Alabama Power Company
1982 Annual Report

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System Map . . . . . Inside Back Cover

COVER

A transmission tower at dusk provides a beautiful web of iron and steel. Alabama Power has 9,122 miles of transmission lines that must be maintained if our customers are to have reliable electric service.

Alabama Power Company is one of the operating companies of The Southern Company. Others are Georgia Power Company, Gulf Power Company (serving northwest Florida), and Mississippi Power Company (serving southeast Mississippi). System affiliates also include Southern Company Services, Inc., which performs specialized services at cost for system companies upon request, Southern Electric International, Inc., a consulting firm, and Southern Electric Generating Company, which is owned in equal shares by Alabama Power and Georgia Power companies.

A copy of Form 10-K as filed with the Securities and Exchange Commission will be available to stockholders upon written request to Richard Bowron, secretary. A copy of the company's Financial and Statistical Review is also available on request.

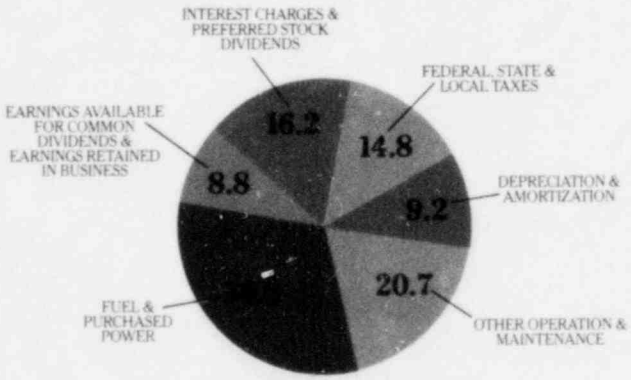
Alabama Power

Alabama Power Company/600 North 18th Street/Post Office Box 2641/Birmingham, AL 35291/Telephone 205/250-1000

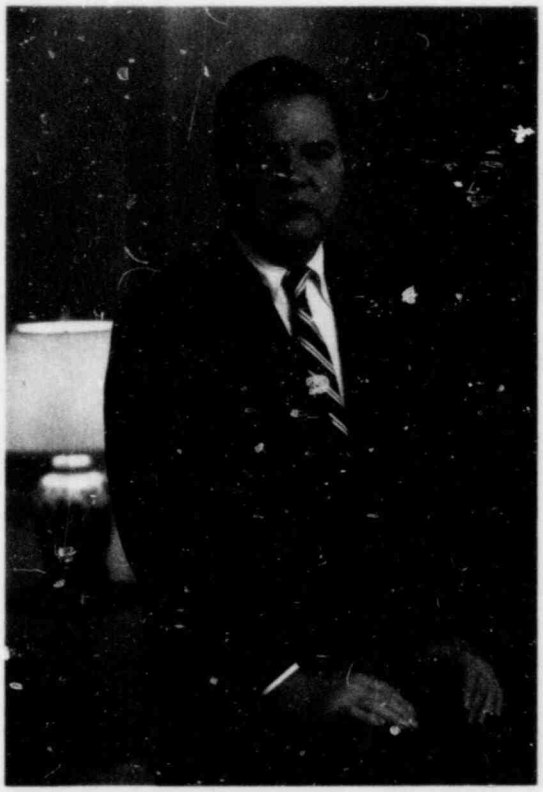
COMPARATIVE HIGHLIGHTS

	1982	1981
	(Dollars in Thousands)	
Electric Energy Sales (Millions of kwh):		
Residential	9,153	9,229
All Other Retail	19,311	20,369
Wholesale	5,475	4,171
Total	33,939	33,769
Average Annual Use per Residential Customer (kwh)	10,466	10,621
Customers Served Directly at End of Year	1,001,832	996,200
Operating Revenues:		
Residential Sales	$ 578,291	$ 518,730
All Other Retail Sales	979,836	917,062
Wholesale Sales	189,345	145,740
Total from Sales of Energy	1,747,472	1,581,532
Other Revenues	16,673	12,490
Total	$1,764,145	$1,594,022
Operating Expenses:		
Fuel	$ 540,878	$ 504,930
Purchased and Interchanged Power (Net)	17,042	144,916
Other	825,269	655,461
Total	$1,383,189	$1,305,307
Income before Interest Charges	$ 409,527	$ 335,642
Interest Charges (Before credit of $51,796,000 in 1982 and $46,849,000 in 1981 for allowance for debt funds used during construction and related income tax effect)	262,408	246,611
Dividends on Preferred Stock	36,658	36,071
Net Income after Dividends on Preferred Stock	162,257	99,809
Total Gross Utility Plant at End of Year	$6,050,508	$5,609,959
Gross Additions to Utility Plant During Year	459,437	437,587
Construction Work in Progress at End of Year	748,762	583,036

DISTRIBUTION OF REVENUE DOLLAR* (PERCENT) 1982



*INCLUDES ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION AND OTHER INCOME, NET OF TAXES



TO THE STOCKHOLDERS

For the first time in several years, we are able to report a year of major achievements.

The most significant improvement came from the implementation by the Alabama Public Service Commission of a new rate stabilization procedure. Instead of large, delayed rate increases, this concept allows for small periodic rate adjustments based on the company's current rate of return on common equity. This is important in recognition of the state's depressed economy and high unemployment. The adoption of this innovative approach, following a favorable decision by the Supreme Court of Alabama, disposed of both the 1981 and 1982 retail rate cases.

Many customers face energy related emergencies during the winter without financial assistance. In an effort to ease the financial burden of energy costs for those most affected by the depressed economy, the company started Project SHARE with a one-time seed money contribution of $50,000. Customers were also offered the opportunity of pledging $1 a month through their electric bills to create the Project SHARE fund. Based on a three-month solicitation by Alabama Power, more than 75,000 customers pledged to support the program, providing approximately $1 million annually to Project SHARE. The American Red Cross is administering the energy assistance program through its area offices in Alabama Power's service area.

Both units of the nuclear plant continued their excellent performance records during 1982, operating 79% of the year. During a refueling outage for Unit 2, Alabama Power completed the refueling and maintenance in 41 days, a new record. These efforts have helped save customers millions of dollars in fuel costs.

In March 1983, the company began construction of a new headquarters building in downtown Birmingham. The project had been deferred for more than ten years for financial reasons despite the urgent need to consolidate operations and staff.

Negotiations to establish a new contract with the International Brotherhood of Electrical Workers began in June 1982, and in early September a strike was called by the union. In October, the company and the union agreed on a new two-year contract and ended the 45-day work stoppage. The ratified contract contains significant productivity and efficiency improvement items.

Alabama Power employees have always worked to provide our customers with dependable, economical electric service. But special note should be made regarding the outstanding efforts during the ice storm which blanketed central Alabama in January 1982. More than 250,000 customers lost electric service, and our employees, with the assistance of several other utilities and contractors, worked around the clock to restore electricity in a matter of a few days.

The programs which we have planned and executed are indicative of the dedicated employees who work for Alabama Power and the Southern electric system. Their dedication to the goals of the enterprise continues to help improve the responsiveness of our organization and the quality of life throughout our service area.

Our greatest challenge is to sustain these achievements in the economic climate we face today.

Joseph M. Farley

Joseph M. Farley
President

March 4, 1983

MANAGEMENT CHANGES

The company's Board of Directors made several management changes in 1982.

Randy Hardigree and Clyde H. Wood were elected vice presidents, and Whit Armstrong and Robert H. Radcliff, Jr., were elected to the company's board of directors. Mr. Hardigree, formerly general manager-corporate planning, continues his responsibilities for corporate planning, and Mr. Wood, formerly assistant vice president, assumed responsibility for the company's Southern Division.

Mr. Armstrong is president and chief executive officer of The Citizens Bank of Enterprise, Alabama, and Mr. Radcliff is chairman of the board and chief executive officer, Radcliff Marine Services, Inc., of Mobile, Alabama.

Assuming new management positions in 1982 were Clyde Wood (left), division vice president, and Randy Hardigree, vice president for corporate planning.

Elected to the company's board of directors in 1982 were Robert H. Radcliff, Jr., (left), Mobile, and Whit Armstrong, Enterprise.

RATES

On November 12, 1982, the Alabama Public Service Commission (APSC) adopted a new retail ratemaking approach for Alabama Power known as Rate Stabilization and Equalization (RSE) and Certificated New Plant (CNP). This concept allows for small periodic rate adjustments based on the company's rate of return on common equity and provides for rate adjustments which recognize the placing in service of new generating facilities.

The adoption of this innovative approach, following a favorable decision by the Supreme Court of Alabama, disposed of both the 1981 and the 1982 retail rate cases. A $186- million annual rate increase which Alabama Power had been collecting subject to refund was made permanent by the commission, and the company was awarded an additional $120 million in revenues effective December 1, 1982. On February 1, 1983, the first periodic Rate RSE increase of 2 percent was effective. Revenues totaling $198 million which had been billed in 1982 subject to refund were made permanent by orders of the APSC and the Court. Future adjustments will be based on the company's rate of return on end-of-period common equity and the placing in service of additional certificated generating facilities. Harris Dam will be the first generating plant to be given recognition under Rate CNP after it is placed in commercial operation in early 1983.

Under the rate stabilization approach, the company will be eligible for small periodic increases as long as the rate of return on end-of-period (as opposed to average) common equity does not exceed 13.5 percent. No increases will be approved if the return is between 13.5 and 15 percent. If it exceeds 15 percent, the company would be required to reduce rates.

Several intervenors have appealed the APSC order.

On December 30, 1982, the Federal Energy Regulatory Commission approved a settlement agreement between Alabama Power and its wholesale customers providing for an increase in wholesale revenues of $6,050,000 annually effective May 1, 1982.

FINANCIAL REVIEW

Net income for 1982, after dividends on preferred stock, was $162.3 million, an increase of $62.5 million over 1981. This increase resulted

primarily from revenue derived from increased rates billed under the order of February 12, 1982 by the Supreme Court of Alabama. As a result of improved earnings in 1982, the company's return on average common equity increased to 12.62 percent for the year ended December 31, 1982 from 8.17 percent for the year ended December 31, 1981. Additionally, at year's end, the coverage ratios under the company's mortgage indenture and corporate charter were 2.83 and 1.60, respectively, substantially improving the company's financing flexibility. The minimum coverage ratios under the mortgage indenture and corporate charter for the issuance of additional first mortgage bonds and preferred stock are 2.0 and 1.5, respectively.

During 1982, the company's financing needs were met primarily by internally generated funds and capital contributions from The Southern Company. Internal funds supplied 87.3 percent of the company's requirements, thereby reducing the need for outside financing.

Three major security-rating agencies upgraded the ratings of Alabama Power's first mortgage bonds and preferred stocks as a result of increased earnings and adoption of the new ratemaking approach.

ELECTRIC SALES

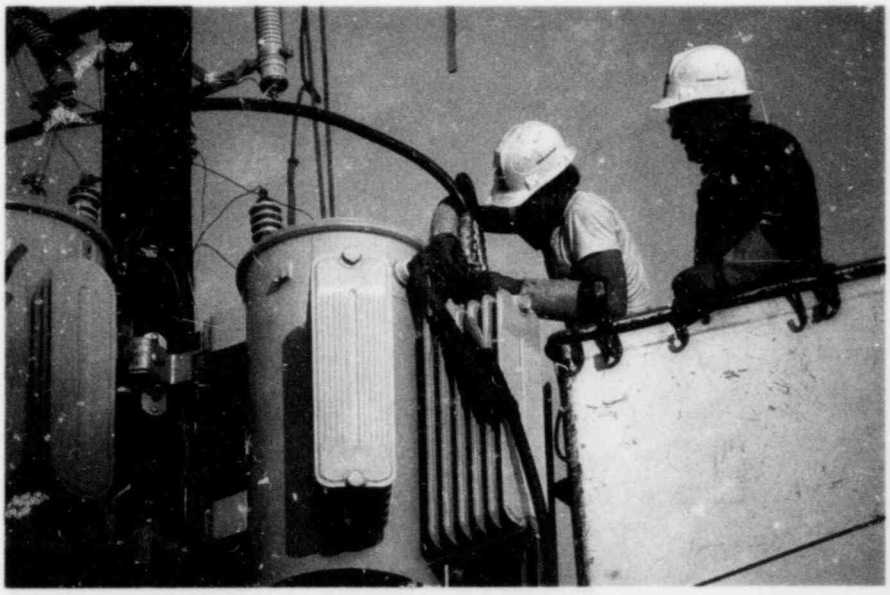
Total sales of electricity were 33.9 billion kilowatt-hours in 1982, as compared with 33.8 billion kilowatt-hours in 1981.

During the year, the company reached a significant milestone, adding its one-millionth customer to the company's electric system. Despite that milestone, the company's residential kilowatt-hour sales decreased 0.8 percent from 1981 due to a sluggish economy in the state and energy conservation efforts. While sales to commercial customers increased 2.3 percent when compared with 1981, industrial sales decreased by 8.1 percent as a result of Alabama's depressed economy.

Wholesale and other energy sales increased 30.4 percent over 1981 due primarily to increased energy sales to neighboring utilities.

Residential customers accounted for 27 percent of the company's total electric sales in 1982, commercial customers 16.8 percent and industrial customers 39.7 percent. Wholesale and other energy sales accounted for the remaining 16.5 percent.

Demand for electricity on Alabama Power's system reached its 1982 peak on July 27 at 6.3 million kilowatts, down 8.1 percent from the 1981 peak.



PLANNING

In a business as complex as an electric utility, it is necessary to have a long-range strategic plan that establishes general goals and specific objectives for each facet of the operation. Through an integrated planning process, departments and divisions develop detailed operational plans which establish specific goals and objectives in support of the long-range corporate strategic plan.

Alabama Power's forecast projects peak kilowatt demand over the next 10 years to increase at an average of about 2 percent annually, while electric territorial sales are expected to increase about 2.2 percent during the next decade. Revised each year, the company's forecasts employ an econometric model based on the relationship between various national and

Exhibits at Farley Nuclear Visitors Center and the division offices offer visitors an opportunity to test their knowledge of energy.

Appliance

regional economic factors and energy usage.

During 1982, Alabama Power agreed to sell electricity from the Miller Electric Generating Plant in north Jefferson County over an approximate 10-year period to Gulf States Utilities in Beaumont, Texas, the Jacksonville (Florida) Electric Authority, and Florida Power & Light Company in Miami.

The purchasing utilities will pay all costs associated with the electricity supplied over the term of the agreements. These agreements will result in the creation of approximately 1,900 jobs in Alabama and infuse the state's economy with more than $3 billion.

In 1995, when the sales agreements expire, the entire plant will be available to serve the needs of Alabama Power customers.

GENERATING RESOURCES

The company continued to rely on a generation mix of coal, nuclear, and hydroelectric power for its power production in 1982. Generation from the Farley Nuclear Electric Generating Plant near Dothan supplied 27.6 percent of the company's generation in 1982, as compared to 16.6 percent in 1981. The increase over the previous year is due in large part to the placing in service of Unit 2 in July 1981. An evaluation published by the Institute of Nuclear Power Operations in March 1982 found the plant "in excellent material condition and operated in a safe manner by well-qualified personnel."

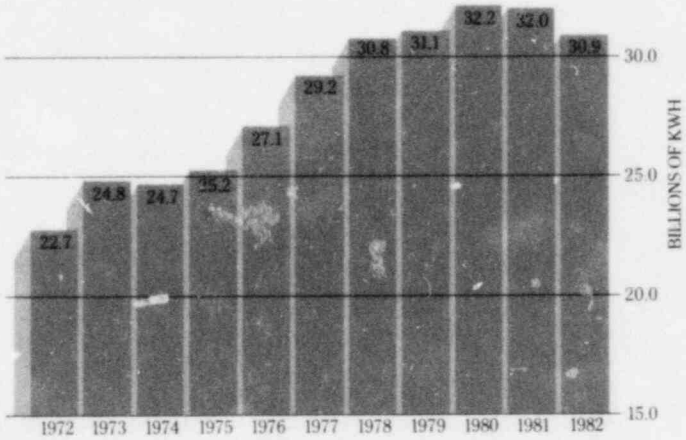
The plant's performance was underscored in July when the second unit set a national record among comparable nuclear units by achieving 90 percent availability during its first year of operation. It surpassed the previous availability record held by its twin unit, Plant Farley Unit 1.

The company's 13 hydroelectric plants generated 13.2 percent of the total electricity produced during the year compared to 7.8 percent in 1981. Rainfall during the first four months of the year surpassed the total rainfall for all of 1981, enabling the company to generate lower cost hydropower which resulted in substantial savings in fuel costs that were reflected in reduced energy charges to our customers.

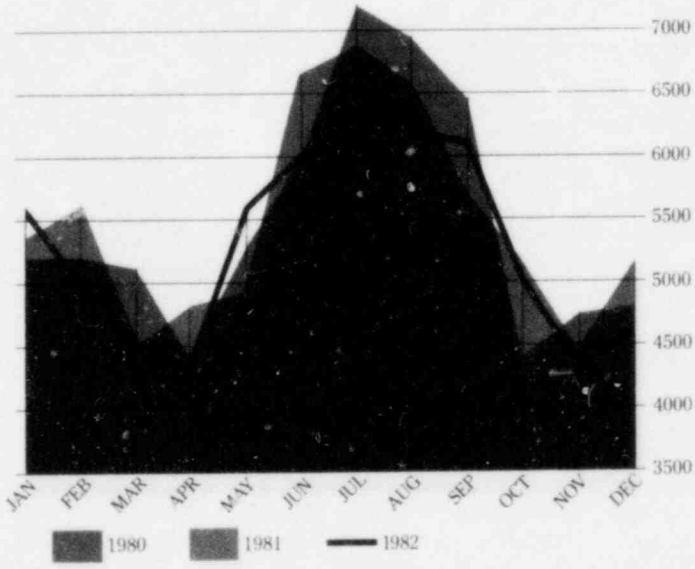
Fossil-fueled units on Alabama Power's system continued their excellent performance in 1982 and supplied 59.2 percent of the

Alabama Power completed refueling of Unit 1 of the Farley Nuclear Plant in 41 days, a new record.

TOTAL TERRITORIAL ENERGY SALES

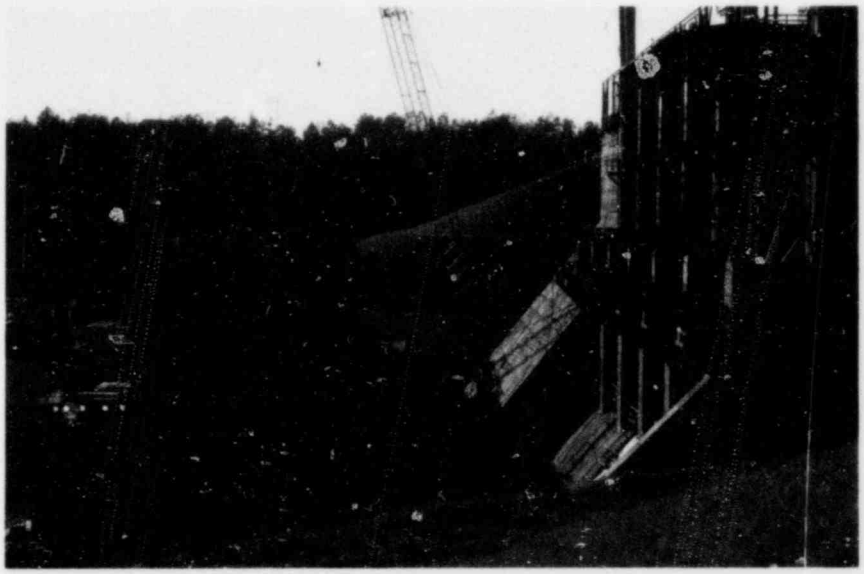


MONTHLY PEAK DEMAND



total energy production. The company purchased 11.3 million tons of coal in 1982, 99.8 percent supplied by Alabama mines. At year's end, the company had 3.5 million tons on hand, a 120-day supply based on anticipated requirements.

The installed generating capacity of the company, including 50 percent of the capacity of four units and a small combustion turbine of Southern Electric Generating Company at Gaston Electric Generating Plant, and 60 percent of the capacity of the Greene County Plant, totaled 8,493,675 kilowatts at year's end.



Alabama Power's newest hydroelectric generating plant, Harris Dam, is scheduled to begin commercial operation in early 1983.

CONSTRUCTION

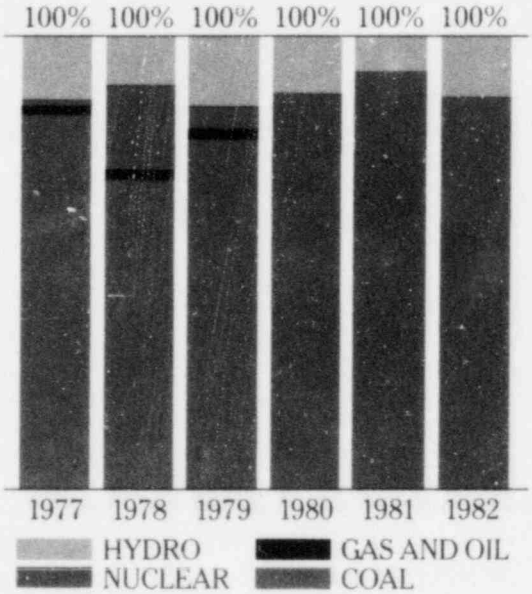
Construction was virtually completed in 1982 on Harris Dam on the Tallapoosa River in Randolph and Clay counties. Commercial operation of this 135,000-kilowatt unit is scheduled for early 1983.

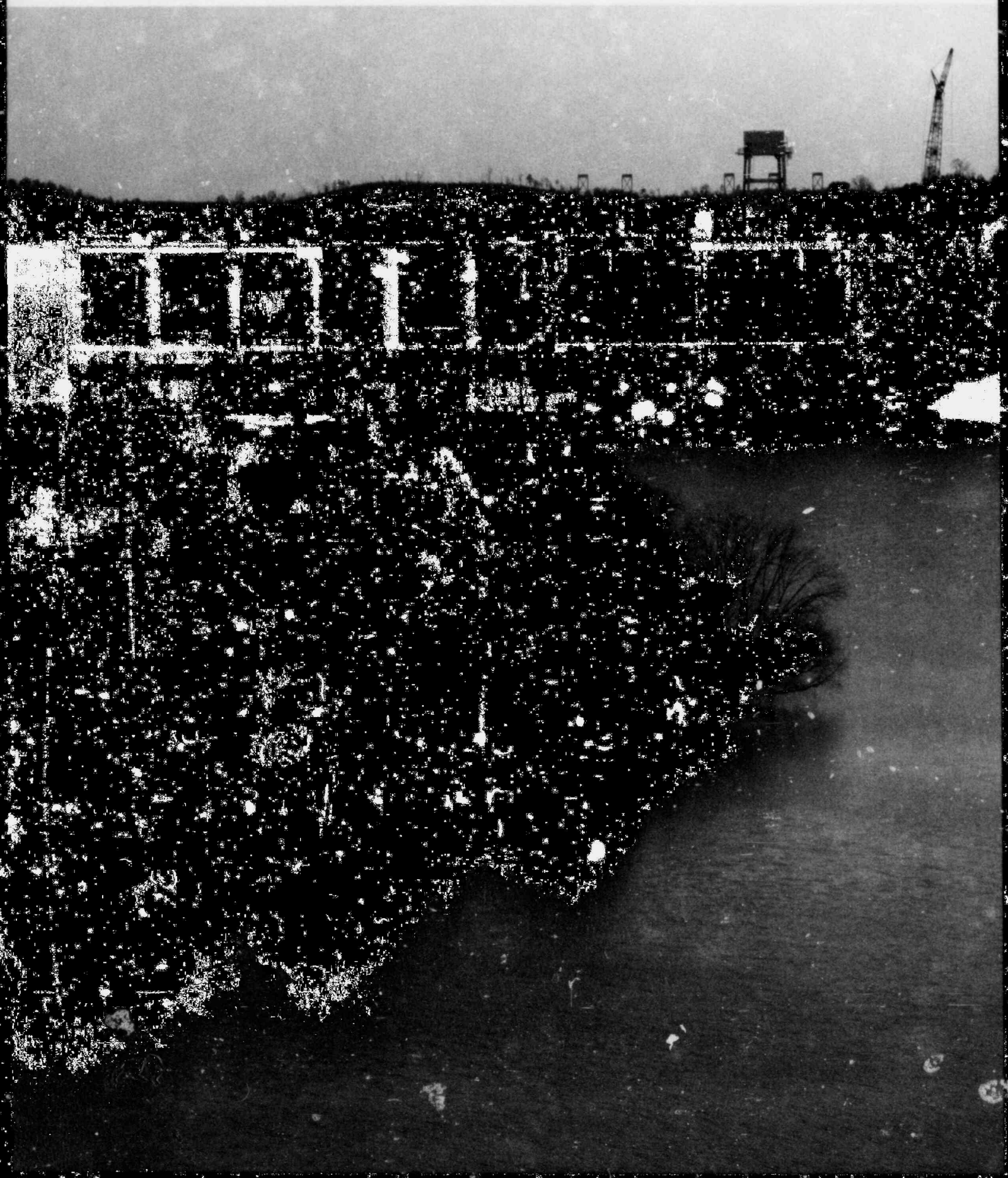
Redevelopment of Mitchell Dam, including construction of a new powerhouse, is approximately 44 percent complete. When the project is completed, three new units will have replaced the three units built in the 1920s, with a net increase of 97,500 kilowatts of capacity. The dam was originally built in 1923 on the Coosa River near Verbena.

Construction continued to move forward on Plant Miller near Birmingham. At year's end, Unit 2 was about 43 percent complete and is scheduled for commercial operation in 1985; Units 3 and 4 were approximately 3 percent complete with projected commercial operation in 1989 and 1991, respectively. Under terms of agreements which begin in 1984, three utilities in Texas and Florida will purchase electricity from the plant, thereby allowing the company to continue construction on the remaining three units without further delays. When the contract expires, all Plant Miller units will be available to serve the needs of Alabama Power customers.

During 1982, the company spent approximately $459 million for construction of transmission and distribution lines, substations, generating, and other facilities.

PERCENT OF TOTAL KWH GENERATION





INDUSTRIAL DEVELOPMENT

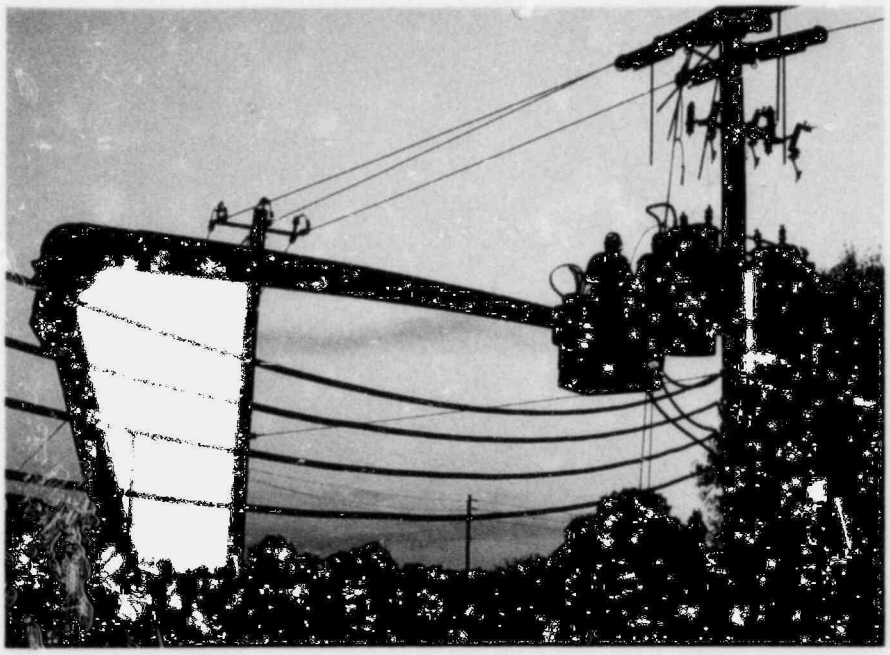
The extent of Alabama's depressed economic situation was most evident in the addition and expansion of industries in the state during 1982. Fewer industrial firms than any year since 1975 announced plans to locate or expand facilities in the state. Several large industries announced record layoffs or closings affecting more than 275,100 workers. Unemployment reached 15.9 percent in December, the second highest in the nation.

Despite the economy, 445 industrial firms announced plans to locate or expand facilities in Alabama Power's service area, creating 4,812 jobs and an estimated annual payroll of approximately $57.8 million. When these additions and expansions are in full operation, total investment for new and expanded industries announced in 1982 will be $804 million.

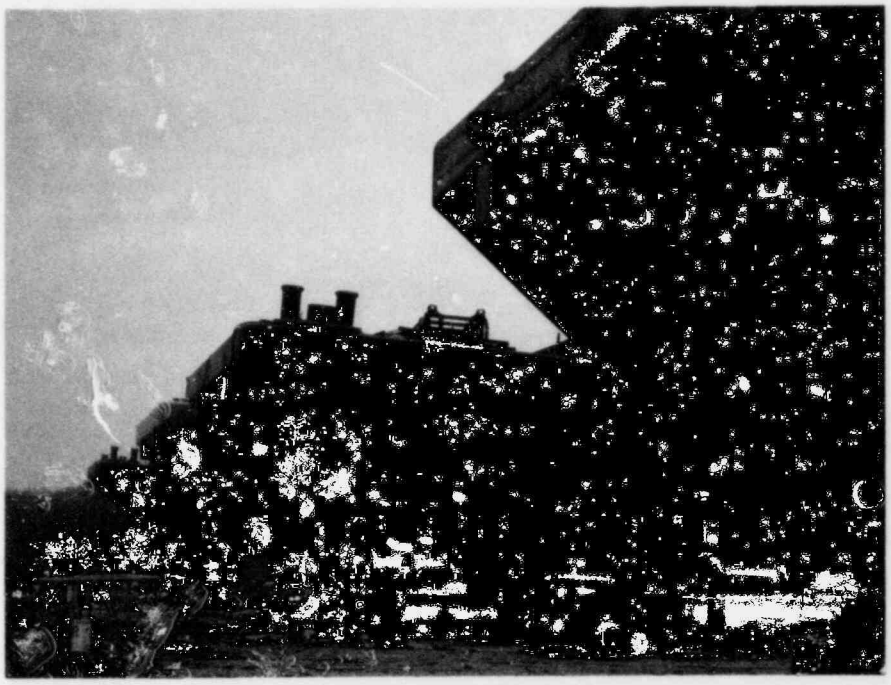
ICE STORM

For the third time in four years, nature had a tremendous impact on Alabama Power's electric system. A winter storm on January 12-13, 1982 dealt a blow to the system as snow, sleet and subfreezing temperatures paralyzed much of Alabama.

As ice-laden tree limbs snapped and short-circuited power lines, 250,000 Alabama Power customers were without electric service. More than 3,000 Alabama Power operating personnel worked around the clock for days, facing the most grueling repair task since



A lineman connects three new transformers which will serve a new shopping center in Gadsden.



Bergeron Barges, Inc. of Alabama announced its new manufacturing facility near Demopolis.

Hurricane Frederic devastated the Gulf Coast in 1979. An additional 800 personnel from other utilities and independent contractors assisted in the restoration efforts. Through these united efforts, service was restored within seven days.

Record low temperatures hovered around zero just prior to the storm, prompting customer demand for electricity just short of the company's all-time winter peak demand on February 12, 1981.

For seven days in January, Alabama Power employees braved subfreezing temperatures to restore electric service to more than 250,000 customers who lost power during an ice storm.

EMPLOYEES

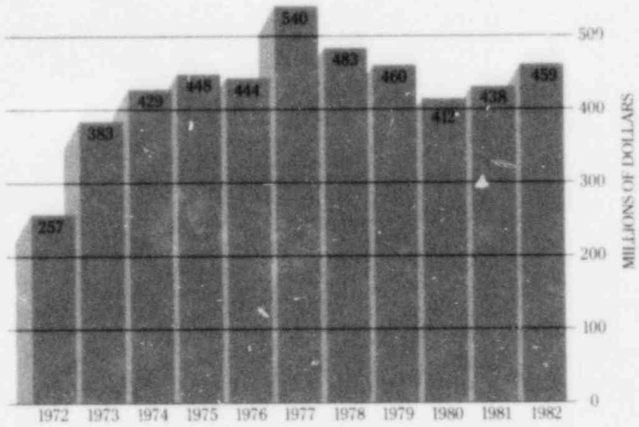
The company employed 9,663 people as of December 31, 1982 compared to 9,661 employees a year earlier.

More than one-third, 3,900 employees, are represented by the International Brotherhood of Electrical Workers. Negotiations to establish a new contract began in June 1982. On October 14, the company and the union agreed on a new two-year contract and ended the 45-day strike against the company.

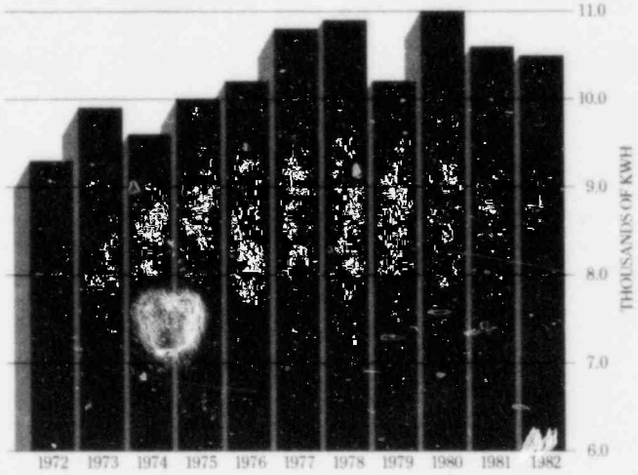
During the strike, nonunion employees, including managerial personnel, engineers, accountants and office workers, replaced union workers throughout the system.

The ratified contract contains significant productivity and efficiency improvement items. The contract also calls for improved life insurance, sick leave and medical benefits, and a 7.5 percent increase in wages during the first year of the agreement, and an additional 6.5 percent wage increase in the second year.

GROSS PLANT ADDITIONS



AVERAGE RESIDENTIAL USAGE PER CUSTOMER



RESEARCH AND DEVELOPMENT

Providing for customers' energy needs at the lowest possible cost with minimal environmental impact is a major challenge facing Alabama Power today. To help meet this challenge, the company has pooled its research dollars with more than 600 other electric utilities across the country to support the work of the Electric Power Research Institute (EPRI).

During 1982, Alabama Power contributed more than $5.4 million to EPRI's research and development efforts. Almost half of that contribution went to generation research to improve existing fossil-fired and nuclear power generation systems and to develop advanced generating equipment and technologies. Other projects included research to improve the understanding of environmental and health effects of electricity generation and transmission, improving the performance of transmission and distribution systems, and major efforts in solar, geothermal, and nuclear fusion energy.

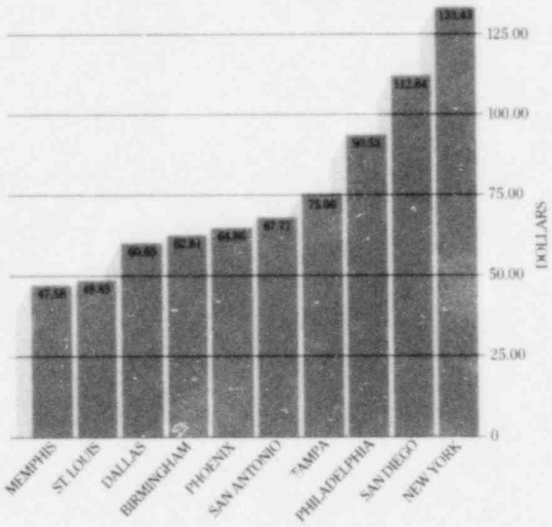
Overall, about 1,400 active research projects are currently under EPRI's management, representing a funding authorization in excess of $1.6 billion over five years.

Through EPRI, Alabama Power maximizes its return on every research and development dollar, avoiding costly duplication of research and allowing for extensive research projects far beyond the financial capability of any one utility.

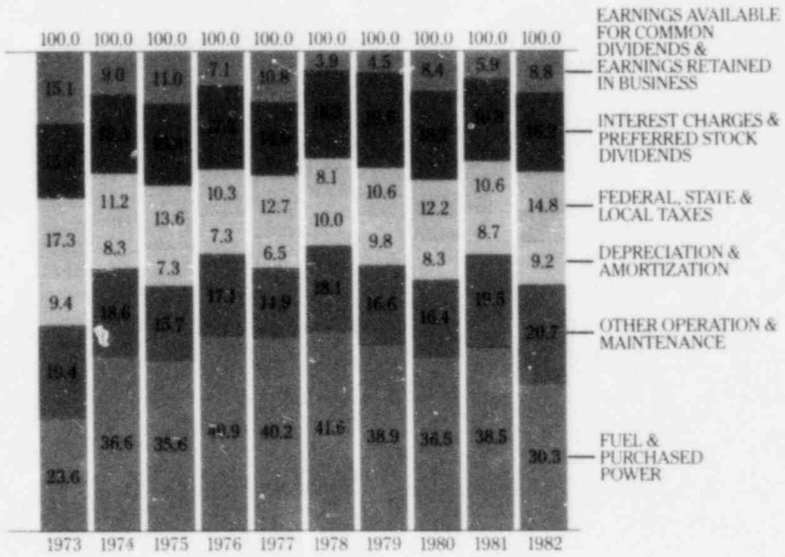
Within the Southern electric system, Alabama Power also participates in research efforts in numerous areas including solvent refined coal, acid rain, and solar technology.

During the 45-day work stoppage by the IBEW, nonunion employees maintained normal electric service for our customers.

RESIDENTIAL ELECTRIC BILLS FOR SELECTED U.S. CITIES FOR MONTHLY USE OF 1,000 KILOWATT-HOURS RATES IN EFFECT DECEMBER 1, 1982



DISTRIBUTION OF REVENUE DOLLAR* (1973-1982)



*INCLUDES ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION AND OTHER INCOME, NET OF TAXES

CUSTOMER RELATIONS

The ability of Alabama Power to serve its customers effectively is influenced, in large part, by the level of public understanding customers have of the company.

Nationwide, public utilities are recognizing that customer concerns must be identified and addressed in a straightforward and timely manner. Our first responsibility is to produce electricity—efficiently and economically. But a critical responsibility is the ability of an electric utility to communicate effectively with its customers. It was with the understanding that real communication includes speaking as well as listening that Alabama Power embarked in 1982 on an aggressive customer relations program.

The rationale behind this was not complex. What really sustains the huge flow of electricity is another kind of energy—human energy, generated by more than 9,600 employees. Alabama Power already enjoys a good reputation for providing service to its customers. Therefore, customer relations is simply fine-tuning an already sound operation.

Alabama Power management in 1982 identified improved customer relations as a major goal. For the centerpiece of the revised program, management went directly to front-line responsibility—to employees with direct customer contact.

Consumer Affairs, a key new function, was created to oversee the company's customer relations program. Committees were formed in each division to funnel customer complaints and suggestions to the Customer Relations Steering Committee.

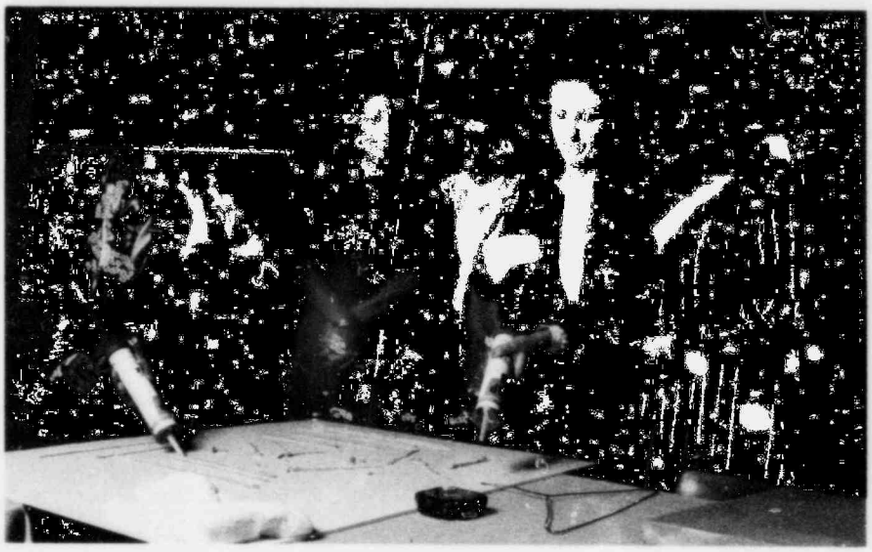
A training program was developed for all employees with direct customer contact. By the end of the year, more than 1,300 employees had participated in the training program.

One of the most positive programs to evolve during 1982 was Project SHARE, an emergency energy assistance program. SHARE means "Service to Help Alabamians with Relief on Energy" and will be administered by Red Cross chapters in Alabama Power's service area. It is designed to help families and individuals who face energy-related crises without financial assistance. Project SHARE began with a one-time seed money contribution of $50,000 from Alabama Power.

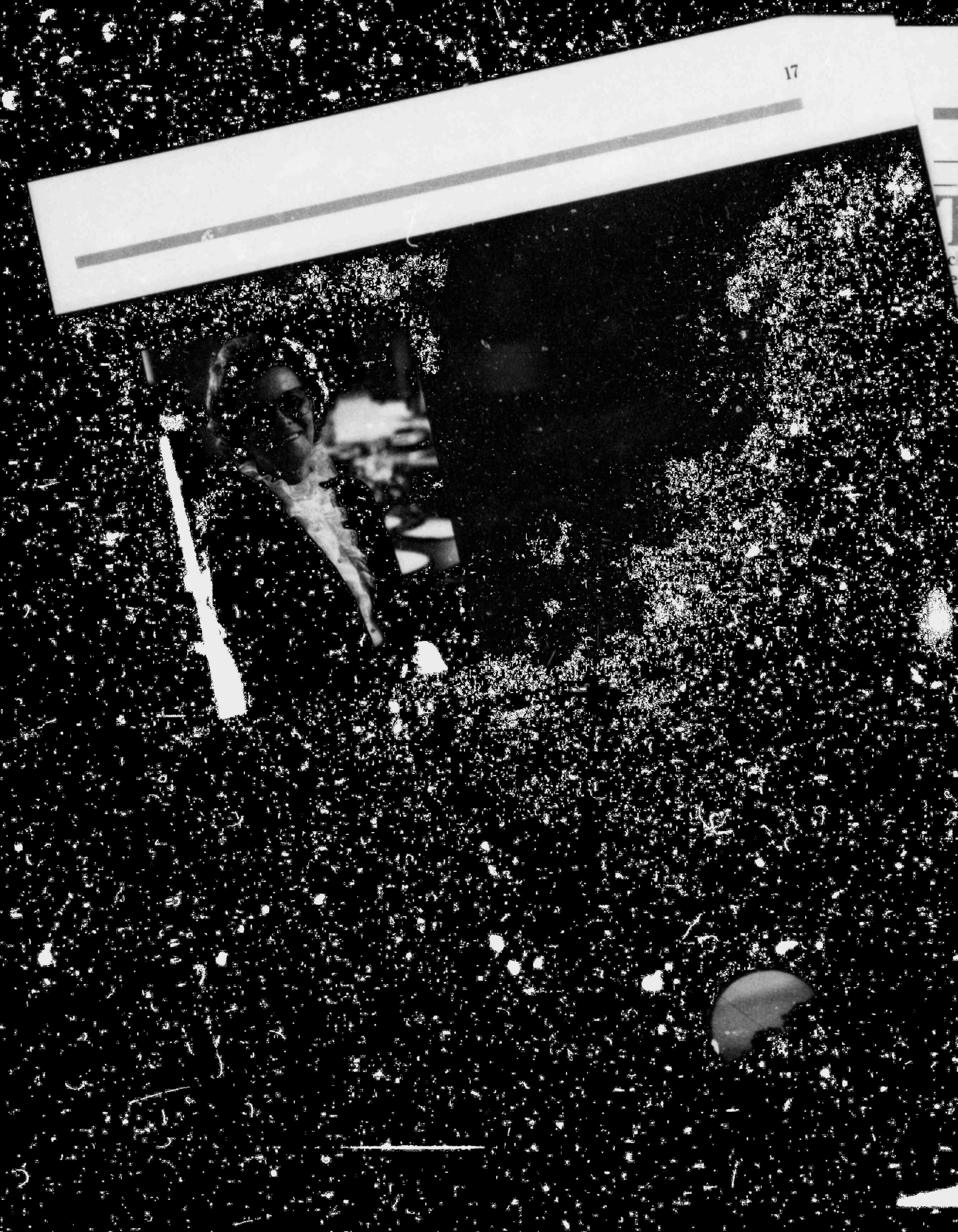
Additional funding for the program is being provided through voluntary $1 per month contributions from Alabama Power customers and employees. As a result of a three-month solicitation, approximately 75,000 customers and employees pledged financial support to SHARE, thus creating an annual fund of approximately $1 million. No administrative expenses are being withheld by either the Red Cross or Alabama Power.

Through Project SHARE more than one thousand families have received emergency assistance during the 1982-1983 heating season.

(Inset) Alabama Power reached a major milestone in 1982 when it added the one-millionth customer to the system, Mrs. Bivian Perkins of Gadsden.



Consumer Affairs Representative Carol Pickens demonstrates the technique for caulking windows and doors.



SELECTED FINANCIAL DATA
(Dollars In Thousands)

	1982	1981	1980	1979
Condensed Statements of Income:				
Operating Revenues	$1,764,145	$1,594,022	$1,421,997	$1,163,623
Operating Expenses:				
Operation and maintenance	940,262	978,075	816,243	700,647
Depreciation and amortization	169,753	147,581	127,840	123,075
Taxes other than income taxes	96,936	86,878	74,488	74,592
Federal and state income taxes	176,238	92,773	114,427	58,759
Total Operating Expenses	1,383,189	1,305,307	1,132,998	957,073
Operating Income	380,956	288,715	288,999	206,550
Other income, Net	28,571	46,927	42,715	40,775
Income Before Interest Charges	409,527	335,642	331,714	247,325
Net Interest Charges	210,612	199,762	170,997	158,666
Dividends on Preferred Stock	36,658	36,071	31,013	31,219
Net Income After Dividends on Preferred Stock	$ 162,257	$ 99,809	$ 129,704	$ 57,440
Cash Dividends on Common Stock	$ 130,700	$ 120,800	$ 115,300	$ 54,000
Return on Average Common Equity (Percent)	12.62	8.17	11.61	5.82
Total Assets	$4,683,358	$4,449,126	$4,244,932	$3,995,816
Gross Property Additions	$ 459,437	$ 437,587	$ 411,813	$ 459,533
Capitalization:				
Common stock equity	$1,340,890	$1,231,061	$1,211,417	$1,022,533
Preferred stock	374,400	374,400	334,400	334,400
Preferred stock subject to mandatory redemption	42,234	43,789	47,500	50,000
Long-term debt	2,370,050	2,394,674	2,159,793	1,883,684
Total Capitalization	$4,127,574	$4,043,924	$3,753,110	$3,290,617
Kilowatthour Sales (In Thousands):				
Residential	9,153,173	9,229,255	9,510,609	8,679,417
Commercial	5,715,630	5,586,990	5,514,844	5,207,513
Industrial	13,460,193	14,651,012	14,499,375	14,629,581
Sales for resale	2,408,904	2,402,331	2,518,347	2,461,078
Other	134,811	131,117	127,582	126,729
Total Territorial Sales	30,872,711	32,000,705	32,170,757	31,104,318
Non-territorial sales	3,066,423	1,768,650	1,346,912	6,286
Total Kilowatthour Sales	33,939,134	33,769,355	33,517,669	31,110,604
Operating Revenues:				
Residential	$ 578,291	$ 518,730	$ 489,031	$ 385,224
Commercial	371,581	325,388	293,576	242,626
Industrial	600,219	584,030	507,784	442,221
Sales for resale	99,014	89,727	77,627	76,056
Other	8,036	7,644	6,706	6,335
Total Territorial Revenues	1,657,141	1,525,519	1,374,724	1,152,462
Non-territorial revenues	90,331	56,013	37,304	1,222
Total Revenues from Sales of Electricity	1,747,472	1,581,532	1,412,028	1,153,684
Other revenues	16,673	12,490	9,969	9,939
Total Operating Revenues	$1,764,145	$1,594,022	$1,421,997	$1,163,623
Customers (End of Year)	1,001,832	996,200	986,082	976,200
Employees (End of Year)	9,663	9,661	9,573	9,038
Average Revenues Per Kilowatthour Total Sales (Cents)	5.15	4.68	4.21	3.71
Average Cost of Fuel Per Net Kilowatthour Generated (Including SEGCO) (Cents)	1.80	1.84	1.61	1.56

Certain prior year amounts have been reclassified to conform with current year presentation.

1978	1977	1976	1975	1974	1973	1972
$1,014,443	$ 968,693	$ 699,667	$ 631,250	$ 489,455	$ 396,841	$ 325,700
655,384	594,880	461,504	362,041	300,718	185,372	167,471
109,315	69,938	57,692	51,394	45,523	40,605	37,253
63,737	47,887	45,584	38,147	34,370	30,241	24,950
25,080	89,161	36,577	58,342	26,426	44,076	20,327
853,516	801,866	601,357	509,924	407,037	300,294	250,001
160,927	166,827	98,310	121,326	82,418	96,547	75,699
44,892	57,436	95,552	75,012	55,383	33,780	16,682
205,819	224,263	193,862	196,338	137,801	130,327	92,381
131,697	83,101	115,053	101,609	72,843	55,472	42,709
31,219	23,886	22,385	16,947	15,964	9,766	9,027
$ 42,903	$ 117,276	$ 56,424	$ 77,782	$ 48,994	$ 65,089	$ 40,645
$ 108,800	$ 94,900	$ 60,000	$ 60,000	$ 46,800	$ 45,800	$ 35,500
4.46	12.82	7.18	11.60	8.61	13.89	10.12
$3,717,638	$3,341,428	$2,886,941	$2,520,299	$2,142,355	$1,742,852	$1,408,641
$ 483,430	$ 540,076	$ 443,951	$ 447,966	$ 428,874	$ 383,114	$ 257,338
$ 952,648	$ 971,626	$ 858,300	$ 713,197	$ 628,415	$ 511,109	$ 426,809
334,400	334,400	235,400	235,400	235,400	200,400	150,400
50,000	50,000	50,000	—	—	—	—
1,851,394	1,652,013	1,294,731	1,200,277	1,015,948	897,333	730,045
$3,188,442	$3,008,039	$2,438,431	$2,148,874	$1,879,763	$1,608,842	$1,307,254
9,088,856	8,804,755	8,135,215	7,743,609	7,321,419	7,344,878	6,656,760
5,282,746	5,121,461	4,793,698	4,611,863	4,306,750	4,194,288	3,797,751
13,799,043	12,845,489	11,872,717	10,742,325	10,992,118	10,867,180	10,278,181
2,479,439	2,346,603	2,134,011	2,020,406	1,954,525	2,330,717	1,922,452
125,177	120,556	117,377	111,313	104,989	97,097	93,493
30,775,261	29,238,864	27,053,018	25,229,516	24,679,801	24,834,160	22,748,637
342,302	615,423	544,327	420,868	552,995	—	104,303
31,117,563	29,854,287	27,597,345	25,650,384	25,232,796	24,834,160	22,852,940
$ 351,644	$ 339,393	$ 248,306	$ 230,161	$ 178,949	$ 152,689	$ 126,355
213,059	208,864	152,076	140,568	109,944	92,121	74,758
357,691	338,007	238,282	208,068	165,540	127,415	104,427
67,539	56,872	42,308	38,229	21,362	17,434	11,784
6,004	5,663	4,310	4,051	3,814	3,503	3,269
995,937	948,799	685,282	621,077	479,609	393,162	320,593
10,534	12,496	7,817	5,253	5,031	—	1,981
1,006,471	961,295	693,099	626,330	484,640	393,162	322,574
7,972	7,398	6,568	4,920	4,815	3,679	3,126
$1,014,443	$ 968,693	$ 699,667	$ 631,250	$ 489,455	$ 396,841	$ 325,700
961,440	938,576	921,208	898,658	882,706	863,272	835,017
9,695	8,813	8,164	7,870	7,948	7,693	6,947
3.23	3.22	2.51	2.44	1.92	1.58	1.41
1.22	1.20	1.06	1.08	0.79	0.43	0.41

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Results of Operations

The company's financial performance improved significantly in 1982 compared to 1981 and 1980. Net income after dividends on preferred stock was $162,257,000 in 1982, $99,809,000 in 1981 and $129,704,000 in 1980. Return on average common equity for 1982 was 12.6 percent compared to 8.2 percent in 1981 and 11.6 percent in 1980.

Increases in operating revenues in each period are attributable principally to a combination of rate increases, recovery of increased fuel and purchased power costs through fuel and energy adjustment provisions contained in rate schedules and comparatively small increases in total energy sales. Kilowatthour sales in 1980 increased 7.7 percent over 1979, compared to a 0.8 percent increase in 1981 over 1980 and a 0.5 percent increase in 1982 over 1981. The increase in kilowatthour sales in 1980 was due to an extended heat wave and the implementation of contracts for sales to nonaffiliated utilities, whereas increases in 1981 and 1982 kilowatthour sales were due primarily to sales to nonaffiliated utilities. The company's portion of these sales amounted to 3.1 billion kilowatthours with associated revenues of $90 million in 1982, representing increases over 1981 of 73.4 percent and 61.3 percent, respectively. Territorial sales decreased in 1981 and 1982, compared to 1980, due to a combination of moderate weather, conservation efforts by customers and a sluggish economy. The additional revenues resulting from rate increases and the recovery of increased fuel and energy costs have steadily increased the average revenue per kilowatthour from 4.21¢ in 1980, to 4.68¢ in 1981 and to 5.15¢ in 1982.

The rise in operation expenses occurring each year since 1979 resulted primarily from escalations in the cost of fuel and other operation expenses, partially offset by reductions in purchased power costs in 1980 and 1982. Purchased power expense decreased substantially in 1982 due to a significant increase in nuclear and hydro power generation. This increase in generation allowed the company to avoid energy purchases at higher costs from neighboring utilities. The increase in nuclear generation is due to Plant Farley Unit 2 being in service the entire year and increased hydro generation is attributable to a high level of rainfall. In 1981 purchased power increased over 1980 due to Unit 1 of the Farley Nuclear Plant being out of service for approximately seven months and a reduced level of hydro power generation as a result of abnormally low rainfall. Fuel cost per kilowatthour generated, including SEGCO, was 1.61¢ in 1980, 1.84¢ in 1981 and 1.80¢ in 1982. The decrease in the fuel cost per kilowatthour generated in 1982 as compared to 1981 is indicative of a favorable generation mix (more nuclear and hydro generation). Increases in other operation and maintenance expenses are largely due to escalating costs of labor, material and services.

Increases in depreciation and amortization each year are due principally to the continued growth in depreciable plant in service. The composite straight-line depreciation rate was 3.4 percent in 1980, 3.5 percent in 1981 and 3.6 percent in 1982.

Fluctuations in income taxes resulted from changes in income before income taxes. Federal and state income tax provisions are detailed in Note 5 to the financial statements.

The allowance for funds used during construction represents the cost of capital charged to utility plant under construction. This allowance represents the estimated debt and equity costs of capital funds which are necessary to finance the construction of new facilities. A portion of current cash flow results from the allowance of a return on and recovery through depreciation of previously capitalized amounts. The allowance for funds used during construction, net of income taxes, as a percent of net income after dividends on preferred stock was 57.1 percent in 1980, 64.2 percent in 1981 and 29.3 percent in 1982.

The results of operations discussed above are not necessarily indicative of future earnings. It is expected that higher operating costs and carrying charges on increased investment in plant, if not offset by proportionate increases in operating revenues (either by periodic rate increases or increases in energy sales), will adversely affect future earnings. Increases in future sales will be affected by the volume of energy sales to nonaffiliated utilities, the extent of energy conservation practiced by customers, the elasticity of demand, weather and the rate of economic growth in the company's service area. See Note 14 to the financial statements for supplementary information concerning the approximate effects of inflation.

Financial Condition

The company's continuing construction program to build an energy supply network with a sufficient margin of reserve capacity to ensure an adequate, economical power supply, required the expenditure of $1.3 billion during the three years 1980 through 1982. As shown on the Statements of Sources of Funds for Gross Property Additions, the primary sources of funds for construction expenditures are internal sources, sales of long-term debt and capital contributions from The Southern Company.

The company's capitalization ratios have remained approximately the same in recent years, but the composite interest rate on long-term debt has increased from 8.6 percent at December 31, 1979 to 9.9 percent at December 31, 1982. As further evidence of the increasing cost of capital, the company's annual interest requirement on long-term debt has increased 45.3 percent since 1979.

At December 31, 1982, the company had $25,212,000 of cash and temporary cash investments and $311,619,000 of unused credit arrangements with banks to meet its short-term cash needs. (See Note 4 to the financial statements.) At the end of 1982, the company had no short-term bank loans outstanding.

The company's construction expenditures are estimated to total $1.8 billion for the three years 1983 through 1985. The construction program is subject to periodic review and revision and construction costs incurred and commercial operation dates may vary from estimates because of several factors including, new estimates of increased costs, revised load estimates and the cost of capital. (See Note 3 to the financial statements.) In addition to the funds required for the construction program, approximately $52,673,000 will be required through the end of 1985 in connection with maturities of first mortgage bonds, pollution control bonds and preferred stock subject to mandatory redemption.

It is anticipated that the funds required will be derived from sources in form and quantity similar to those used in the past. However, in order to issue additional long-term debt and preferred stock, the company must comply with certain earnings coverage requirements contained in its mortgage indenture and corporate charter. On the basis of the requirements contained in the company's mortgage indenture and corporate charter, the bond and preferred stock coverages of the company at December 31, 1982 were 2.83 and 1.60 respectively. (See Note 3 to the financial statements.)

AUDITORS' REPORT

To the Board of Directors of
Alabama Power Company:

We have examined the balance sheets and statements of capitalization of ALABAMA POWER COMPANY (an Alabama corporation and a wholly owned subsidiary of The Southern Company) as of December 31, 1982 and 1981, and the related statements of income, earnings retained in the business, other paid-in capital and sources of funds for gross property additions for each of the three years in the period ended December 31, 1982. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Alabama Power Company as of December 31, 1982 and 1981, and the results of its operations and the source of funds for gross property additions for the periods stated, in conformity with generally accepted accounting principles applied on a consistent basis.

Arthur Andersen & Co.

Birmingham, Alabama,
February 11, 1983.

BALANCE SHEETS at December 31, 1982 and 1981

	1982	1981
Assets	(In Thousands)	
UTILITY PLANT (Notes 1 and 3):		
Plant in service, at original cost	$4,979,976	$4,771,723
Less—Accumulated provision for depreciation	1,218,727	1,063,897
	3,761,249	3,707,826
Nuclear fuel, at amortized cost	143,767	143,541
Construction work in progress	748,762	583,036
	4,653,778	4,434,403
Less—Property-related accumulated deferred income taxes (Note 1)	491,264	431,364
	4,162,514	4,003,039
OTHER PROPERTY AND INVESTMENTS:		
Southern Electric Generating Company (Note 9)	16,400	16,400
Nonutility property, net	2,437	2,564
Miscellaneous	1,194	1,104
	20,031	20,068
CURRENT ASSETS:		
Cash (Note 4)	11,203	4,400
Temporary cash investments, at cost	14,009	19,551
Receivables—		
Customer accounts receivable	101,059	94,515
Other accounts and notes receivable	12,262	10,632
Intercompany accounts	36,791	10,605
Accumulated provision for uncollectible accounts	(558)	(572)
Refundable federal income tax (Note 5)	22,173	25,000
Fossil fuel stock, at average cost	210,349	166,857
Materials and supplies, at average cost	26,154	24,087
Prepayments	27,900	28,952
	461,342	384,027
DEFERRED CHARGES:		
Cost of cancelled plant, being amortized (Note 1)	—	5,473
Debt expense, being amortized	6,948	7,343
Miscellaneous	32,523	29,176
	39,471	41,992
	$4,683,358	$4,449,126
Capitalization and Liabilities		
CAPITALIZATION (See accompanying statements):		
Common stock equity	$1,340,890	$1,231,061
Preferred stock	374,400	374,400
Preferred stock subject to mandatory redemption (Note 8)	42,234	43,789
Long-term debt	2,370,050	2,394,674
	4,127,574	4,043,924
CURRENT LIABILITIES:		
Long-term debt due within one year (Note 7)	59,821	52,687
Accounts payable—		
Intercompany accounts	43,405	33,367
Other	101,458	90,520
Customer deposits	23,996	22,362
Taxes accrued—		
Federal and state income (Note 5)	27,483	30,499
Other	8,731	10,236
Interest accrued	65,241	65,382
Miscellaneous	40,537	16,220
	370,672	321,273
DEFERRED CREDITS, ETC.:		
Accumulated deferred investment tax credits	170,709	67,407
Miscellaneous	14,403	16,522
	185,112	83,929
COMMITMENTS AND CONTINGENT MATTERS (Notes 2, 3, 9 and 11)		
	$4,683,358	$4,449,126

Certain prior year amounts have been reclassified to conform with current year presentation.

The accompanying notes are an integral part of these statements.

STATEMENTS OF CAPITALIZATION at December 31, 1982 and 1981

	Amount		Percent of Total	
	1982	1981	1982	1981
	(In Thousands)			
COMMON STOCK EQUITY:				
Common stock, par value $40 per share, authorized 6,000,000 shares, outstanding 5,608,955 shares	$ 224,358	$ 224,358		
Other paid-in capital	986,145	908,145		
Premium on preferred stock (Note 8)	1,807	1,535		
Earnings retained in the business (Note 10)	128,580	97,023		
Total	1,340,890	1,231,061	32.5%	30.4%
CUMULATIVE PREFERRED STOCK (Note 3):				
$1 par value, authorized 27,500,000 shares— $25 stated value—1,600,000 shares outstanding—15.68%	40,000	40,000		
$100 par value, authorized 3,850,000 shares—				
Series				
4.20% to 4.52%	41,400	41,400		
4.60% to 4.92%	29,000	29,000		
5.96% to 8.04%	32,000	32,000		
8.16% to 9.44%	232,000	232,000		
Total (annual dividend requirement—$31,991,000)	374,400	374,400	9.1	9.3
Subject to mandatory redemption (Note 8):				
11.00% (annual dividend requirement—$4,646,000)	42,234	43,789	1.0	1.1
LONG-TERM DEBT (Note 3):				
First mortgage bonds—				
Maturity / Interest Rates				
April 1, 1982 — 3⅜%	—	12,000		
May 1, 1983 — 4⅛%	11,939	11,939		
March 1, 1984 — 3⅛%	17,000	17,000		
June 1, 1985 — 3½%	15,000	15,000		
March 1, 1986 — 3½%	13,725	13,725		
May 1, 1987 — 4⅝%	14,500	14,500		
October 1, 1987 — 8⅝%	75,000	75,000		
1988 through 1992 — 3⅞% to 18¼%	277,317	277,317		
1993 through 1997 — 4⅜% to 6½%	128,581	128,581		
1998 through 2002 — 7% to 9%	378,424	378,424		
2003 through 2007 — 8¼% to 10⅞%	685,000	685,000		
2008 through 2011 — 9½% to 17⅜%	525,000	525,000		
Total first mortgage bonds	2,141,486	2,153,486		
Other long-term debt (Note 6)	304,916	311,060		
Unamortized debt premium (discount), net	(16,531)	(17,185)		
Total long-term debt (annual interest requirement— $243,453,000)	2,429,871	2,447,361		
Less amount due within one year (Note 7)	59,821	52,687		
Long-term debt, excluding amount due within one year	2,370,050	2,394,674	57.4	59.2
TOTAL CAPITALIZATION	$4,127,574	$4,043,924	100.0%	100.0%

The accompanying notes are an integral part of these statements.

STATEMENTS OF INCOME
for the Years Ended December 31, 1982, 1981 and 1980

	1982	1981	1980
		(In Thousands)	
OPERATING REVENUES	$1,764,145	$1,594,022	$1,421,997
OPERATING EXPENSES:			
Operation—			
Fuel	540,878	504,930	439,488
Purchased and interchanged power, net	17,042	144,916	124,163
Other	232,952	192,502	153,552
Maintenance	149,390	135,727	99,040
Depreciation and amortization	169,753	147,581	127,840
Taxes other than income taxes	96,936	86,878	74,488
Federal and state income taxes (Note 5)	176,238	92,773	114,427
Total operating expenses	1,383,189	1,305,307	1,132,998
OPERATING INCOME	380,956	288,715	288,999
OTHER INCOME:			
Allowance for equity funds used during construction (Note 1)	20,352	39,471	32,189
Income from subsidiary (Note 9)	2,412	2,531	2,466
Other, net	5,807	4,925	8,060
Income before interest charges	409,527	335,642	331,714
INTEREST CHARGES:			
Interest on long-term debt	250,806	239,858	184,557
Amortization of debt discount, premium and expense, net	936	871	593
Other interest charges	10,666	5,882	65,686
Allowance for debt funds used during construction (Note 1)	(51,796)	(46,849)	(79,839)
Net interest charges	210,612	199,762	170,997
NET INCOME	198,915	135,880	160,717
DIVIDENDS ON PREFERRED STOCK	36,658	36,071	31,013
NET INCOME AFTER DIVIDENDS ON PREFERRED STOCK	$ 162,257	$ 99,809	$ 129,704

STATEMENTS OF EARNINGS RETAINED IN THE BUSINESS
for the Years Ended December 31, 1982, 1981 and 1980

	1982	1981	1980
		(In Thousands)	
Balance, beginning of period	$ 97,023	$ 119,973	$ 105,569
Add (deduct):			
Net income after dividends on preferred stock	162,257	99,809	129,704
Cash dividends paid on common stock	(130,700)	(120,800)	(115,300)
Preferred stock issuance expense	—	(1,959)	—
Balance, end of period (Note 10)	$ 128,580	$ 97,023	$ 119,973

STATEMENTS OF OTHER PAID-IN CAPITAL
for the Years Ended December 31, 1982, 1981 and 1980

	1982	1981	1980
		(In Thousands)	
Balance, beginning of period	$ 908,145	$ 866,145	$ 692,145
Cash contribution to capital by parent company	78,000	42,000	174,000
Balance, end of period	$ 986,145	$ 908,145	$ 866,145

The accompanying notes are an integral part of these statements.

STATEMENTS OF SOURCES OF FUNDS FOR GROSS PROPERTY ADDITIONS

for the Years Ended December 31, 1982, 1981 and 1980

	1982	1981	1980
		(In Thousands)	
Net income	$198,915	$135,880	$160,717
Add (deduct) principal noncash items—			
Depreciation and amortization	238,664	198,977	161,262
Deferred income taxes, net	66,474	82,723	105,299
Deferred investment tax credits	118,200	29,400	10,700
Allowance for equity funds used during construction	(20,352)	(39,471)	(32,189)
	601,901	407,509	405,789
Less—			
Dividends on common stock	130,700	120,800	115,300
Dividends on preferred stock	36,658	36,071	31,013
	434,543	250,638	259,476
Decrease (increase) in net current assets, excluding long-term debt due within one year and notes payable to banks—			
Cash and temporary cash investments	(1,261)	(1,505)	(13,398)
Receivables	(34,374)	(7,974)	(3,944)
Refundable federal income taxes	2,827	(5,000)	(16,846)
Fossil fuel stock	(43,492)	(5,264)	(37,841)
Materials and supplies	(2,067)	(2,353)	(821)
Accounts payable	20,976	(35,307)	316
Interest accrued	(141)	11,321	4,968
Taxes accrued	(4,521)	10,200	11,164
Other, net	27,003	1,035	(14,380)
	(35,050)	(34,847)	(70,782)
Other, net (includes allowance for equity funds used during construction)	1,643	(1,986)	5,017
Total internal sources	401,136	213,805	193,711
External Sources—			
First mortgage bonds	—	275,000	250,000
Bonds retired	(12,000)	(15,000)	—
Preferred stock	—	40,000	—
Preferred stock reacquired (Note 8)	(1,555)	(3,711)	(2,500)
Capital contribution by parent company	78,000	42,000	174,000
Pollution control obligations, net	3,240	1,713	8,803
Increase (decrease) in capitalized leases and other long-term debt	(9,384)	(19,719)	43,776
Increase (decrease) in notes payable to banks	—	(96,501)	(255,977)
Total external sources	58,301	223,782	218,102
Gross Property Additions (includes net allowance for funds used during construction in the amount of $47,549,000 in 1982, $64,070,000 in 1981 and $74,110,000 in 1980)	$459,437	$437,587	$411,813

Certain prior year amounts have been reclassified to conform with current year presentation.

The accompanying notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

General—

The company is a wholly owned subsidiary of The Southern Company (SOUTHERN) which is the parent company of four operating companies, a system service company, and Southern Electric International, Inc. (SEI). The operating companies provide electric utility service in four southeastern states. Contracts among the companies, covering interconnection arrangements, interchange of electric power and joint ownership of generating facilities, are regulated by the Federal Energy Regulatory Commission (FERC) or the Securities and Exchange Commission (SEC). The system service company provides, at cost, technical and other specialized services, upon request, to SOUTHERN and to each of the operating companies. SEI, which was formed in January 1982, markets to utilities and industrial concerns the technical expertise of the Southern electric system in planning and operating electric power facilities.

SOUTHERN is registered as a holding company under the Public Utility Holding Company Act of 1935 (Holding Company Act), and it and its subsidiaries are subject to the regulatory provisions of the Holding Company Act. The company is also regulated by the FERC and the Alabama Public Service Commission (APSC) and follows generally accepted accounting principles and complies with the accounting policies and practices prescribed by the respective commissions.

Revenues—

Revenues are included in income as billed monthly to customers on a cycle billing basis.

Fuel Costs—

Fuel costs are expensed as fuel is consumed. The company's rates include fuel and net purchased energy adjustment clauses under which fuel and net purchased energy costs are charged or credited to customers on a current basis. The cost of nuclear fuel, including the estimated cost of permanent storage of spent fuel, is amortized to fuel expense based on the quantity of heat produced for generation of electric energy. Such amortization was $61,947,000 in 1982, $42,369,000 in 1981 and $27,505,000 in 1980.

Final disposition of spent nuclear fuel may require future adjustments to fuel expense. Pending ultimate disposition, the company has sufficient installed storage capacity at Plant Farley for storage of spent fuel into 1994 and 2012 for Plant Farley Unit Nos. 1 and 2, respectively. The company has applied to the Nuclear Regulatory Commission (NRC) for a license to install higher capacity storage racks at Plant Farley Unit No. 1, which will provide sufficient storage of spent fuel into 2010. On January 7, 1983, the President of the United States signed the Nuclear Waste Policy Act of 1982 (Act) relating to the storage of spent nuclear fuel by the federal government. The company is presently reviewing this legislation and does not expect the Act to have any material impact on its financial statements.

Utility Plant—

Utility plant is stated at original cost. Such cost includes applicable administrative and general costs, payroll-related costs such as pensions, taxes and other benefits and the estimated cost of funds used during construction. The cost of maintenance, repairs and replacements of minor items of property is charged to maintenance expense accounts. The cost of replacements of property (exclusive of minor items of property) is charged to the utility plant accounts.

Allowance for Funds Used During Construction—

This allowance represents the estimated debt and equity costs of capital funds which are necessary to finance the construction of new facilities. The composite rate used to determine the amount of allowance, net of the income tax effect of capitalized debt cost, was 8.4% in 1982, 8.1% in 1981, and 8.3% in 1980. The company accounts for the income tax effect of capitalized debt cost as a charge to income tax expense associated with operations with a corresponding credit to allowance for debt funds used during construction.

Depreciation and Amortization—

Depreciation of the original cost of depreciable utility plant in service is provided using composite straight-line rates which approximated 3.6% in 1982, 3.5% in 1981, and 3.4% in 1980, and includes a factor to provide for the expected cost of decommissioning nuclear facilities. This cost, based on decommissioning promptly after the unit is taken out of service, is estimated at approximately $37,000,000 per unit at Plant Farley. This estimate will be adjusted periodically considering changing price levels and technology. When property subject to depreciation is retired or otherwise disposed of in the normal course of business, its cost, together with its cost of removal, less salvage, is charged to the accumulated provision for depreciation.

The construction of a proposed nuclear generating plant was cancelled in 1977. Obligations related to equipment design and engineering and termination of contracts applicable to this plant amounted to approximately $34,000,000. The company received regulatory approval to amortize and recover these costs as an operating expense, ratably over a five-year period. Such amortization is included in depreciation and amortization and amounted to $5,568,000 in 1982, $6,958,000 in 1981 and $7,071,000 in 1980. At the end of 1982, such costs have been fully amortized.

Pension Costs—

The company has a trusteed and noncontributory pension plan which covers substantially all regular employees. The policy of the company is to fund each year's accrued pension cost for the plan which amounted to $28,165,000 in 1982, $25,592,000 in 1981, and $14,849,000 in 1980. Of these amounts, $18,961,000 in 1982, $16,829,000 in 1981, and $9,466,000 in 1980 were charged to operating expenses, and the balance was charged to construction and other accounts. Amendments to the plan in 1981 liberalized retirement benefits, including increased terminal pay formulas and expanded benefits to employees. The effects of these amendments were a net increase

of $78,865,000 in the accrued liability with respect to past service under the plan and an increase in the 1981 contribution of $9,836,000. Accumulated pension benefit information as of the valuation dates (January 1 of each year) follows:

	1982	1981
	(In Thousands)	
Actuarial present value of accumulated plan benefits—		
Vested	$175,751	$152,780
Nonvested	3,291	3,220
Total	$179,042	$156,000
Weighted average rates of return assumed in determining actuarial present value of accumulated plan benefits	8%	8%
Net assets available for benefits	$218,717	$191,055

The actuarial present value of accumulated plan benefits was determined on the basis of accrued benefits as of January 1 of the respective years, whereas, the plan is funded based on the premise that the plan will continue in existence, which requires that future events be considered. The unfunded prior service cost under the plan and supplemental contracts amounted to approximately $83,938,000 at December 31, 1982 and is being amortized over a period of approximately 15 years.

Income Taxes—

The company provides deferred income taxes for all significant income tax timing differences as permitted by the appropriate regulatory agencies. Investment tax credits utilized are deferred and amortized over the average lives of the related property. Provisions for property-related deferred income taxes reflect consumption of part of the value of the plant and equipment to which they relate. Consequently, the related accumulated deferred income taxes is a valuation reserve deducted from the plant investment in the Balance Sheets. Other deferred income taxes are included in taxes accrued. The company is included in the consolidated federal income tax return of SOUTHERN (See Note 5).

2. RATE MATTERS:

In response to the reversal and remand by the Supreme Court of Alabama (Court) of a 1981 rate decision and as a result of negotiations, the APSC on November 12, 1982 issued a consolidated order in the company's 1981 and 1982 retail rate cases, granting an annual revenue increase of approximately $306 million and adopting rates which provide for periodic adjustments based upon the company's earned return on common equity. The first such adjustment was a 2% revenue increase effective February 1, 1983. The rates also provide for adjustments to recognize the placing of new generating facilities in service. As part of the proceedings the company agreed not to file for any general retail rate increase prior to January 1, 1985. Appeals by certain intervenors from the APSC order are pending in the Court. Approximately $198 million in revenues which had been billed in 1982 subject to refund were made permanent by orders of the APSC and the Court.

On December 30, 1982, the FERC approved a settlement agreement between the company and its wholesale customers providing for an increase in wholesale revenues of approximately $6,050,000 annually, effective May 1, 1982. The company will refund approximately $1,906,000 in revenues and has accrued for this refund at December 31, 1982.

3. CONSTRUCTION PLAN, FINANCING AND FUEL COMMITMENTS:

Construction Plan—

The company's estimated gross property additions, as of October 1982 amounted to $589,136,000 in 1983, $679,529,000 in 1984 and $518,108,000 in 1985. These estimates include allowance for funds used during construction. The construction program is subject to periodic review and revision, and actual construction costs incurred and commercial operation dates may vary from estimates because of several factors including new estimates of increased costs, revised load estimates and the cost of capital.

Financing—

The ability of the company to carry out its construction plan depends on the amount of funds generated internally and the funds it can raise by external financing. The company's primary sources of external financing are sales of first mortgage bonds and preferred stock to the public, receipt of additional paid-in capital from SOUTHERN, sale of pollution-control revenue bonds by public authorities and leasing of nuclear material. Paid-in capital is planned to be provided, to the extent possible, by SOUTHERN from the sale of additional common stock in amounts and at times not yet determined.

In order to issue additional first mortgage bonds and preferred stock, the company must comply with certain earnings coverage requirements contained in its mortgage indenture and corporate charter. The most restrictive of these provisions require, for the issuance of additional first mortgage bonds, that before-income-tax earnings, as defined, cover pro forma annual interest charges

on outstanding first mortgage bonds at least twice; and for issuance of additional preferred stock, that gross income available for interest cover pro forma annual interest charges and preferred stock dividends at least one and one-half times. These coverages, for first mortgage bonds and preferred stock for the year ended December 31, 1982, were 2.83 and 1.60, respectively.

Fuel Commitments—

To supply a portion of the fuel requirements of its generating plants, the company has entered into various long-term commitments for the procurement of fossil and nuclear fuels. In most cases, such contracts contain provision for price escalations, minimum production levels and other financial commitments. In addition, contracts with certain coal contractors require reimbursement or purchase, at net book value, of the investments in mines or equipment upon termination of the contract.

4. NOTES PAYABLE TO BANKS:

At December 31, 1982, the company had lines of credit with banks totaling approximately $311,619,000 of which $200,000,000 represents commitments obtained under a revolving credit agreement with a group of ten banks outside its service area, terminating September 30, 1983. The agreement contains provisions, which among other things, (a) limit the amount of certain types of additional indebtedness which the company may incur, (b) require that a substantial portion of the proceeds from sales of properties or securities, with certain exceptions, be applied to repayment of the notes, and (c) require the payment of a commitment fee.

Arrangements with respect to the $111,619,000 remaining lines of credit expire at various times during 1983 and in certain cases provide for average annual compensating balances. Because the arrangements are based on an average balance, the company does not consider any of its cash balances to be restricted as of any specific date. Including compensating balances, the company has maintained operating account balances in banks averaging approximately $7,591,000 in 1982 and $6,441,000 in 1981.

5. INCOME TAXES:

A detail of the total federal and state income tax provisions is set forth below:

	1982	1981	1980
	(In Thousands)		
Federal—			
Currently (refundable)	$ (20,546)	$(21,257)	$ (4,678)
Deferred	89,028	86,637	110,871
Deferred in prior years (credit)	(26,554)	(9,093)	(10,091)
Deferred investment tax credits	118,200	29,400	10,700
	160,128	85,687	106,802
State—			
Currently payable	12,141	1,946	3,151
Deferred	5,745	5,814	5,205
Deferred in prior years (credit)	(1,776)	(674)	(731)
	16,110	7,086	7,625
Total applicable to operations	176,238	92,773	114,427
Income taxes applicable to other income	2,839	3,518	(1,273)
Total income taxes	$179,077	$ 96,291	$113,154

The company received a federal income tax refund of $15,197,000 for the year ended December 31, 1981, and has accrued a refund of federal income taxes of $21,000,000 at December 31, 1982. The company also received a refund of $7,995,000 for the year ended December 31, 1978, and has recorded a refund of federal income taxes of $1,173,000 for the year ended December 31, 1977. These refunds are due to the company's utilization of investment tax credits in SOUTHERN's consolidated tax return and settlement of Internal Revenue Service audits for the years 1978 and 1977.

The provision for deferred income taxes results primarily from the company's tax deduction of accelerated methods of depreciation and other write-offs of property costs, as provided for by the income tax laws, being significantly greater than the book depreciation of such costs. Income taxes deferred in prior years are credited to income when book depreciation of those property costs exceeds the related tax deductions.

The total provision for federal income tax as a percent of income before federal income tax was less than the statutory federal income tax rate for the following reasons:

	1982	1981	1980
Effective federal income tax rate as reported	45.0%	39.6%	39.6%
Reductions in tax expense resulting from statutory exclusions from taxable income—			
Equity component of the allowance for funds used during construction	2.6	8.1	5.6
Other	1.0	1.3	2.3
Effective federal income tax rate before effect of timing differences	48.6	49.0	47.5
Timing differences not normalized for accounting and ratemaking purposes—			
Differences in depreciation basis and rates	(2.6)	(3.0)	(1.8)
Other	—	—	0.3
Statutory federal income tax rate	46.0%	46.0%	46.0%

The amortization of deferred investment tax credits is applied as a credit to reduce depreciation in the Statements of Income and amounted to $2,226,000 in 1982, $1,699,000 in 1981 and $1,687,000 in 1980. At December 31, 1982, investment tax credits totaling approximately $191,000,000, expiring at various times during 1996 and 1997, have not been utilized and are available to reduce federal income taxes payable in future years.

6. OTHER LONG-TERM DEBT:

Details of other long-term debt are as follows:

	December 31, 1982	December 31, 1981
	(In Thousands)	
Obligations incurred in connection with the sale of tax exempt pollution-control revenue bonds by public authorities—		
December 1, 1982, 7.70%	$ —	$ 500
December 1, 1983, 7.85%	500	500
December 1, 1984, 8%	3,500	3,500
December 1, 1995 and 2004 (due serially), 9% to 9⅛%	18,700	18,700
2003-2010, 6% to 9½%	175,950	175,950
Less funds on deposit with trustee	19,561	23,301
	179,089	175,849
Capitalized lease obligations and other long-term debt—		
Nuclear fuel	100,597	108,519
Vehicles	12,674	15,028
Office buildings	10,314	10,440
Equipment and other	2,242	1,224
	125,827	135,211
	$304,916	$311,060

Pollution-control obligations represent installment purchases of pollution-control facilities financed by funds derived from sales by public authorities of revenue bonds. The company is required to make annual payments sufficient for the authorities to meet principal and interest requirements of such bonds. With respect to $32,500,000 of such pollution-control obligations, the company has authenticated and delivered to the trustees a like principal amount of first mortgage bonds as security for its obligations under the installment purchase agreements. No principal or interest on these first mortgage bonds is payable unless and until a default occurs on the installment purchase agreements.

The company has capitalized leased nuclear material and recorded the related lease obligations. One arrangement provides for the payment of interest monthly, in advance, based on the commercial paper rate, as defined, plus 1.5% (10.75% at December 31, 1982). The other arrangement provides for the payment of interest at varying times dependent on options selected by the company from types of loans available under the arrangement. The interest rate applicable to this arrangement at December 31, 1982 averaged 9.94%. Principal payments are required under both arrangements based on the cost of fuel burned.

The company has also capitalized certain vehicle, office building, equipment and other leases. Monthly principal payments plus interest are required, and at December 31, 1982, the interest rate was 11.25% for vehicles and 9.5% for office buildings.

The net book value of capitalized leases included in utility plant in service was $117,531,000 and $134,208,000 at December 31, 1982 and 1981, respectively.

The estimated aggregate annual maturities of the company's capitalized lease obligations and other long-term debt through 1987 are as follows; $47,382,000 in 1983, $39,437,000 in 1984, $25,794,000 in 1985, $2,519,000 in 1986 and $306,000 in 1987.

7. LONG-TERM DEBT DUE WITHIN ONE YEAR:

The annual first mortgage bond sinking fund requirement due on June 1 is one percent of the aggregate amount of bonds, other than refunding bonds, authenticated prior to January 1 of each year. This requirement, amounting to $24,063,000 in 1983 and $23,824,000 in 1982, may be satisfied by the deposit of cash or reacquired bonds or by the delivery of bonds specifically authenticated for such purpose against unfunded property additions. The 1982 sinking fund requirement was satisfied by the delivery of bonds specifically authenticated for such purpose.

First mortgage bonds maturing in 1983 and 1982 amount to $11,939,000 and $12,000,000, respectively. Other long-term debt maturing in 1983 and 1982 amount to $47,882,000 and $40,687,000, respectively.

8. PREFERRED STOCK SUBJECT TO MANDATORY REDEMPTION:

The 11% preferred stock is subject to a cumulative sinking fund requiring the company to redeem or purchase annually 25,000 shares ($2,500,000) of the stock. The company has the option to double the number of shares redeemed in any one year beginning January 1, 1986. The stock is redeemable for sinking fund purposes at $100 per share plus accrued dividends to the date of redemption. The company reacquired 15,550 shares in 1982, 37,110 shares during 1981 and 25,000 shares during 1980. The shares reacquired during 1982, together with shares reacquired in prior years, were used to satisfy the 1983 sinking fund requirement and the remaining 2,660 shares will be used to satisfy future years' requirements. The gains on reacquisition, $272,000 in 1982, $594,000 in 1981 and $480,000 in 1980, are included with premium on preferred stock as shown in the Statements of Capitalization.

9. INVESTMENT IN JOINTLY OWNED FACILITIES:

The company and one of its affiliates, Georgia Power Company (GEORGIA), own equally all of the outstanding capital stock of Southern Electric Generating Company (SEGCO), which owns electric generating units with a total rated capacity of 1,019,680 kilowatts, together with associated transmission facilities. The capacity of these units is sold equally to the company and GEORGIA under a contract expiring in 1994 which, in substance, requires payments sufficient to provide for the operating expenses, taxes and debt service, including a return on investment, whether or not SEGCO has any capacity and energy available. The company's share of such amounts totaled $73,290,000 in 1982, $76,576,000 in 1981 and $68,882,000 in 1980 and is included in "Purchased and interchanged power, net" in the Statements of Income.

In addition, the company has guaranteed unconditionally the obligation of SEGCO under an installment sale agreement for the purchase of certain pollution-control facilities at SEGCO's generating units, pursuant to which $26,000,000 principal amount of pollution-control revenue bonds have been issued. GEORGIA has agreed to reimburse the company for the pro rata portion of such obligation corresponding to its then proportionate ownership of stock of SEGCO if the company is called upon to make such payment under its guaranty.

At December 31, 1982, the capitalization of SEGCO consisted of $32,800,000 of equity and $48,843,000 of long-term debt on which the annual interest requirement is $3,880,000. Through December 31, 1982, SEGCO has paid dividends equal to its net income.

The company and one of its affiliates, Mississippi Power Company, own as tenants in common in the proportions of 60% and 40%, respectively, a 500,000 kilowatt steam-electric generating plant in Greene County, Alabama. The plant was placed in service in 1965 and the company's investment at December 31, 1982 amounted to $55,182,000. The company's share of expenses is included in the corresponding operating expense accounts in the Statements of Income.

10. DIVIDEND RESTRICTIONS:

The company's charter contains provisions which prohibit the payment of cash dividends on common stock (except those paid concurrently with the receipt of a cash capital contribution in like amount) in cases where retained earnings are not at least equal to two times annual dividends on the outstanding preferred stock. At December 31, 1982, this restriction amounted to $73,274,000. In addition, various series of the company's outstanding first mortgage bonds are entitled to the benefits of covenants restricting the payment of cash dividends on common stock. However, under the terms of such covenants, the entire amount of earnings retained in the business at December 31, 1982 is available for the payment of cash dividends on common stock.

11. NUCLEAR INSURANCE:

Under the Price-Anderson Act (Act), the company maintains agreements of indemnity with the NRC which, together with private insurance, cover third-party liability arising from any nuclear incident occuring at the company's nuclear power plant. The Act limits public liability claims that could arise from a single nuclear incident to $560,000,000. Each reactor at the company's nuclear plant is insured against this liability to a maximum of $160,000,000 by private insurance (the maximum amount presently available) and the remainder is provided by indemnity agreements with the NRC. In the event of a nuclear incident involving any commercial nuclear facility in the country, a company could be assessed up to $5,000,000 per incident for each licensed reactor operated by it, but not more than

$10,000,000 to be paid in a calendar year. On the basis of its ownership of two reactors in service, the company could be assessed a maximum of $10,000,000 for any such incident, but not more than $20,000,000 to be paid in any one year.

The company is a member of Nuclear Mutual Limited, a mutual insurer established to provide insurance coverage against property damage to members' nuclear generating facilities. The company is subject to a retrospective premium adjustment in the event that losses exceed accumulated funds. The present maximum assessment for the company is limited to approximately $50,000,000 per policy year.

Also, the company is a member of Nuclear Electric Insurance Limited, a mutual insurer which provides insurance to cover separately, (a) the extra costs which would be incurred in obtaining replacement power during a prolonged accidental outage at a member's nuclear plant and (b) contamination and property damage to nuclear generating facilities in excess of $500,000,000. The company is insured against increased costs of replacement power in the amount of up to $2,500,000 per unit per week (starting 26 weeks after the outage) for one year and up to $1,250,000 per unit per week for the second year. Under each policy, the company is subject to retroactive assessments if losses exceed the accumulated funds available to the insurer under that policy. The present maximum assessments for the company would be approximately $15,200,000 under the replacement power policy and $9,400,000 under the property damage policy per policy year in each case.

12. ASSETS SUBJECT TO LIEN:

The company's mortgage, as amended and supplemented, securing the first mortgage bonds issued by the company, constitutes a direct first lien on substantially all of the company's fixed property and franchises.

13. QUARTERLY FINANCIAL DATA (UNAUDITED):

Summarized quarterly financial data for 1982 and 1981 are as follows:

	Operating Revenues	Operating Income	Net Income After Dividends on Preferred Stock
		(In Thousands)	
1982			
First	$434,578	$ 96,996	$40,644
Second	403,733	84,576	26,214
Third	506,882	114,898	61,265
Fourth	418,952	84,486	34,134
1981			
First	$395,128	$ 73,108	$33,686
Second	365,949	55,783	14,671
Third	457,932	96,713	46,984
Fourth	375,013	63,111	5,368

14. SUPPLEMENTARY INFORMATION CONCERNING THE EFFECTS OF CHANGING PRICES (UNAUDITED):

The following supplementary information concerning the effects of changing prices is presented in accordance with the general concepts set forth in Financial Accounting Standards Board Statement No. 33, as modified to reflect the economic effects imposed on the company by regulatory authorities. It should be viewed as an estimate of the approximate effects of inflation, rather than a precise measure.

Constant dollar amounts represent historical costs stated in terms of dollars of equal purchasing power, as measured by the Consumer Price Index for all Urban Consumers. Current cost amounts reflect changes in specific prices of plant from the date the plant was acquired to the present. They differ from constant dollar amounts to the extent that specific prices have increased more or less rapidly than the general rate of inflation. The current cost of plant was determined by indexing each major class of plant using the Handy-Whitman Index of Public Utility Construction Costs. Current cost does not necessarily represent the replacement cost of existing productive capacity because the utility plant is not expected to be replaced precisely in kind.

The accumulated provision for depreciation for current cost was developed by applying, for each major class of plant, the same percentage relationship that existed between gross plant and accumulated provision for depreciation, on a historical basis, to the adjusted plant data. Depreciation expense for both methods was determined by applying the current depreciation rates to the respective indexed plant amounts reduced by the amortization of investment tax credits which were first adjusted to average 1982 dollar amounts by year of addition.

Increases in the costs of electric generating fuel are recoverable in revenues through operation of fuel cost recovery mechanisms. Such increases effectively are receivables or payables from customers. Therefore, such increases are not included in income but instead are treated as monetary assets or liabilities. Income tax expense was not adjusted because only historical costs are deductible for income tax purposes.

Under the ratemaking prescribed by the regulatory commissions to which the company is subject, only the historical cost of plant is recoverable in revenues as depreciation, and plant in rate base is limited to original cost. Therefore, the cost of plant stated in terms of constant dollars or current cost that varies from the historical cost of plant is not presently reflected in rates charged to customers. The amount of this variance in the current year is reflected as an adjustment to net recoverable cost.

Holding assets such as receivables, prepayments and inventory results in a loss of purchasing power during periods of inflation because the amount of cash received in the future for these items will purchase less. Conversely, holding monetary liabilities, primarily long-term debt, results in a gain because the payment in the future will be made with nominal dollars having less purchasing power. The company has a net gain due to the significant amounts of long-term debt outstanding. While the use of debt financing reduced the effect of the loss to the common stockholder, earnings were not adequate to offset the erosion in the purchasing power of its investment.

STATEMENT OF INCOME ADJUSTED FOR CHANGING PRICES

for the Year Ended December 31, 1982

	Constant Dollar	Current Cost
	(In Thousands of Average 1982 Dollars)	
Income applicable to common stockholder, as reported	$162,257	$162,257
Erosion of common stockholder's equity because of changing prices:		
Cost in excess of the original cost of productive facilities not recoverable in rates as depreciation—		
Reportable as an additional provision for depreciation	163,941	191,140
Reportable as an adjustment to net recoverable cost	6,156	(15,579)
	170,097	175,561
Excess of the specific price changes ($365,567) in the current year over increases in the general level of prices ($360,103)*	—	(5,464)
Offsetting effect of debt financing	(119,756)	(119,756)
Net erosion of common stockholder's equity	50,341	50,341
Income applicable to common stockholder, as adjusted** (including the effect of debt financing)	$111,916	$111,916

*At December 31, 1982, current cost of property, plant and equipment, net of accumulated depreciation, was $9.4 billion, and historical cost or net cost recoverable through depreciation was $4.5 billion.

**Adjusted income applicable to the common stockholder would be a loss of $1.7 million on a constant dollar basis and a loss of $28.9 million on a current cost basis if only the amount reportable as an additional provision for depreciation were deducted from the reported amount of such income.

FIVE-YEAR COMPARISON OF SELECTED SUPPLEMENTARY FINANCIAL DATA ADJUSTED FOR EFFECTS OF CHANGING PRICES

	1982	1981	1980	1979	1978
			(In Thousands)		
Operating Revenues:					
Historical cost	$1,764,145	$1,594,022	$1,421,997	$1,163,623	$1,014,443
As adjusted*	1,764,145	1,689,663	1,663,736	1,547,619	1,501,376
Income (loss) applicable to common stockholder:					
Historical cost	$ 162,257	$ 99,809	$ 129,704	$ 57,440	
As adjusted for the net erosion of common stockholder's equity*	111,916	2,445	11,314	(80,295)	
Common stockholder's investment (net assets), at year-end:					
Historical cost	$1,340,890	$1,231,061	$1,211,417	$1,022,533	$ 952,648
As adjusted*	1,327,481	1,267,993	1,356,787	1,288,392	1,352,760
Amount of increase in general level of prices over (less than) increase in specific price changes*	$ (5,464)	$ 40,728	$ 127,860	$ 344,325	
Effect of debt financing*	$ 119,756	$ 243,729	$ 357,325	$ 423,679	
Return on average common equity:					
Historical	12.62%	8.17%	11.61%	5.82%	
As adjusted for the net erosion of common stockholder's equity*	8.62%	0.19%	0.86%	(6.08)%	
Cash dividends declared:					
Historical cost	$ 130,700	$ 120,800	$ 115,300	$ 54,000	$ 108,800
As adjusted*	130,700	128,048	134,901	71,820	161,024
Average consumer price index	289.1	272.4	246.8	217.4	195.4

*Adjusted amounts represent average 1982 dollars.

GENERAL OFFICERS

Joseph M. Farley, President
Elmer B. Harris, Executive Vice President
Jesse S. Vogtle, Executive Vice President
William O. Whitt, Executive Vice President
Kenneth L. Allums, Senior Vice President
Fred L. Clayton, Jr., Senior Vice President
H. Allen Franklin, Senior Vice President
John D. Jones, Senior Vice President
Bob Andrews, Vice President, Human Resources
S. H. Booker, Vice President, Marketing
Travis J. Bowden, Vice President, Finance and Treasurer
Stephen E. Bradley, Vice President, Public Information
Rayford F. Davis, Vice President, Power Delivery
R. S. Hardigree, Vice President, Corporate Planning
R. E. Huffman, Vice President, Electric System Planning and Operations
R. P. McDonald, Vice President, Nuclear Generation
Jackson W. Minor, Vice President and Comptroller
G. Thornton Nelson, Vice President, Industrial Development
Ollie D. Smith, Vice President, Corporate Real Estate
Robert R. Todd, Vice President, Construction
Alvin W. Vogtle, Jr., Vice President
J. T. Young, Vice President, Fossil/Hydro Generation
Richard A. Bowron, Secretary
Charlton B. McArthur, Assistant Vice President, Industrial Development
Charles M. Deason, Assistant Comptroller
Ernest E. Glass, Jr., Assistant Comptroller
Dale W. Oliver, Assistant Comptroller
Robert C. Ford, Assistant Secretary and Assistant Treasurer
E. Ray Perry, Assistant Secretary and Assistant Treasurer
Dorothy L. Essig, Assistant Secretary
John H. Snyder, Assistant Secretary
William B. Hutchins, III, Assistant Treasurer
W. L. Sanders, Jr., Assistant Treasurer
William L. Smith, Assistant Treasurer

DIVISION OFFICERS

W. D. Bolton, Vice President, Anniston
John B. Byars, Jr., Vice President, Eufaula
Hugh P. Foreman, Vice President, Montgomery[1]
William L. McDonough, Vice President, Mobile
A. C. Rogers, Jr., Vice President, Tuscaloosa
H. H. Turner, Jr., Vice President, Birmingham
Clyde H. Wood, Vice President, Montgomery[2]

TRANSFER AGENTS

Alabama Power Company
600 North 18th Street
Birmingham, Alabama 35291

Chemical Bank
55 Water Street
New York, New York 10041
(For the 8.72% Preferred Stock)

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007
(All series except 8.72% Preferred Stock)

REGISTRARS

The First National Bank of Birmingham
Birmingham, Alabama 35288

Citibank, N.A.
New York, New York 10015

Chemical Bank
New York, New York 10041
(For the 8.72% Preferred Stock)

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007
(For the 15.68% Preferred Stock)

All executive officers are full-time employees of the company with the exception of Mr. Alvin W. Vogtle, Jr., The Southern Company; and Mr. Robert C. Ford and Mr. E. Ray Perry, Southern Company Services, Inc.

[1] Retired October 1, 1982
[2] Effective October 1, 1982

DIRECTORS

Joseph M. Farley, Birmingham (1965)†
President

Frank M. Moody, Tuscaloosa (1956)
Chairman of the Board
The First National Bank of Tuskaloosa
Commercial Banking

D.H. Morris, III, Enterprise (1956)[1]
President
FabricsAmerica Division
Bama Mill
Allied Products Corporation
Manufacturer and Finisher of Textile Products

T. Massey Bedsole, Mobile (1963)*
Partner
Hand, Arendall, Bedsole, Greaves & Johnston
Attorneys

Howard Murfee, Prattville (1963)
Chairman of the Board
McQueen Smith Farms, Inc.
Diversified Farmers and Ginners

James C. Inzer, Jr., Gadsden (1965)
Partner
Inzer, Suttle, Swann & Stivender, P.A.
Attorneys

Alvin W. Vogtle, Jr., Atlanta (1968)
President
The Southern Company
Electric Utility Holding Company

Crawford T. Johnson, III, Birmingham (1969)†
President
Coca-Cola Bottling Company United, Inc.
Bottlers of Soft Drinks

G. Thornton Nelson, Birmingham (1969)†
Vice President

Frank A. Plummer, Montgomery (1969)
Chairman of the Board
First Alabama Bancshares, Inc.
Multibank Holding Company

S. Eason Balch, Birmingham (1970)
Partner
Balch, Bingham, Baker, Hawthorne, Williams & Ward
Attorneys

William J. Rushton, III, Birmingham (1970)†
Chairman and CEO
Protective Corporation
Sales and Service of Life and Health Insurance

John W. Woods, Birmingham (1973)†
Chairman of the Board
AmSouth Bancorporation
Multibank Holding Company

Ernest F. Ladd, Jr., Mobile (1974)[1]
Chairman Emeritus
Merchants National Bank of Mobile
Commercial Banking

Emil Hess, Birmingham (1975)†
Chairman of the Board
Parisian, Inc.
Apparel

Fred Morgan Clark, Eufaula (1977)**
Senior Vice President and Director
United Federal Savings and Loan Association
Financial Service of Savings and Loan Association

John C. Webb, IV, Demopolis (1977)*
President
Webb Lumber Company, Inc.
Wholesale Lumber

Jesse S. Vogtle, Birmingham (1979)
Executive Vice President

William O. Whitt, Birmingham (1979)†
Executive Vice President

Elmer B. Harris, Birmingham (1980)
Executive Vice President

Whit Armstrong, Enterprise (1982)
President
The Citizens Bank
Enterprise

Robert H. Radcliff, Jr., Mobile (1982)*
Chairman of the Board
Radcliff Marine Services, Inc.

[1] Retired April 23, 1982
* Audit Committee member
** Audit Committee alternate member
† Executive Committee member

Years in parentheses indicate date of election.

Alabama Power

the southern electric system