J. Randy DeRieux
Assistant Treasurer and
General Manager—
Corporate Finance and
Planning

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April 29, 1998

U. S. Nuclear Regulatory Commission Attn: Document Control Desk Washington, D. C. 20555

To Whom It May Concern:

Enclosed is the annual submission of Alabama Power Company with respect to the retrospective premium guarantee required under the Price Anderson Act, as amended, applicable to its Joseph M. Farley Nuclear Plant. We have elected to satisfy this guarantee requirement by submitting annual certified financial statements and cash projections, showing that a cash flow can be generated and would be available for payment of retrospective premiums up to \$20,000,000 within three months after submission of the statement. In this connection, enclosed are the following:

- 1997 Annual Report which includes financial statements for the calendar year 1997, together with the report on such statements by Arthur Andersen & Co., independent public accountants;
- Unaudited Financial Statements for the quarter ended March 31, 1998;
- Cash Flow Projections for the period January 1, 1998 through December 31, 1998, showing that cash flow of \$20,000,000 can be generated and would be available for payment of retrospective premiums within three months after submission of the statement.

Please acknowledge receipt of the enclosures by signing and returning the enclosed copy of this letter.

Very truly yours

JRD:lw Enclosures

cc: w/attachments

Mr. L. A. Reyes, Region II Administrator Mr. J. I. Zimmerman, NRR Project Manager Mr. T. M. Ross, Plant Sr. Resident Inspector M004

9805010115 980429 PDR ADOCK 05000348 This statement reflects the usual

ALABAMA POWER COMPANY This datement reflects the usual ALABAMA POWER COMPANY accounting practices of the Company BALANCE SHEET on the basic of interim figures and is CONSOLIDATED WITH ALABAMA POWER CAPITAL TRUSTS I & II subject to audit & end of year adjustments (Stated in Thousands of Dollars)

Plant in service at original cost	ASSETS	At 3/31/68	At 3/31/97
Liss - Accommunitied provision for depreciation and amortization. 4,70,174 4,196,246 6.66,466 6.66,66 6.66,66 6.66,67,686 6.66,67,686 6.66,67,686 6.66,67,686 6.66,786 6.66,786 6.65,77,786 7.12,967 7.12,967 7.12,967 7.12,966 7.12,966 7.12,966 7.12,967 7.06,948 7.12,967 7.06,948 7.12,967 7.06,948 7.12,967 7.06,948 7.12,967 7.06,948 7.12,967 7.06,948 7.12,967 7.06,948 7.12,967 7.06,948 8.2,153 7.12,967 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.06,948 7.0	UTILITY PLANT Plant in service, at original cost	\$ 41 417 679	# 10.861.00E
			4 10000000
Nociser Leis al amontrized cost. 91 571 113 665 (2015 114 114 665 (2015 114 114 114 114 114 114 114 114 114 1		6.647.400	
Construction work in progress 381 898 262 433 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7,	Nuclear fuel, at amortized cost		
OFFISE PROPERTY AND INVESTMENTS 24 706 27 011			282,433
OFFISE PROPERTY AND INVESTMENTS 24 706 27 011		7.120.967	7 060 948
Southmen Electric Generating Company et equity	OTHER PROPERTY AND INDESTMENTS		10000000
Nuclear decommissioning triusts. 20.4.313 159.235 12.350 20.6.17		24 705	27.011
Macconarcous 22,578 2,1359 CURRENT ASSETS 251,596 200,617 CURRENT CASP Investments 16,700 5,478 Investment scortnes 0 0 0 Reconsulties 0 0 0 Customer accounts receivable 312,243 302,374 0 Other accounts and notes receivable 19,666 19,475 37,752 Affiliabled company event 101,674 106,255 37,752 Refundable income taxes 101,674 106,255 16,879 8,691 Refundable income taxes 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Nuclear decommissioning trusts	204,313	
CUMPICAT ASSETS	Misceilaneous	22,578	21,353
Cash Temporary cash investments 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 <t< td=""><td></td><td>251,596</td><td>200,617</td></t<>		251,596	200,617
Cash Temporary cash investments 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 <t< td=""><td>CURRENT ASSETS</td><td></td><td></td></t<>	CURRENT ASSETS		
Temporary cash investments		18,706	5.476
Receivables			
Customer accounts receivable 312_243 300_374 Christ accounts and notes receivable 19.066 19.467 Affiliated comparises 32.622 37.752 Accountated provision for uncollectible accounts 22.502 (1.357, 22.502 1.357, 22.502 (1.357, 22.502 1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502 (1.357, 22.502		0	0
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Accumulated provision for uncollectible accounts (2,502) (1,357) 8,4611 Fossi fuel stock, at average cost (10,157) 8, 8,461 Fossi fuel stock, at average cost (10,157) 8, 150,256 Allowance inventory (2,337) 3,346 Fossi fuel stock, at average cost (150,210) 157,002, 51,000 Fossi fuel stock, at average cost (150,210) 157,002, 51,000 Fossi fuel stock, at average cost (150,210) 157,002, 51,000 Fossi fuel stock, at average cost (150,210) 157,002, 51,000 Fossi fuel stock, at average cost (150,210) 157,002, 51,000 Fossi fuel stock, at average cost (150,210) 157,002, 51,000 Fossi fuel stock, at average cost (150,210) 157,002, 51,000 Fossi fuel stock, at average cost (150,210) 157,002, 51,000 Fossi fuel stock, at average cost (150,210) 157,002, 51,000 Fossi fuel stock, at average cost (150,210) 157,002, 51,000 Fossi fuel stock, at average cost (150,210) 157,000 Fossi fuel stock, at average cost (150			
Refundable income laxes 679 8 481 Fossil fuel stock at average cost 101,974 105,235 Materials and supplies, at average cost 150,210 157,025 Ablowance Inventory 2,337 3-36 Income laxes 0 0 0 Other 187,236 176,937 27,083 Vacation pay deferred 661,644 841,819 Debt expense, being amortized 6,701 7,619 Debt redemption expense, being amortized 6,701 7,619 Nuclear decontinuation and decommissioning fund 34,416 37,450 Regulatory assets 386,541 406,263 Macerlianeous 76,206 159,725 CAPITALIZATION AND LIABILITIES CAPITALIZATION AND LIABILITIES COMMENT TURE IS 8.11.* 2,269,105 2,565,512 Preferred took 2,657,602 2,724,477 2,269,105 COMPLIANCE IN TURE IS 8.11.* 2,269,105 2,565,52 CUIRENT LIABILITIES 2,269,105 2,565,52 CUIRENT LIABILITIES 3,269			
Pose Inches 101,974 105,285 101,974 105,285 101,974 105,285 101,974 105,285 101,974 105,285 101,974 105,285 101,974 101,285 101,974 101,285 101,974 101,285 101,974 101,285 101,974 101,285 101,974 101,285 101,974 101,285 101,974 101,285 101,974 101,285 101,974 101,285 101,974 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285 101,285	Refundable income taxes	879	
Allowance Inventory 2,337 3,346 Prepayments - 0 0 0 0 0 0 0 0 0	Fossil fuel stock, at average cost	101,974	
Allowance Inventory 2,337 3,346 Prepayments - 0 0 0 0 0 0 0 0 0	Materials and supplies, at average cost	150.210	157.025
Income taxes	Allowance Inventory		
Other 167 326 176 327 27 083 27 083 27 083 27 083 27 083 27 083 27 083 27 083 27 083 27 083 27 083 861 644 841,819 861 644 841,819 98 08 82 77 083 76 208 82 77 480 82 77 480 82 77 480 82 77 480 82 77 480 82 77 480 82 77 480 82 77 480 82 77 480 83 85 641 40 69 263 86 87 709 \$ 8,750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196 86 750,196<			
Vacation pay deferred 26 / 83 27 / 083 Debt expense, being amortized 6 / 70 / 7 , 76 / 79 / 79 / 79 / 79 / 79 / 79 / 79 /			
Debt expense, being amortized 6,701 7,619 7,619 7,619 7,619 7,619 7,619 7,619 7,619 7,619 7,619 7,619 7,619 7,619 7,619 7,619 7,619 7,619 7,619 7,619 7,619 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,620 7,62			
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Debt redemption expense being amortized 79.908 82.717 79.008 Regulatory assets 38.611 409.263 38.641 409.263 62.008 62.007 62.008 62.007 62.008 62.007 62.008 62.007 62.008 62.007 62.008 62.007 62.008 62.007 62.008 62.007 62.008 62.007 62.008 62.007 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008 62.008			
Nuclear decontamination and decommissioning fund 34 416 437,490 Regulatory assets 385,641 409,280 Miscellaneous 76,006 109,722 562,006 109,722 562,006 109,722 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007 562,007	Debt expense, being amortized	6,701	
Regulatory assets	Nuclear decontamination and decommissioning fund	79,908	
CAPITALIZATION AND LIABILITIES \$ 8,617,079 \$ 8,750,196	Regulatory assets	385,641	
CAPITALIZATION AND LIABILITIES \$ 2,724,177 \$ 2,691,925	Miscellaneous	76,206	109,722
CAPITALIZATION AND LIABILITIES \$ 2,724,177 \$ 2,691,925 \$ 276,400 \$ 255,512 \$ 276,400 \$ 2,667,681 \$ 2,667,681 \$ 2,986,601 \$ 2,667,681 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$ 2,986,601 \$		562,872	646,811
CAPITALIZATION \$ 2,724,177 \$ 2,691,925 278,400 255,512 278,400 276,512 278,400 270,000 297,000 297,000 297,000 297,000 297,000 297,000 297,000 297,000 297,000 297,000 297,000 297,000 2,667,681 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601	TOTAL ASSETS	\$ 8,817,079	\$ 8,750,195
CAPITALIZATION \$ 2,724,177 \$ 2,691,925 278,400 255,512 278,400 276,512 278,400 270,000 297,000 297,000 297,000 297,000 297,000 297,000 297,000 297,000 297,000 297,000 297,000 297,000 2,667,681 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601 2,298,601			
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Power Capital Trusts & II * 297,000 297,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000 2,000	Preferred stock		W 0000 11000
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CURRENT LIABILITIES Long-term debt due or to be redeemed within one year 1,000 62,000 Notes payable to banks 0 50,955 Commercial paper 259,015 413,786 Accounts payable - 259,015 413,786 Affiliated companies 58,088 55,406 Other 103,579 112,936 Customer deposits 34,789 32,721 Taxes accrued - - - Federal and state income 62,878 53,230 Gither 30,475 30,475 Interest accrued 9 0 Other 39,835 43,930 Distributions accrued 0 0 Vacation pay accrued 27,293 27,083 Miscellaneous 711,654 960,826 DEFERRED CREDITS AND OTHER LIABILITIES 1,182,765 1,198,950 Accumulated deferred investment tax credits 280,075 291,269 Prepaid capacity revenues, nat 106,615 119,417 Regulatory liabilities 334,489 <			
CURRENT LIABILITIES			
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Notes payable to banks. 0 50,955 Commercial paper 259,015 413,786 Accounts payable - - Affiliated companies 58,088 55,406 Other 103,579 112,936 Customer deposits 34,789 32,721 Taxes accrued 62,878 53,230 Other 30,475 30,476 Interest secrued 39,835 43,930 Distributions accrued 0 0 Vacation pay accrued 27,293 27,083 Miscellaneous 94,702 78,303 DEFERRED CREDITS AND OTHER LIABILITIES 30,476 1,182,765 291,269 Accumulated deferred investment tax credits 280,075 291,269 Prepaid capacity revenues, nat 106,615 119,417 Regulatory liabilities 334,489 330,680 Nuclear decontamination and decommissioning fund 30,592 33,741 Miscellaneous 2,161,055 2,223,443	CURRENT LIABILITIES		
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Interest secrued 39.835 43.930			
Distributions accrued			
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DEFERRED CREDITS AND OTHER LIABILITIES Accumulated deferred income taxes. 1,182,765 1,198,950 Accumulated deferred investment tax credits. 280,075 291,269 Prepaid capacity revenues, net. 106,615 1,194,17 Regulatory liabilities 334,489 350,680 Nuclear decontamination and decommissioning fund 226,519 2,19,386 Accumulated deferred income taxes. 1,182,765 1,198,950 Accumulated deferred income taxes. 1,182,765 2,223,443			
DEFERRED CREDITS AND OTHER LIABILITIES Accumulated deferred income taxes 1,182,765 1,198,950 Accumulated deferred investment tax credits 280,075 291,269 Prepaid capacity revenues, net 106,615 119,417 Regulatory liabilities 334,489 360,680 Nuclear decontamination and decommissioning fund 226,519 219,386 Accumulated deferred investment tax credits 291,238 Accumulated deferred income taxes 280,075 291,269 Accumulated deferred income taxes 290,075 Accumulated deferred income taxes 290,075 291,269 Accumulated deferred income taxes 290,075 Accumulated deferred	Miscellaneous		
Accumulated deferred income taxes 1,182,765 1,198,950 Accumulated deferred investment tax credits 280,075 291,269 Prepaid capacity revenues, net 106,615 119,417 Regulatory liabilities 334,489 360,680 Nuclear decontamination and decommissioning fund 30,592 33,741 Miscellaneous 2,26,519 219,386		711,654	960,826
Accumulated deferred investment tax credits 280,075 291,269 Prepaid capacity revenues, net. 106,615 119,417 Regulatory liabilities 334,489 360,680 Nuclear decontamination and decommissioning fund 30,592 33,741 Miscellaneous 226,519 219,386 2,161,055 2,223,443	DEFERRED CREDITS AND OTHER LIABILITIES		
Prepaid capacity revenues, net. 106.615 119.417 Regulatory liabilities 334.489 350.680 Nuclear decontamination and decommissioning fund 30.592 33.741 Miscellaneous 226.519 219,386 2,161,055 2,223,443			
Regulatory liabilities 334.489 360.680 Nuclear decontamination and decommissioning fund 30.592 33.741 Miscellaneous 226.519 219,386 2,161,055 2,223.443			
Miscellaneous 226,519 219,386 2,161,055 2,223,443	Regulatory liabilities	334,489	360,680
2,161,055 2,223,443			
	MISCONE 190US		
TOTAL CAPITALIZATION AND LIABILITIES. \$ 8,817,079 \$ 8,750,195		2,161,055	2,223,443
	TOTAL CAPITALIZATION AND LIABILITIES.	\$ 8,817,079	\$ B,750,195

^{*} Bubstantielly all assets of Alabame Power Capital Trust I are \$190,000,000 of the 7.735% Alabame Power Company Junior Subordinated Notes, due March 31, 2026, and upon redemption of such debt, the Preferred Securities will be mandatority redeemable. In addition to the Junior Subordinated Notes, the Trust may hold, from time to time, accounts receivable under the Agreement as to Expenses and Liabilities in the prospectus dated January 17, 1996.

Substantially all assets of Alabama Power Capital Trust II are \$206.185.575 of the 7.60% Alabama Power Company Junior Subordinated Notes, due Dec. 31, 2036, and upon redemption of such debt, the Preferred Securities will be mandatority redeemable. In addition to the Junior Subordinated Notes, the Trust may hold, from time to time, accts, receivable under the agreement as to Expenses and Liabilities in the prospectus dated Jenuary 9, 1997.

ALABAMA POWER COMPANY STATEMENT OF INCOME (STATED IN THOUSANDS OF DOLLARS)

	3 MONTHS ENDED MARCH 31, 1998
OPERATING REVENUES: Revenues	716,505
OPERATING EXPENSES: Operation Fuel Purchased and interchange power, Net Other Maintenance Depreciation and Amortization	193,022 36,167 114,813 63,533 86,239
Taxes other than income taxes Federal and state income taxes	49,439 42,557
Total operating expenses	585,770
OPERATING INCOME OTHER INCOME (EXPENSE): Allowance for equity funds used during construction Income from subsidiary Other, net	130,735 285 1,082 7,371
INCOME BEFORE INTEREST CHARGES	139,473
INTEREST CHARGES: Interest on long-term debt Allowance for debt funds used during construction Amortization of debt discount, premium and expenses, net Other interest charges	50,307 (653) 2,424 18,026
Net interest charges	70,104
NET INCOME DIVIDENDS ON PREFERRED STOCK	69,369 3,328
NET INCOME AFTER DIVIDENDS ON PREFERRED STOCK	66,041

This statement reflects the usual accounting practices of the Company on the basis of interim figures and is subject to audit and end of year adjustments.

ALABAMA POWER COMPANY

Internal Cash Flow for Joseph M. Farley Nuclear Power Station

(Thousands of Dollars)

	1997 Actual	F	1998 Projections
Net Income Less Dividends Paid Retained Earnings	\$ 390,525 354,186 36,339	\$	393,824 376,711 17,113
Adjustments: Depreciation and Amortization Deferred Income Taxes and	394,572		429,895
Investment Tax Credits Allowance for Equity Used During	(12,429)		17,591
Construction Total Adjustments	382,143		(285) 447,201
Internal Cash Flow	\$ 418,482	\$	464,314
Average Quarterly Cash Flow	\$ 104,621	\$	116,079
Percentage Ownership in all Operating Nuclear Units:			100%
Joseph M. Farley Units 1 and 2 Maximum Total Contingent Liability			100%