.91	4.37
801 - 900	8.27	5.60	4.89	4.36
901 - 1000	8.18	5.56	4.87	4.35

PRICING PERIOD DEFINITIONS

<u>Period No.</u>	<u>Months</u>	<u>Days</u>	<u>Hours</u>
(1) Peak Season Peak Hour	Jun - Sept	Mon - Fri	1100-2100
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(4) Off Peak Season Off Peak Hour	Jan - May Oct - Dec		All Other Hours

Note:

Projected marginal energy costs for each of the ten 100 MW decrements into territorial load. These costs are based on a marginal dispatch of system units, and priced at marginal spot fuel rates. All costs include variable O&M and CAA compliance costs, if any, and represent estimated avoided costs at the generator busses.

2. 292.302(b) (2)

Alabama Power Company's Plan for the addition of capacity by amount and type, for new purchases of firm energy and capacity, and for capacity retirements for each year during the succeeding 10 years.

<u>Year</u>	<u>Additional MW</u>	<u>Type</u>	<u>Retirements (MW)</u>
2010	0		627
2011	0		0
2012	7.5	Purchase	0
2013	0		0
2014	0		0
2015	0		0
2016	0		0
2017	0		0
2018	0		0
2019	0		0

Note: Purchase retirement/expiration is May 31 in the year shown. Retirements reflect the expiration of an existing Purchase Power Agreement.

The 2012 Purchase will be commercially available January 2012.

3. 292.302(b) (3)

The estimated capacity costs for construction of the planned capacity additions on the basis of dollars per kilowatt valued in the year shown, and the associated energy costs of each unit expressed in cents per kilowatt-hour valued in the year shown.

<u>Year</u>	<u>Type</u>	<u>Estimated Capacity Cost (\$/kW)</u>	<u>Estimated Energy Cost (cents/kWh)</u>
2010	N/A	N/A	N/A
2011	N/A	N/A	N/A
2012	Purchase	--	--
2013	N/A	N/A	N/A
2014	N/A	N/A	N/A
2015	N/A	N/A	N/A
2016	N/A	N/A	N/A
2017	N/A	N/A	N/A
2018	N/A	N/A	N/A
2019	N/A	N/A	N/A

Note: Costs associated with certified purchases are considered confidential and proprietary. The Alabama Public Service Commission has agreed that public disclosure of this information would impair the RFP process and adversely affect the Company's ability to procure cost-effective resources. Consistent with the approach followed in the certification proceeding involving these contracts, this information will be made available for inspection at the Company's offices subject to prior notice and an appropriate confidentiality agreement.