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March 30, 2011

Mr. Walter Thomas Secretary Alabama Public Service Commission Post Office Box 304260 Montgomery, Alabama 36130

#### Reference: Rate PAE Docket #18005

Dear Mr. Thomas:

We are filing the original and thirteen (13) copies of revised Rate PAE (Purchase of Alternate Energy), which has been updated as required by the Commission's Order dated March 12, 1981, in Docket No. 18005. Specifically, the charges and payments set forth in this revised Rate PAE reflect updated costs and avoided cost data for Alabama Power Company.

We propose that this revised Rate PAE shall become effective June 1, 2011.

Yours very truly,

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Nick C. Sellers

NCS/nd Attachment





## RATE PAE PURCHASE OF ALTERNATE ENERGY

By order of the Alabama Public Service Commission dated May \_, 2011 in Docket # 18005.

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#### **AVAILABILITY**

Available on any distribution line of the Company.

#### **APPLICABILITY**

Applicable for any Customer who has installed an electric generating facility that has a nameplate capacity of not more than 100 KW for Customer's own use and desires a permanent electrical connection with the Company's system in order to sell alternate electrical energy to the Company and, at Customer's option, to secure Supplementary, Back-up, and Maintenance Power from the Company.

#### RATE FOR PURCHASE OF ALTERNATE ENERGY

The Customer may elect Option A or Option B below. The Monthly Customer Charge shall be paid by the Customer to the Company to cover the cost of metering equipment, meter reading, data processing and miscellaneous expenses necessary for the proper accounting of electrical energy sold to the Company by the Customer. The payment for energy is the per KWH payment by the Company to the Customer for energy purchased by the Company from the Customer.

OPTION A - STANDARD RATE Monthly Base Charge:

Single Phase Service Three Phase Service \$1.42 per customer \$4.80 per customer

Payment for Energy:

BILLING MONTHS JUNE – SEPTEMBER BILLING MONTHS OCTOBER - MAY 3.99¢ per kWh for all kWh 3.62¢ per kWh for all kWh



## RATE PAE PURCHASE OF ALTERNATE ENERGY

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OPTION B - TIME OF DAY RATE Monthly Base Charge:

Single Phase Service Three Phase Service \$2.27 per customer \$4.80 per customer

Payment for Energy:

BILLING MONTHS JUNE - SEPTEMBER

BILLING MONTHS OCTOBER - MAY

On-Peak Hours: 5.75¢ per kWh for all KWH On-Peak Hours: 4.43¢ per kWh for all KWH

Off-Peak Hours: 3.99¢ per kWh for all KWH Off-Peak Hours: 3.62¢ per kWh for all KWH

Hours for determination of time of day rates are set forth in Special Rules governing the application of this rate schedule.

At any time after the commencement of the purchase of alternate energy under Rate PAE by the Company, the Customer, upon thirty (30) days notice to the Company, may alter Customer's election of Option A-Standard Rate (under "Rate for Purchase of Alternate Energy") to Option B-Time of Day Rate, or vice versa. Any such change in Rate PAE shall be effective for the next full billing cycle succeeding the thirty (30) day notice to the Company. A Customer who has once exercised this right to alter Customer's election of Option A or B is precluded from further altering such election for the next successive twelve (12) month period except in the event of acquiescence or agreement to such alteration by the Company. Any change in metering equipment necessitated by the Customer's changing from one option to the other shall be at the expense of the Customer.



# RATE PAE PURCHASE OF ALTERNATE ENERGY

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### SUPPLEMENTARY, BACK-UP, AND MAINTENANCE POWER

(see Rate Rider RGB for definitions)

Supplementary, Back-up, and Maintenance Power shall be provided to a Customer with a demand of less than 5 KW under the rate schedule applicable for that Customer class. Customer charges and minimum billing provisions of the appropriate rate shall apply. Supplementary, Back-up, and Maintenance Power shall be provided to a Customer with a demand of 5 KW or greater under provisions of Rate Rider RGB, as applicable, and other rates and rate riders, as applicable.

### PAYMENT

Statements covering charges and credits for energy received from the Customer and charges for Supplementary, Back-up, and Maintenance Power shall be rendered monthly. If the Customer's credits for energy delivered exceed the Company's charges, the Customer's account will be credited and such credits may be carried forward. Upon the request of the Customer or upon termination of service under this Rate, the Company will provide the Customer with a check for any amount due at that time. Charges to the Customer exceeding credits for energy received from the Customer are payable within ten (10) days from the due date and if not paid within such period become delinquent and subject to charges as set forth in the rules and regulations under which the Company must operate.

## **TERM OF CONTRACT**

Service under this rate shall be for a period of not less than one (1) year and thereafter until terminated by ninety (90) days written notice by either party to the other.

## GENERAL

Service under this rate is subject to rules and regulations approved or prescribed by the Alabama Public Service Commission, particularly those Special Rules and Regulations governing the application of this rate.

#### ALABAMA POWER COMPANY

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#### ESTIMATED AVOIDED ENERGY COSTS \$/MWH

	PEAK SEASON <u>PEAK HRS</u>	PEAK SEASON OFF-PEAK HRS	OFF-PEAK SEASON <u>PEAK HRS</u>	OFF-PEAK SEASON OFF-PEAK HRS	YEARLY <u>AVERAGE</u>
2011	54.71	37.98	42.14	34.45	39.53
2012	57.69	39.54	45.18	37.55	42.22
2013	63.77	44.77	48.67	41.91	46.73
2014	72.52	50.18	47.73	42.83	49.01

The above numbers represent estimated avoided energy costs at the generator and, therefore, include no consideration of losses. The factor for loss adjustment which converts the avoided cost data to the value at primary distribution (the level of Rate PAE) is 1.05186