



**STATE OF ALABAMA**  
ALABAMA PUBLIC SERVICE COMMISSION  
P. O. BOX 304260  
MONTGOMERY, ALABAMA 36130

CYNTHIA LEE ALMOND, PRESIDENT  
JEREMY H. ODEN, COMMISSIONER, PLACE 1  
CHRIS V. BEEKER, III, COMMISSIONER, PLACE 2

JOHN A. GARNER, EXECUTIVE DIRECTOR

**Alabama Power Company**

**RE: Informational Filing – Proposal  
to Address Rate Stability**

**Dockets 18148; U-5494; U-3556 and  
18117 and 18416**

**CONSENT ORDER**

**BY THE COMMISSION:**

On November 21, 2025, Alabama Power Company (“Company”) made an informational filing with the Commission outlining a multi-part proposal to provide customers with rate certainty in 2026 and 2027. This proposal, developed through discussions with Commission Staff, describes various rate-related commitments the Company would be willing to make, subject to certain corresponding directives and authorizations from the Commission. As described in the filing, these commitments would be effectuated through a Commission consent order directing the Company to:

- Maintain the current Rate CNP, Subpart C factors through the end of 2027;
- Delay the effectiveness of the Rate CNP, Subpart A adjustment for Lindsay Hill until January 2028 billings;
- Maintain the current Rate CNP, Subpart B factor through March 2028; and
- Maintain the current Rate ECR interim factor through the end of 2027.

To implement these commitments, the Company would rely on internal cost containment measures, along with authorization from the Commission to:

- Apply any customer refund amount resulting from Rate RSE’s actual result calculation for 2025 to the Natural Disaster Reserve (which currently carries a negative balance) in order to forestall an increase associated with Rate NDR and to better prepare for the costs of future storm events; and
- Use the 2024 nuclear production tax credits (“PTCs”), when monetized, to offset retail cost of service in 2027, with nuclear PTCs from 2025, 2026 and 2027, when monetized, being used to offset future retail cost of service (including any under-recovered balances under Rates CNP and ECR), all being subject to Commission oversight in Docket U-5494.

With these Commission directives and authorizations, the Company expresses confidence in its ability to fulfill the associated commitments based on the best information currently available. The Company further contemplates, however, that as part of routine oversight of the Company's regulated activities, the Commission and Staff will monitor weather, natural disasters, changes in fuel markets or other significant unforeseen events that may impact these commitments. Should events of that nature occur, the Company will work with the Commission to determine what responsive steps would be reasonable and appropriate under the circumstances.

During discussion of the proposal at the Commission's regular monthly meeting, Staff confirmed its review of the Company's filing and recommendation of the entry of a consent order with the described conditions, directives and authorizations, subject to an additional requirement. Specifically, Staff recommended the Commission include in the consent order an additional commitment by the Company to forego any upward adjustment through the operation of Rate RSE for 2027. Upon consideration of Staff's recommendation, the Commission voted to amend the proposal to include this additional commitment concerning Rate RSE.

Based on the foregoing, the Commission FINDS that the multi-part proposal, as amended in the manner recommended by Staff and approved by this Commission, would benefit customers by providing rate stability through 2027.

**IT IS, THEREFORE, ORDERED BY THE COMMISSION** that:

(1) The Rate CNP, Subpart C compliance factors currently in effect for 2025 shall remain in effect for the billing months of January 2026 through December 2027. These factors include a component to recover, as part of the retail revenue requirement for 2026 and 2027, any under-collected amount related to prior years. Any such under-collected amount for a prior year shall be deemed recovered before the recovery of any amounts related to the current year. During 2026 and 2027, the Company shall record and defer any under-collected amounts in an appropriate regulatory asset account for subsequent collection, as described above, pursuant to the operation of Rate CNP, Subpart C or further orders of the Commission. In like manner, should variances in revenues and expenses result in an over-collected status, this amount should be recorded as a regulatory liability for subsequent reduction to billings.

(2) The effectiveness of the Rate CNP, Subpart A adjustment related to the acquisition of the Lindsay Hill Generating Facility, as certified by the Commission in Docket 33513, shall be delayed until January 2028 billings.

(3) The Rate CNP, Subpart B purchase factor currently in effect for 2025 shall remain in

effect through March 2028 billings.

(4) The currently effective interim energy cost recovery factor of 26.00 mills per kilowatt-hour (2.600 cents per kilowatt-hour) shall continue in effect for the billing months of January 2026 through December 2027. For billing months beginning January 2028 and thereafter, the factor shall be 59.10 mills per kilowatt-hour (5.910 cents per kilowatt-hour), as established under the Commission's Order dated October 8, 2008. The described factors shall continue in effect for the periods specified unless a further change is agreed to sooner as a result of monitoring of operations or until changed by Commission order pursuant to the provisions of Rate ECR.

(5) There shall be a moratorium on any upward adjustment under Rate RSE for 2027. This moratorium shall not affect any downward adjustment that would otherwise occur pursuant to Rate RSE, nor shall it affect the terms of Rate RSE regarding the actual result calculation for 2027.

**IT IS FURTHER ORDERED BY THE COMMISSION** that the Company is authorized to:

(1) Apply any customer refund amount resulting from the actual result calculation under Rate RSE for 2025 to the Natural Disaster Reserve; and

(2) Use the 2024 nuclear PTCs, when monetized, to offset retail cost of service in 2027, with nuclear PTCs from 2025, 2026 and 2027, when monetized, being used to offset future retail cost of service (including any under-recovered balances under Rates CNP and ECR), all being subject to Commission oversight in Docket U-5494.

**IT IS FURTHER ORDERED BY THE COMMISSION** that the Company shall confirm its consent to the terms of this Order through an appropriate filing within five (5) business days of the issuance of this Order, which filing shall include any information necessary to effectuate the described factors.

**IT IS FURTHER ORDERED BY THE COMMISSION** that as part of routine oversight of the Company's regulated activities, the Commission and Staff will monitor weather, natural disasters, changes in fuel markets or other significant unforeseen events that may impact these commitments. Should events of that nature occur, the Company will work with the Commission to determine what responsive steps would be reasonable and appropriate under the circumstances.

**IT IS FURTHER ORDERED BY THE COMMISSION** that jurisdiction in this cause is hereby retained for any further order or orders that this Commission may find just and reasonable under the circumstances.

**IT IS FURTHER ORDERED BY THE COMMISSION** that this Order shall be effective as of the date hereof.

**DONE** at Montgomery, Alabama, this 5<sup>th</sup> day of December, 2025.

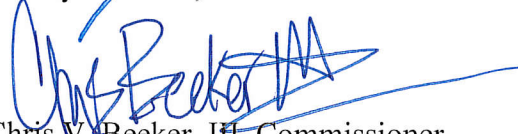
ALABAMA PUBLIC SERVICE COMMISSION



Cynthia Lee Almond, President

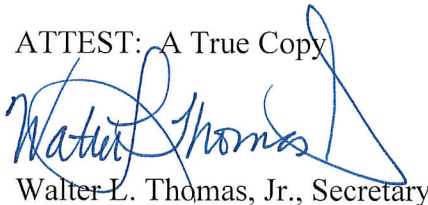


Jeremy H. Oden, Commissioner



Chris V. Beeker, III, Commissioner

ATTEST: A True Copy



Walter L. Thomas, Jr., Secretary