

Executed in 93 counterparts of
which this is counterpart No. 62

ALABAMA POWER COMPANY

TO

CHEMICAL BANK,
Trustee

Inst # 1994-22076

07/14/1994-22076
09:24 AM CERTIFIED

SHELBY COUNTY JUDGE OF PROBATE
034 MCD 92.00

Supplemental Indenture

Providing among other things for

FIRST MORTGAGE BONDS

Pollution Control Series 1994-A due June 1, 2015

Pollution Control Series 1994-B due June 1, 2015

and

Pollution Control Series 1994-C due June 1, 2015

Dated as of June 1, 1994

This Indenture Prepared By

[Signature]
Birmingham, Alabama 35203

SUPPLEMENTAL INDENTURE dated as of June 1, 1994, made and entered into by and between ALABAMA POWER COMPANY, a corporation organized and existing under the laws of the State of Alabama, with its principal place of business in Birmingham, Jefferson County, Alabama (hereinafter commonly referred to as the "Company"), and CHEMICAL BANK, a corporation organized and existing under the laws of the State of New York, with its principal office in the Borough of Manhattan, The City of New York (hereinafter commonly referred to as the "Trustee"), as Trustee under the Indenture dated as of January 1, 1942 between the Company and Chemical Bank & Trust Company (Chemical Bank successor by merger), as Trustee, securing bonds issued and to be issued as provided therein (hereinafter sometimes referred to as the "Indenture").

WHEREAS the Company and the Trustee have executed and delivered the Indenture for the purpose of securing an issue of bonds of the 1972 Series described therein and such additional bonds as may from time to time be issued under and in accordance with the terms of the Indenture, the aggregate principal amount of bonds to be secured thereby being not limited, and the Indenture fully describes and sets forth the property conveyed thereby and is of record in the office of the judge of probate of each county in the State of Alabama and in the offices of the clerks of the superior court of the counties of the State of Georgia in which this Supplemental Indenture is to be recorded and is on file at the principal office of the Trustee, above referred to; and

WHEREAS the Company and the Trustee have executed and delivered various supplemental indentures for the purposes, among others, of further securing such bonds and of creating the bonds of other series described therein, and such supplemental indentures described and set forth additional property conveyed thereby and are also of record in the offices of the judges of probate of some of or all the counties in the State of Alabama and in the offices of the clerks of the superior court of the counties of the State of Georgia in which this Supplemental Indenture is to be recorded and are on file at the principal office of the Trustee, above referred to; and

WHEREAS the Indenture provides for the issuance of bonds thereunder in one or more series and the Company, by appropriate corporate action in conformity with the terms of the Indenture, has duly determined to create a series of bonds under the Indenture to be designated as "First Mortgage Bonds, Pollution Control Series 1994-A due June 1, 2015" (hereinafter sometimes referred to as the "Third 1994 Pollution Control Series"), a series of bonds under the Indenture to be designated as "First Mortgage Bonds, Pollution Control Series 1994-B due June 1, 2015" (hereinafter sometimes referred to as

the "Fourth 1994 Pollution Control Series") and a series of bonds under the Indenture to be designated as "First Mortgage Bonds, Pollution Control Series 1994-C due June 1, 2015" (hereinafter sometimes referred to as the "Fifth 1994 Pollution Control Series"), the bonds of such series to bear interest only to the extent and as provided therein and in this Supplemental Indenture, and to mature June 1, 2015; and

WHEREAS each of the registered bonds of the Third 1994 Pollution Control Series is to be substantially in the following form, to-wit:

[FORM OF REGISTERED BONDS OF THE THIRD 1994 POLLUTION CONTROL SERIES]

ALABAMA POWER COMPANY

FIRST MORTGAGE BONDS, POLLUTION CONTROL SERIES 1994-A DUE
JUNE 1, 2015

No. \$

Alabama Power Company, an Alabama corporation (hereinafter called the "Company"), for value received, hereby promises to pay to SouthTrust Bank of Alabama, National Association, as Trustee under the Revenue Indenture (hereinafter mentioned) or registered assigns, the principal sum of Dollars on June 1, 2015 and to pay to the registered holder hereof interest on said sum from the latest interest payment date to which interest has been paid on the bonds of this series preceding the date hereof, unless the date hereof be an interest payment date to which interest is being paid, in which case from the date hereof, or unless the date hereof is prior to the first interest payment date, in which case from the date of original issuance hereof, at the same rates, until the principal hereof shall have become due and payable, and payable on the same dates as the Revenue Bonds (hereinafter mentioned) under the Revenue Indenture. The principal of and interest on this bond shall be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, designated for that purpose, in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

The obligation of the Company to make payments with respect to the principal of and premium, if any, and interest on bonds of this series shall be fully or partially, as the case may be, satisfied and discharged to the extent that, at any time that any such payment shall be due, the Company shall have made payments as required by Section 3.1 of the Supplementary Installment Sale

Agreement dated as of June 1, 1994, between The Industrial Development Board of the City of Gadsden and the Company sufficient to pay fully or partially the then due principal of and premium, if any, and interest on The Industrial Development Board of the City of Gadsden Pollution Control Revenue Refunding Bonds, Series 1994 (Alabama Power Company Project) (hereinafter referred to as "Revenue Bonds") or there shall be on deposit under the Trust Indenture dated as of June 1, 1994 (hereinafter referred to as the "Revenue Indenture"), of The Industrial Development Board of the City of Gadsden to SouthTrust Bank of Alabama, National Association, trustee (hereinafter referred to as the "Revenue Trustee") sufficient available funds to pay fully or partially the then due principal of and premium, if any, and interest on the Revenue Bonds.

This bond is one of the bonds issued and to be issued from time to time under and in accordance with and all secured by an indenture of mortgage or deed of trust dated as of January 1, 1942, given by the Company to Chemical Bank & Trust Company, as trustee, under which indenture Chemical Bank (hereinafter sometimes referred to as the "Trustee") is successor Trustee, and indentures supplemental thereto, to which indenture and indentures supplemental thereto (hereinafter referred to collectively as the "Indenture") reference is hereby made for a description of the property mortgaged and pledged, the nature and extent of the security and the rights, duties and immunities thereunder of the Trustee and the rights of the holders of said bonds and of the Trustee and of the Company in respect of such security, and the limitations on such rights. By the terms of the Indenture the bonds to be secured thereby are issuable in series which may vary as to date, amount, date of maturity, rate of interest and in other respects as in the Indenture provided.

Upon notice given by mailing the same, by first class mail postage prepaid not less than thirty nor more than forty-five days prior to the date fixed for redemption to each registered holder of a bond to be redeemed (in whole or in part) at the last address of such holder appearing on the registry books, any or all of the bonds of this series may be redeemed by the Company, at any time and from time to time by the payment of the principal amount thereof and accrued interest thereon to the date fixed for redemption, if redeemed by the operation of the improvement fund or the maintenance and/or replacement provisions of the Indenture or by the use of proceeds of released property, as more fully set forth in the Indenture.

In the manner provided in the Indenture, the bonds of this series are also redeemable in whole, by payment of the principal amount thereof plus accrued interest thereon, if any, to the date fixed for redemption, upon receipt by the

Trustee of a written demand from the Revenue Trustee, stating that the principal amount of all the Revenue Bonds then outstanding under the Revenue Indenture has been declared immediately due and payable. As provided in the Indenture, the date fixed for such redemption shall be not more than 180 days after receipt by the Trustee of the aforesaid written demand and shall be specified in a notice of redemption to be given not more than 10 nor less than 5 days prior to the date so fixed for such redemption. As in the Indenture provided, such notice of redemption shall be rescinded and become null and void for all purposes under the Indenture upon rescission of the aforesaid written demand or the aforesaid declaration of maturity under the Revenue Indenture, and thereupon no redemption of the bonds of this series and no payments in respect thereof as specified in such notice of redemption shall be effected or required.

In the manner provided in the Indenture, the bonds of this series are also redeemable in whole or in part upon receipt by the Trustee of a written demand from the Revenue Trustee specifying a principal amount of Revenue Bonds which have been called for redemption pursuant to Section 3.04 of the Revenue Indenture. As provided in the Indenture, bonds of this series equal in principal amount to the principal amount of such Revenue Bonds to be redeemed will be redeemed on the date fixed for redemption of the Revenue Bonds at the principal amount of such bonds of this series and accrued interest thereon to the date fixed for redemption, together in the case of a redemption coincident with a redemption of Revenue Bonds which requires the payment of a redemption premium with a premium equal to the redemption premium payable upon such redemption of the Revenue Bonds.

In case of certain defaults as specified in the Indenture, the principal of this bond may be declared or may become due and payable on the conditions, at the time, in the manner and with the effect provided in the Indenture.

No recourse shall be had for the payment of the principal of or premium, if any, or interest on this bond, or for any claim based hereon, or otherwise in respect hereof or of the Indenture, to or against any incorporator, stockholder, director or officer, past, present or future, as such, of the Company, or of any predecessor or successor company, either directly or through the Company, or such predecessor or successor company, under any constitution or statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability of incorporators, stockholders, directors and officers, as such, being waived and released by the holder and owner hereof by the acceptance of this bond and being likewise waived and released by the terms of the Indenture.

This bond is transferable by the registered holder hereof, in person or by attorney duly authorized, at the principal office of the Trustee, in the Borough of Manhattan, The City of New York, but only in the manner prescribed in the Indenture, upon the surrender and cancellation of this bond and the payment of charges for registration of transfer, and upon any such registration of transfer a new registered bond or bonds, without coupons, of the same series and maturity date and for the same aggregate principal amount, in authorized denominations, will be issued to the transferee in exchange herefor. The Company and the Trustee may deem and treat the person in whose name this bond is registered as the absolute owner for the purpose of receiving payment and for all other purposes. Registered bonds of this series shall be exchangeable for registered bonds of other authorized denominations having the same aggregate principal amount, in the manner and upon the conditions prescribed in the Indenture. However, notwithstanding the provisions of the Indenture, no charge shall be made upon any registration of transfer or exchange of bonds of this series other than for any tax or taxes or other governmental charge required to be paid by the Company.

This bond shall not be valid or become obligatory for any purpose unless and until it shall have been authenticated by the execution by the Trustee or its successor in trust under the Indenture of the certificate endorsed hereon.

IN WITNESS WHEREOF, ALABAMA POWER COMPANY has caused this bond to be executed in its name by its President or one of its Vice Presidents by his signature or a facsimile thereof, and its corporate seal or a facsimile thereof to be hereto affixed and attested by its Secretary or one of its Assistant Secretaries by his signature or a facsimile thereof.

Dated,

ALABAMA POWER COMPANY,

By _____
President

Attest

Secretary

TRUSTEE'S AUTHENTICATION CERTIFICATE

This bond is one of the bonds, of the series designated therein, described in the within-mentioned Indenture.

CHEMICAL BANK,
As Trustee,

By _____
Authorized Officer

WHEREAS each of the registered bonds of the Fourth 1994 Pollution Control Series is to be substantially in the following form, to-wit:

[FORM OF REGISTERED BONDS OF THE FOURTH 1994 POLLUTION CONTROL SERIES]

ALABAMA POWER COMPANY

**FIRST MORTGAGE BONDS, POLLUTION CONTROL SERIES 1994-B DUE
JUNE 1, 2015**

No. \$

Alabama Power Company, an Alabama corporation (hereinafter called the "Company"), for value received, hereby promises to pay to First Alabama Bank, as Trustee under the Revenue Indenture (hereinafter mentioned) or registered assigns, the principal sum ofDollars on June 1, 2015 and to pay to the registered holder hereof interest on said sum from the latest interest payment date to which interest has been paid on the bonds of this series preceding the date hereof, unless the date hereof be an interest payment date to which interest is being paid, in which case from the date hereof, or unless the date hereof is prior to the first interest payment date, in which case from the date of original issuance hereof, at the same rates, until the principal hereof shall have become due and payable, and payable on the same dates as the Revenue Bonds (hereinafter mentioned) under the Revenue Indenture. The principal of and interest on this bond shall be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, designated for that purpose, in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

The obligation of the Company to make payments with respect to the principal of and premium, if any, and interest on bonds of this series shall be fully or partially, as the case may be, satisfied and discharged to the extent that, at any time that any such payment shall be due, the Company shall have made payments as required by Section 3.1 of the Second Supplementary Installment Sale Agreement dated as of June 1, 1994, between The Industrial Development Board of the City of Mobile, Alabama and the Company sufficient to pay fully or partially the then due principal of and premium, if any, and interest on The Industrial Development Board of the City of Mobile, Alabama Pollution Control Revenue Refunding Bonds, Series 1994 (Alabama Power Company Project) (hereinafter referred to as "Revenue Bonds") or there shall be on deposit under the Trust Indenture dated as of June 1, 1994 (hereinafter

referred to as the "Revenue Indenture"), of The Industrial Development Board of the City of Mobile, Alabama to First Alabama Bank, trustee (hereinafter referred to as the "Revenue Trustee") sufficient available funds to pay fully or partially the then due principal of and premium, if any, and interest on the Revenue Bonds.

This bond is one of the bonds issued and to be issued from time to time under and in accordance with and all secured by an indenture of mortgage or deed of trust dated as of January 1, 1942, given by the Company to Chemical Bank & Trust Company, as trustee, under which indenture Chemical Bank (hereinafter sometimes referred to as the "Trustee") is successor Trustee, and indentures supplemental thereto, to which indenture and indentures supplemental thereto (hereinafter referred to collectively as the "Indenture") reference is hereby made for a description of the property mortgaged and pledged, the nature and extent of the security and the rights, duties and immunities thereunder of the Trustee and the rights of the holders of said bonds and of the Trustee and of the Company in respect of such security, and the limitations on such rights. By the terms of the Indenture the bonds to be secured thereby are issuable in series which may vary as to date, amount, date of maturity, rate of interest and in other respects as in the Indenture provided.

Upon notice given by mailing the same, by first class mail postage prepaid not less than thirty nor more than forty-five days prior to the date fixed for redemption to each registered holder of a bond to be redeemed (in whole or in part) at the last address of such holder appearing on the registry books, any or all of the bonds of this series may be redeemed by the Company, at any time and from time to time by the payment of the principal amount thereof and accrued interest thereon to the date fixed for redemption, if redeemed by the operation of the improvement fund or the maintenance and/or replacement provisions of the Indenture or by the use of proceeds of released property, as more fully set forth in the Indenture.

In the manner provided in the Indenture, the bonds of this series are also redeemable in whole, by payment of the principal amount thereof plus accrued interest thereon, if any, to the date fixed for redemption, upon receipt by the Trustee of a written demand from the Revenue Trustee, stating that the principal amount of all the Revenue Bonds then outstanding under the Revenue Indenture has been declared immediately due and payable. As provided in the Indenture, the date fixed for such redemption shall be not more than 180 days after receipt by the Trustee of the aforesaid written demand and shall be specified in a notice of redemption to be given not more than 10 nor less than 5 days prior to the date so fixed for such redemption. As in the

Indenture provided, such notice of redemption shall be rescinded and become null and void for all purposes under the Indenture upon rescission of the aforesaid written demand or the aforesaid declaration of maturity under the Revenue Indenture, and thereupon no redemption of the bonds of this series and no payments in respect thereof as specified in such notice of redemption shall be effected or required.

In the manner provided in the Indenture, the bonds of this series are also redeemable in whole or in part upon receipt by the Trustee of a written demand from the Revenue Trustee specifying a principal amount of Revenue Bonds which have been called for redemption pursuant to Section 3.04 of the Revenue Indenture. As provided in the Indenture, bonds of this series equal in principal amount to the principal amount of such Revenue Bonds to be redeemed will be redeemed on the date fixed for redemption of the Revenue Bonds at the principal amount of such bonds of this series and accrued interest thereon to the date fixed for redemption, together in the case of a redemption coincident with a redemption of Revenue Bonds which requires the payment of a redemption premium with a premium equal to the redemption premium payable upon such redemption of the Revenue Bonds.

In case of certain defaults as specified in the Indenture, the principal of this bond may be declared or may become due and payable on the conditions, at the time, in the manner and with the effect provided in the Indenture.

No recourse shall be had for the payment of the principal of or premium, if any, or interest on this bond, or for any claim based hereon, or otherwise in respect hereof or of the Indenture, to or against any incorporator, stockholder, director or officer, past, present or future, as such, of the Company, or of any predecessor or successor company, either directly or through the Company, or such predecessor or successor company, under any constitution or statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability of incorporators, stockholders, directors and officers, as such, being waived and released by the holder and owner hereof by the acceptance of this bond and being likewise waived and released by the terms of the Indenture.

This bond is transferable by the registered holder hereof, in person or by attorney duly authorized, at the principal office of the Trustee, in the Borough of Manhattan, The City of New York, but only in the manner prescribed in the Indenture, upon the surrender and cancellation of this bond and the payment of charges for registration of transfer, and upon any such registration of transfer a new registered bond or bonds, without coupons, of the same series and maturity date and for the same aggregate principal amount, in authorized denomina-

tions, will be issued to the transferee in exchange herefor. The Company and the Trustee may deem and treat the person in whose name this bond is registered as the absolute owner for the purpose of receiving payment and for all other purposes. Registered bonds of this series shall be exchangeable for registered bonds of other authorized denominations having the same aggregate principal amount, in the manner and upon the conditions prescribed in the Indenture. However, notwithstanding the provisions of the Indenture, no charge shall be made upon any registration of transfer or exchange of bonds of this series other than for any tax or taxes or other governmental charge required to be paid by the Company.

This bond shall not be valid or become obligatory for any purpose unless and until it shall have been authenticated by the execution by the Trustee or its successor in trust under the Indenture of the certificate endorsed hereon.

IN WITNESS WHEREOF, ALABAMA POWER COMPANY has caused this bond to be executed in its name by its President or one of its Vice Presidents by his signature or a facsimile thereof, and its corporate seal or a facsimile thereof to be hereto affixed and attested by its Secretary or one of its Assistant Secretaries by his signature or a facsimile thereof.

Dated,

ALABAMA POWER COMPANY,

By _____
President

Attest

Secretary

TRUSTEE'S AUTHENTICATION CERTIFICATE

This bond is one of the bonds, of the series designated therein, described in the within-mentioned Indenture.

CHEMICAL BANK,
As Trustee,

By _____
Authorized Officer

AND WHEREAS each of the registered bonds of the Fifth 1994 Pollution Control Series is to be substantially in the following form, to-wit:

[FORM OF REGISTERED BONDS OF THE FIFTH 1994 POLLUTION CONTROL SERIES]

ALABAMA POWER COMPANY

FIRST MORTGAGE BONDS, POLLUTION CONTROL SERIES 1994-C DUE
JUNE 1, 2015

No. \$

Alabama Power Company, an Alabama corporation (hereinafter called the "Company"), for value received, hereby promises to pay to SouthTrust Bank of Alabama, National Association, as Trustee under the Revenue Indenture (hereinafter mentioned) or registered assigns, the principal sum ofDollars on June 1, 2015 and to pay to the registered holder hereof interest on said sum from the latest interest payment date to which interest has been paid on the bonds of this series preceding the date hereof, unless the date hereof be an interest payment date to which interest is being paid, in which case from the date hereof, or unless the date hereof is prior to the first interest payment date, in which case from the date of original issuance hereof, at the same rates, until the principal hereof shall have become due and payable, and payable on the same dates as the Revenue Bonds (hereinafter mentioned) under the Revenue Indenture. The principal of and interest on this bond shall be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, designated for that purpose, in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

The obligation of the Company to make payments with respect to the principal of and premium, if any, and interest on bonds of this series shall be fully or partially, as the case may be, satisfied and discharged to the extent that, at any time that any such payment shall be due, the Company shall have made payments as required by Section 3.1 of the Second Supplementary Installment Sale Agreement dated as of June 1, 1994, between The Industrial Development Board of the Town of Parrish and the Company sufficient to pay fully or partially the then due principal of and premium, if any, and interest on The Industrial Development Board of the Town of Parrish Pollution Control Revenue Refunding Bonds, Series 1994A (Alabama Power Company Project) (hereinafter referred to as "Revenue Bonds") or there shall be on deposit under the Trust Indenture dated as of June 1, 1994 (hereinafter referred to as

the "Revenue Indenture"), of The Industrial Development Board of the Town of Parrish to SouthTrust Bank of Alabama, National Association, trustee (hereinafter referred to as the "Revenue Trustee") sufficient available funds to pay fully or partially the then due principal of and premium, if any, and interest on the Revenue Bonds.

This bond is one of the bonds issued and to be issued from time to time under and in accordance with and all secured by an indenture of mortgage or deed of trust dated as of January 1, 1942, given by the Company to Chemical Bank & Trust Company, as trustee, under which indenture Chemical Bank (hereinafter sometimes referred to as the "Trustee") is successor Trustee, and indentures supplemental thereto, to which indenture and indentures supplemental thereto (hereinafter referred to collectively as the "Indenture") reference is hereby made for a description of the property mortgaged and pledged, the nature and extent of the security and the rights, duties and immunities thereunder of the Trustee and the rights of the holders of said bonds and of the Trustee and of the Company in respect of such security, and the limitations on such rights. By the terms of the Indenture the bonds to be secured thereby are issuable in series which may vary as to date, amount, date of maturity, rate of interest and in other respects as in the Indenture provided.

Upon notice given by mailing the same, by first class mail postage prepaid not less than thirty nor more than forty-five days prior to the date fixed for redemption to each registered holder of a bond to be redeemed (in whole or in part) at the last address of such holder appearing on the registry books, any or all of the bonds of this series may be redeemed by the Company, at any time and from time to time by the payment of the principal amount thereof and accrued interest thereon to the date fixed for redemption, if redeemed by the operation of the improvement fund or the maintenance and/or replacement provisions of the Indenture or by the use of proceeds of released property, as more fully set forth in the Indenture.

In the manner provided in the Indenture, the bonds of this series are also redeemable in whole, by payment of the principal amount thereof plus accrued interest thereon, if any, to the date fixed for redemption, upon receipt by the Trustee of a written demand from the Revenue Trustee, stating that the principal amount of all the Revenue Bonds then outstanding under the Revenue Indenture has been declared immediately due and payable. As provided in the Indenture, the date fixed for such redemption shall be not more than 180 days after receipt by the Trustee of the aforesaid written demand and shall be specified in a notice of redemption to be given not more than 10 nor less than 5 days prior to the date so fixed for such redemption. As in the

Indenture provided, such notice of redemption shall be rescinded and become null and void for all purposes under the Indenture upon rescission of the aforesaid written demand or the aforesaid declaration of maturity under the Revenue Indenture, and thereupon no redemption of the bonds of this series and no payments in respect thereof as specified in such notice of redemption shall be effected or required.

In the manner provided in the Indenture, the bonds of this series are also redeemable in whole or in part upon receipt by the Trustee of a written demand from the Revenue Trustee specifying a principal amount of Revenue Bonds which have been called for redemption pursuant to Section 3.04 of the Revenue Indenture. As provided in the Indenture, bonds of this series equal in principal amount to the principal amount of such Revenue Bonds to be redeemed will be redeemed on the date fixed for redemption of the Revenue Bonds at the principal amount of such bonds of this series and accrued interest thereon to the date fixed for redemption, together in the case of a redemption coincident with a redemption of Revenue Bonds which requires the payment of a redemption premium with a premium equal to the redemption premium payable upon such redemption of the Revenue Bonds.

In case of certain defaults as specified in the Indenture, the principal of this bond may be declared or may become due and payable on the conditions, at the time, in the manner and with the effect provided in the Indenture.

No recourse shall be had for the payment of the principal of or premium, if any, or interest on this bond, or for any claim based hereon, or otherwise in respect hereof or of the Indenture, to or against any incorporator, stockholder, director or officer, past, present or future, as such, of the Company, or of any predecessor or successor company, either directly or through the Company, or such predecessor or successor company, under any constitution or statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability of incorporators, stockholders, directors and officers, as such, being waived and released by the holder and owner hereof by the acceptance of this bond and being likewise waived and released by the terms of the Indenture.

This bond is transferable by the registered holder hereof, in person or by attorney duly authorized, at the principal office of the Trustee, in the Borough of Manhattan, The City of New York, but only in the manner prescribed in the Indenture, upon the surrender and cancellation of this bond and the payment of charges for registration of transfer, and upon any such registration of transfer a new registered bond or bonds, without coupons, of the same series and maturity date and for the same aggregate principal amount, in authorized denomina-

tions, will be issued to the transferee in exchange herefor. The Company and the Trustee may deem and treat the person in whose name this bond is registered as the absolute owner for the purpose of receiving payment and for all other purposes. Registered bonds of this series shall be exchangeable for registered bonds of other authorized denominations having the same aggregate principal amount, in the manner and upon the conditions prescribed in the Indenture. However, notwithstanding the provisions of the Indenture, no charge shall be made upon any registration of transfer or exchange of bonds of this series other than for any tax or taxes or other governmental charge required to be paid by the Company.

This bond shall not be valid or become obligatory for any purpose unless and until it shall have been authenticated by the execution by the Trustee or its successor in trust under the Indenture of the certificate endorsed hereon.

IN WITNESS WHEREOF, ALABAMA POWER COMPANY has caused this bond to be executed in its name by its President or one of its Vice Presidents by his signature or a facsimile thereof, and its corporate seal or a facsimile thereof to be hereto affixed and attested by its Secretary or one of its Assistant Secretaries by his signature or a facsimile thereof.

Dated,

ALABAMA POWER COMPANY,

By _____
President

Attest

Secretary

TRUSTEE'S AUTHENTICATION CERTIFICATE

This bond is one of the bonds, of the series designated therein, described in the within-mentioned Indenture.

CHEMICAL BANK,
As Trustee,

By _____
Authorized Officer

AND WHEREAS all acts and things necessary to make the bonds of the Third 1994 Pollution Control Series, the Fourth 1994 Pollution Control Series and the Fifth 1994 Pollution Control Series, when authenticated by the Trustee and issued as in the Indenture, as heretofore supplemented and amended, and this Supplemental Indenture provided, the valid, binding and legal obligations of the Company, and to constitute the Indenture, as heretofore supplemented and amended, and this Supplemental Indenture valid, binding and legal instruments for the security thereof, have been done and performed, and the creation, execution and delivery of the Indenture, as heretofore supplemented and amended, and this Supplemental Indenture and the creation, execution and issue of bonds subject to the terms hereof and of the Indenture, as heretofore supplemented and amended, have in all respects been duly authorized;

NOW, THEREFORE, in consideration of the premises, and of the acceptance and purchase by the holders thereof of the bonds issued and to be issued under the Indenture, or the Indenture as supplemented and amended, and of the sum of One Dollar duly paid by the Trustee to the Company, and of other good and valuable considerations, the receipt of which is hereby acknowledged, and for the purpose of securing the due and punctual payment of the principal of and premium, if any, and interest on the bonds now outstanding under the Indenture, or the Indenture as supplemented and amended, and the \$6,150,000 principal amount of bonds of the Third 1994 Pollution Control Series, the \$18,700,000 principal amount of bonds of the Fourth 1994 Pollution Control Series and the \$28,850,000 principal amount of bonds of the Fifth 1994 Pollution Control Series proposed to be initially issued and all other bonds which shall be issued under the Indenture, or the Indenture as supplemented and amended, and for the purpose of securing the faithful performance and observance of all covenants and conditions therein and in any indenture supplemental thereto set forth, the Company has given, granted, bargained, sold, transferred, assigned, hypothecated, pledged, mortgaged, warranted, aliened and conveyed and by these presents does give, grant, bargain, sell, transfer, assign, hypothecate, pledge, mortgage, warrant, alien and convey unto Chemical Bank, as Trustee, as provided in the Indenture, and its successor or successors in the trust thereby and hereby created, and to its or their assigns forever, all the right, title and interest of the Company in and to all improvements and additions to property of the Company subject to the lien of the Indenture made, constructed or otherwise acquired by it and not heretofore described in the Indenture or any supplement thereto and not heretofore released from the lien of the Indenture, and does hereby confirm that the Company will not cause or consent to a partition, either voluntary or through legal proceedings, of property, whether herein described or heretofore or hereafter acquired, in which its ownership shall be as a tenant in common except as permitted by and in conformity with the provisions of the Indenture and particularly of said Article X thereof.

TOGETHER WITH all and singular the tenements, hereditaments and appurtenances belonging or in any wise appertaining to the premises, property, franchises and rights, or any thereof, referred to in the foregoing granting clauses, with the reversion and reversions, remainder and remainders and (subject to the provisions of Article X of the Indenture) the tolls, rents, revenues, issues, earnings, income, products and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforesaid premises, property, franchises and rights and every part and parcel thereof.

TO HAVE AND TO HOLD all said premises, property, franchises and rights hereby conveyed, assigned, pledged or mortgaged, or intended so to be, unto the Trustee, its successor or successors in trust, and their assigns forever;

BUT IN TRUST, NEVERTHELESS, with power of sale, for the equal and proportionate benefit and security of the holders of all bonds and interest coupons now or hereafter issued under the Indenture, as supplemented and amended, pursuant to the provisions thereof, and for the enforcement of the payment of said bonds and coupons when payable and the performance of and compliance with the covenants and conditions of the Indenture, as supplemented and amended, without any preference, distinction or priority as to lien or otherwise of any bond or bonds over others by reason of the difference in time of the actual issue, sale or negotiation thereof or for any other reason whatsoever, except as otherwise expressly provided in the Indenture, as supplemented and amended; and so that each and every bond now or hereafter issued thereunder shall have the same lien, and so that the principal of and premium, if any, and interest on every such bond shall, subject to the terms thereof, be equally and proportionately secured thereby and hereby, as if it had been made, executed, delivered, sold and negotiated simultaneously with the execution and delivery of the Indenture.

AND IT IS EXPRESSLY DECLARED that all bonds issued and secured thereunder and hereunder are to be issued, authenticated and delivered, and all said premises, property, franchises and rights hereby and by the Indenture, as supplemented and amended, conveyed, assigned, pledged or mortgaged, or intended so to be (including all the right, title and interest of the Company in and to any and all premises, property, franchises and rights of every kind and description, real, personal and mixed, tangible and intangible, acquired by the Company after the execution and delivery of the Indenture and whether or not specifically described in the Indenture or in any indenture supplemental thereto, except any therein expressly excepted), are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes expressed in the Indenture, as supplemented and amended, and it is hereby agreed as follows:

SECTION 1. There is hereby created three series of bonds designated as hereinbefore set forth (said bonds being sometimes hereinafter referred to as the "bonds of 1994 (Third Pollution Control Series)", the "bonds of 1994 (Fourth Pollution Control Series)" and the "bonds of 1994 (Fifth Pollution Control Series)", respectively), and the forms thereof shall be substantially as hereinbefore set forth. Bonds of 1994 (Third Pollution Control Series), bonds of 1994 (Fourth Pollution Control Series) and bonds of 1994 (Fifth Pollution

Control Series) shall mature on the dates specified in the respective forms thereof hereinbefore set forth, and the definitive bonds of each of such series may be issued only as registered bonds without coupons. Bonds of 1994 (Third Pollution Control Series), bonds of 1994 (Fourth Pollution Control Series) and bonds of 1994 (Fifth Pollution Control Series) shall be in such denominations as the Board of Directors shall approve, and the execution and delivery to the Trustee for authentication shall be conclusive evidence of such approval. The serial numbers of bonds of 1994 (Third Pollution Control Series), bonds of 1994 (Fourth Pollution Control Series) and bonds of 1994 (Fifth Pollution Control Series) shall be such as may be approved by any officer of the Company, the execution thereof by any such officer to be conclusive evidence of such approval.

Bonds of 1994 (Third Pollution Control Series), bonds of 1994 (Fourth Pollution Control Series) and bonds of 1994 (Fifth Pollution Control Series), until the principal thereof shall have become due and payable, shall bear interest at the same rates and payable on the same dates as the related Revenue Bonds (hereinafter mentioned). Bonds of 1994 (Third Pollution Control Series), bonds of 1994 (Fourth Pollution Control Series) and bonds of 1994 (Fifth Pollution Control Series) shall be dated the date of authentication. Notwithstanding Section 2.03 of the Indenture, interest on the bonds of 1994 (Third Pollution Control Series), the bonds of 1994 (Fourth Pollution Control Series) and the bonds of 1994 (Fifth Pollution Control Series) shall accrue in the manner set forth in the forms of bonds hereinabove set forth.

The principal of and the premium, if any, and the interest, if any, on the bonds of 1994 (Third Pollution Control Series), bonds of 1994 (Fourth Pollution Control Series) and bonds of 1994 (Fifth Pollution Control Series) shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, at the office or agency of the Company in the Borough of Manhattan, The City of New York, designated for that purpose.

The obligation of the Company to make payments with respect to the principal of and premium, if any, and interest on bonds of 1994 (Third Pollution Control Series) shall be fully or partially, as the case may be, satisfied and discharged, to the extent that, at the time that any such payment shall be due, the Company shall have made payments as required by Section 3.1 of the Supplementary Installment Sale Agreement dated as of June 1, 1994, between The Industrial Development Board of the City of Gadsden and the Company sufficient to pay fully or partially the then due principal of and premium, if any, and interest on The Industrial Development Board of the City

of Gadsden, Alabama, Pollution Control Revenue Refunding Bonds, Series 1994 (Alabama Power Company Project) (hereinafter referred to as the "Gadsden Revenue Bonds") or there shall be on deposit under the Trust Indenture dated as of June 1, 1994 (hereinafter referred to as the "Gadsden Revenue Indenture"), of The Industrial Development Board of the City of Gadsden to SouthTrust Bank of Alabama, National Association, trustee (hereinafter, together with any successor trustee under the Gadsden Revenue Indenture, referred to as the "Gadsden Revenue Trustee") sufficient available funds to pay fully or partially the then due principal of and premium, if any, and interest on the Gadsden Revenue Bonds. The Trustee may conclusively presume that the obligation of the Company to make payments with respect to the principal of and premium, if any, and interest on bonds of 1994 (Third Pollution Control Series) shall have been fully satisfied and discharged unless and until the Trustee shall have received a written notice from the Gadsden Revenue Trustee stating (i) that timely payment of principal of or premium, if any, or interest on the Gadsden Revenue Bonds has not been made, (ii) that there are not sufficient available funds on deposit to make such payment and (iii) the amount of funds required to make such payment.

The obligation of the Company to make payments with respect to the principal of and premium, if any, and interest on bonds of 1994 (Fourth Pollution Control Series) shall be fully or partially, as the case may be, satisfied and discharged, to the extent that, at the time that any such payment shall be due, the Company shall have made payments as required by Section 3.1 of the Second Supplementary Installment Sale Agreement dated as of June 1, 1994, between the Industrial Development Board of the City of Mobile, Alabama and the Company sufficient to pay fully or partially the then due principal of and premium, if any, and interest on The Industrial Development Board of the City of Mobile, Alabama, Pollution Control Revenue Refunding Bonds, Series 1994 (Alabama Power Company Project) (hereinafter referred to as the "Mobile Revenue Bonds") or there shall be on deposit under the Trust Indenture dated as of June 1, 1994 (hereinafter referred to as the "Mobile Revenue Indenture"), of the Industrial Development Board of the City of Mobile, Alabama to First Alabama Bank, trustee (hereinafter, together with any successor trustee under the Mobile Revenue Indenture, referred to as the "Mobile Revenue Trustee") sufficient available funds to pay fully or partially the then due principal of and premium, if any, and interest on the Mobile Revenue Bonds. The Trustee may conclusively presume that the obligation of the Company to make payments with respect to the principal of and premium, if any, and interest on bonds of 1994 (Fourth Pollution Control Series) shall have been fully satisfied and discharged unless and until the

Trustee shall have received a written notice from the Mobile Revenue Trustee stating (i) that timely payment of principal of or premium, if any, or interest on the Mobile Revenue Bonds has not been made, (ii) that there are not sufficient available funds on deposit to make such payment and (iii) the amount of funds required to make such payment.

The obligation of the Company to make payments with respect to the principal of and premium, if any, and interest on bonds of 1994 (Fifth Pollution Control Series) shall be fully or partially, as the case may be, satisfied and discharged, to the extent that, at the time that any such payment shall be due, the Company shall have made payments as required by Section 3.1 of the Second Supplementary Installment Sale Agreement dated as of June 1, 1994, between the Industrial Development Board of the Town of Parrish and the Company sufficient to pay fully or partially the then due principal of and premium, if any, and interest on The Industrial Development Board of the Town of Parrish Pollution Control Revenue Refunding Bonds, Series 1994A (Alabama Power Company Project) (hereinafter referred to as the "Parrish Revenue Bonds") or there shall be on deposit under the Trust Indenture dated as of June 1, 1994 (hereinafter referred to as the "Parrish Revenue Indenture"), of the Industrial Development Board of the Town of Parrish to SouthTrust Bank of Alabama, National Association, trustee (hereinafter, together with any successor trustee under the Parrish Revenue Indenture, referred to as the "Parrish Revenue Trustee") sufficient available funds to pay fully or partially the then due principal of and premium, if any, and interest on the Parrish Revenue Bonds. The Trustee may conclusively presume that the obligation of the Company to make payments with respect to the principal of and premium, if any, and interest on bonds of 1994 (Fifth Pollution Control Series) shall have been fully satisfied and discharged unless and until the Trustee shall have received a written notice from the Parrish Revenue Trustee stating (i) that timely payment of principal of or premium, if any, or interest on the Parrish Revenue Bonds has not been made, (ii) that there are not sufficient available funds on deposit to make such payment and (iii) the amount of funds required to make such payment.

The transfer of the bonds of 1994 (Third Pollution Control Series), the bonds of 1994 (Fourth Pollution Control Series) and the bonds of 1994 (Fifth Pollution Control Series) may be registered at the principal office of the Trustee, in the Borough of Manhattan, The City of New York. The bonds of 1994 (Third Pollution Control Series), the bonds of 1994 (Fourth Pollution Control Series) and the bonds of 1994 (Fifth Pollution Control Series) shall be exchangeable for other bonds of the same series, in the manner and upon the conditions prescribed in the Indenture, upon the surrender of such bonds at

said principal office of the Trustee. However, notwithstanding the provisions of Section 2.05 of the Indenture, no charge shall be made upon any registration of transfer or exchange of bonds of said series other than for any tax or taxes or other governmental charge required to be paid by the Company.

Any or all of the bonds of 1994 (Third Pollution Control Series), the bonds of 1994 (Fourth Pollution Control Series) and the bonds of 1994 (Fifth Pollution Control Series) shall be redeemable by the Company, at any time and from time to time, prior to maturity, upon notice given by mailing the same, by first class mail postage prepaid, not less than thirty nor more than forty-five days prior to the date fixed for redemption to each registered holder of a bond to be redeemed (in whole or in part) at the last address of such holder appearing on the registry books, at the principal amount thereof and accrued interest thereon to the date fixed for redemption, if redeemed by the operation of Section 4 of the Supplemental Indenture dated as of October 1, 1981 or of the improvement fund provisions of any other Supplemental Indenture or by the use of proceeds of released property.

The bonds of 1994 (Third Pollution Control Series) shall also be redeemable in whole upon receipt by the Trustee of a written demand for the redemption of the bonds of 1994 (Third Pollution Control Series) (hereinafter called "Gadsden Redemption Demand") from the Gadsden Revenue Trustee, stating that the principal amount of all the Gadsden Revenue Bonds then outstanding under the Gadsden Revenue Indenture has been declared immediately due and payable pursuant to the provisions of Section 8.02 of the Gadsden Revenue Indenture, specifying the date from which unpaid interest on the Gadsden Revenue Bonds has then accrued and stating that such declaration of maturity has not been rescinded. The Trustee shall within 10 days of receiving the Gadsden Redemption Demand mail a copy thereof to the Company stamped or otherwise marked to indicate the date of receipt by the Trustee. The Company shall fix a redemption date for the redemption so demanded (herein called the "Gadsden Demand Redemption") and shall mail to the Trustee notice of such date at least 30 days prior thereto. The date fixed for Gadsden Demand Redemption may be any day not more than 180 days after receipt by the Trustee of the Gadsden Redemption Demand. If the Trustee does not receive such notice from the Company within 150 days after receipt by the Trustee of the Gadsden Redemption Demand, the date for Gadsden Demand Redemption shall be deemed fixed at the 180th day after such receipt. The Trustee shall mail notice of the date fixed for Gadsden Demand Redemption (hereinafter called the "Gadsden Demand Redemption Notice") to the Gadsden Revenue Trustee (and the registered holders of the bonds of 1994 (Third Pollution Control Series), if other than said trustee) not

more than 10 nor less than 5 days prior to the date fixed for Gadsden Demand Redemption, provided, however, that the Trustee shall mail no Gadsden Demand Redemption Notice (and no Gadsden Demand Redemption shall be made) if prior to the mailing of the Gadsden Demand Redemption Notice the Trustee shall have received written notice of rescission of the Gadsden Redemption Demand from the Gadsden Revenue Trustee. Gadsden Demand Redemption of the bonds of 1994 (Third Pollution Control Series) shall be at the principal amount thereof, plus accrued interest thereon to the date fixed for redemption and such amount shall become and be due and payable, subject to the fourth paragraph of this Section 1, on the date fixed for Gadsden Demand Redemption as above provided. Anything in this paragraph contained to the contrary notwithstanding, if, after mailing of the Gadsden Demand Redemption Notice and prior to the date fixed for Gadsden Demand Redemption, the Trustee shall have been advised in writing by the Gadsden Revenue Trustee that the Gadsden Redemption Demand has been rescinded or that the declaration of maturity of the Gadsden Revenue Bonds has been rescinded, the Gadsden Demand Redemption Notice shall thereupon, without further act of the Trustee or the Company, be rescinded and become null and void for all purposes hereunder and no redemption of the bonds of 1994 (Third Pollution Control Series) and no payments in respect thereof as specified in the Gadsden Demand Redemption Notice shall be effected or required.

The bonds of 1994 (Third Pollution Control Series) shall also be redeemable in whole at any time, or in part on any interest payment date (hereinafter called the "Gadsden Regular Redemption"), upon receipt by the Trustee of a written demand (hereinafter referred to as the "Gadsden Regular Redemption Demand") from the Gadsden Revenue Trustee stating: (1) the principal amount and series of Gadsden Revenue Bonds to be redeemed pursuant to Section 3.04 of the Gadsden Revenue Indenture and the redemption premium (if any) payable upon such redemption; (2) the date of such redemption and that notice thereof has been given as required by the Gadsden Revenue Indenture; (3) that the Trustee shall call for redemption on the stated date fixed for redemption of such series of Gadsden Revenue Bonds a principal amount of the bonds of 1994 (Third Pollution Control Series) equal to the principal amount of the Gadsden Revenue Bonds to be redeemed; and (4) that the Gadsden Revenue Trustee, as holder of all the bonds of 1994 (Third Pollution Control Series), then outstanding, waives notice of such redemption. The Trustee may conclusively presume the statements contained in the Gadsden Regular Redemption Demand to be correct. Gadsden Regular Redemption of the bonds of 1994 (Third Pollution Control Series) shall be at the principal amount thereof and accrued interest thereon to the date fixed for

redemption, together with a premium equal to the redemption premium (if any) payable upon such redemption of the related series of Gadsden Revenue Bonds, and such amount shall become and be due and payable, subject to the fourth paragraph of this Section 1, on the date fixed for such Gadsden Regular Redemption, which shall be the date specified pursuant to item (2) of the Gadsden Regular Redemption Demand as above provided.

The bonds of 1994 (Fourth Pollution Control Series) shall also be redeemable in whole upon receipt by the Trustee of a written demand for the redemption of the bonds of 1994 (Fourth Pollution Control Series) (hereinafter called "Mobile Redemption Demand") from the Mobile Revenue Trustee, stating that the principal amount of all the Mobile Revenue Bonds then outstanding under the Mobile Revenue Indenture has been declared immediately due and payable pursuant to the provisions of Section 8.02 of the Mobile Revenue Indenture, specifying the date from which unpaid interest on the Mobile Revenue Bonds has then accrued and stating that such declaration of maturity has not been rescinded. The Trustee shall within 10 days of receiving the Mobile Redemption Demand mail a copy thereof to the Company stamped or otherwise marked to indicate the date of receipt by the Trustee. The Company shall fix a redemption date for the redemption so demanded (herein called the "Mobile Demand Redemption") and shall mail to the Trustee notice of such date at least 30 days prior thereto. The date fixed for Mobile Demand Redemption may be any day not more than 180 days after receipt by the Trustee of the Mobile Redemption Demand. If the Trustee does not receive such notice from the Company within 150 days after receipt by the Trustee of the Mobile Redemption Demand, the date for Mobile Demand Redemption shall be deemed fixed at the 180th day after such receipt. The Trustee shall mail notice of the date fixed for Mobile Demand Redemption (hereinafter called the "Mobile Demand Redemption Notice") to the Mobile Revenue Trustee (and the registered holders of the bonds of 1994 (Fourth Pollution Control Series), if other than said trustee) not more than 10 nor less than 5 days prior to the date fixed for Mobile Demand Redemption, provided, however, that the Trustee shall mail no Mobile Demand Redemption Notice (and no Mobile Demand Redemption shall be made) if prior to the mailing of the Mobile Demand Redemption Notice the Trustee shall have received written notice of rescission of the Mobile Redemption Demand from the Mobile Revenue Trustee. Mobile Demand Redemption of the bonds of 1994 (Fourth Pollution Control Series) shall be at the principal amount thereof, plus accrued interest thereon to the date fixed for redemption and such amount shall become and be due and payable, subject to the fifth paragraph of this Section 1, on the date fixed for Mobile Demand Redemption as above

provided. Anything in this paragraph contained to the contrary notwithstanding, if, after mailing of the Mobile Demand Redemption Notice and prior to the date fixed for Mobile Demand Redemption, the Trustee shall have been advised in writing by the Mobile Revenue Trustee that the Mobile Redemption Demand has been rescinded or that the declaration of maturity of the Mobile Revenue Bonds has been rescinded, the Mobile Demand Redemption Notice shall thereupon, without further act of the Trustee or the Company, be rescinded and become null and void for all purposes hereunder and no redemption of the bonds of 1994 (Fourth Pollution Control Series) and no payments in respect thereof as specified in the Mobile Demand Redemption Notice shall be effected or required.

The bonds of 1994 (Fourth Pollution Control Series) shall also be redeemable in whole at any time, or in part on any interest payment date (hereinafter called the "Mobile Regular Redemption"), upon receipt by the Trustee of a written demand (hereinafter referred to as the "Mobile Regular Redemption Demand") from the Mobile Revenue Trustee stating: (1) the principal amount and series of Mobile Revenue Bonds to be redeemed pursuant to Section 3.04 of the Mobile Revenue Indenture and the redemption premium (if any) payable upon such redemption; (2) the date of such redemption and that notice thereof has been given as required by the Mobile Revenue Indenture; (3) that the Trustee shall call for redemption on the stated date fixed for redemption of such series of Mobile Revenue Bonds a principal amount of the bonds of 1994 (Fourth Pollution Control Series) equal to the principal amount of the Mobile Revenue Bonds to be redeemed; and (4) that the Mobile Revenue Trustee, as holder of all the bonds of 1994 (Fourth Pollution Control Series) then outstanding, waives notice of such redemption. The Trustee may conclusively presume the statements contained in the Mobile Regular Redemption Demand to be correct. Mobile Regular Redemption of the bonds of 1994 (Fourth Pollution Control Series) shall be at the principal amount thereof and accrued interest thereon to the date fixed for redemption, together with a premium equal to the redemption premium (if any) payable upon such redemption of the related series of Mobile Revenue Bonds, and such amount shall become and be due and payable, subject to the fifth paragraph of this Section 1, on the date fixed for such Mobile Regular Redemption, which shall be the date specified pursuant to item (2) of the Mobile Regular Redemption Demand as above provided.

The bonds of 1994 (Fifth Pollution Control Series) shall also be redeemable in whole upon receipt by the Trustee of a written demand for the redemption of the bonds of 1994 (Fifth Pollution Control Series) (hereinafter called "Parrish Redemption Demand") from the Parrish Revenue Trustee,

stating that the principal amount of all the Parrish Revenue Bonds then outstanding under the Parrish Revenue Indenture has been declared immediately due and payable pursuant to the provisions of Section 8.02 of the Parrish Revenue Indenture, specifying the date from which unpaid interest on the Parrish Revenue Bonds has then accrued and stating that such declaration of maturity has not been rescinded. The Trustee shall within 10 days of receiving the Parrish Redemption Demand mail a copy thereof to the Company stamped or otherwise marked to indicate the date of receipt by the Trustee. The Company shall fix a redemption date for the redemption so demanded (herein called the "Parrish Demand Redemption") and shall mail to the Trustee notice of such date at least 30 days prior thereto. The date fixed for Parrish Demand Redemption may be any day not more than 180 days after receipt by the Trustee of the Parrish Redemption Demand. If the Trustee does not receive such notice from the Company within 150 days after receipt by the Trustee of the Parrish Redemption Demand, the date for Parrish Demand Redemption shall be deemed fixed at the 180th day after such receipt. The Trustee shall mail notice of the date fixed for Parrish Demand Redemption (hereinafter called the "Parrish Demand Redemption Notice") to the Parrish Revenue Trustee (and the registered holders of the bonds of 1994 (Fifth Pollution Control Series), if other than said trustee) not more than 10 nor less than 5 days prior to the date fixed for Parrish Demand Redemption, provided, however, that the Trustee shall mail no Parrish Demand Redemption Notice (and no Parrish Demand Redemption shall be made) if prior to the mailing of the Parrish Demand Redemption Notice the Trustee shall have received written notice of rescission of the Parrish Redemption Demand from the Revenue Trustee. Parrish Demand Redemption of the bonds of 1994 (Fifth Pollution Control Series) shall be at the principal amount thereof, plus accrued interest thereon to the date fixed for redemption and such amount shall become and be due and payable, subject to the sixth paragraph of this Section 1, on the date fixed for Parrish Demand Redemption as above provided. Anything in this paragraph contained to the contrary notwithstanding, if, after mailing of the Parrish Demand Redemption Notice and prior to the date fixed for Parrish Demand Redemption, the Trustee shall have been advised in writing by the Parrish Revenue Trustee that the Parrish Redemption Demand has been rescinded or that the declaration of maturity of the Parrish Revenue Bonds has been rescinded, the Parrish Demand Redemption Notice shall thereupon, without further act of the Trustee or the Company, be rescinded and become null and void for all purposes hereunder and no redemption of the bonds of 1994 (Fifth Pollution Control Series) and no payments in respect thereof as specified in the Parrish Demand Redemption Notice shall be effected or required.

The bonds of 1994 (Fifth Pollution Control Series) shall also be redeemable in whole at any time, or in part on any interest payment date (hereinafter called the "Parrish Regular Redemption"), upon receipt by the Trustee of a written demand (hereinafter referred to as the "Parrish Regular Redemption Demand") from the Parrish Revenue Trustee stating: (1) the principal amount and series of Parrish Revenue Bonds to be redeemed pursuant to Section 3.04 of the Parrish Revenue Indenture and the redemption premium (if any) payable upon such redemption; (2) the date of such redemption and that notice thereof has been given as required by the Parrish Revenue Indenture; (3) that the Trustee shall call for redemption on the stated date fixed for redemption of such series of Parrish Revenue Bonds a principal amount of the bonds of 1994 (Fifth Pollution Control Series) equal to the principal amount of the Parrish Revenue Bonds to be redeemed; and (4) that the Parrish Revenue Trustee, as holder of all the bonds of 1994 (Fifth Pollution Control Series) then outstanding, waives notice of such redemption. The Trustee may conclusively presume the statements contained in the Parrish Regular Redemption Demand to be correct. Parrish Regular Redemption of the bonds of 1994 (Fifth Pollution Control Series) shall be at the principal amount thereof and accrued interest thereon to the date fixed for redemption, together with a premium equal to the redemption premium (if any) payable upon such redemption of the related series of Parrish Revenue Bonds, and such amount shall become and be due and payable, subject to the sixth paragraph of this Section 1, on the date fixed for such Parrish Regular Redemption, which shall be the date specified pursuant to item (2) of the Parrish Regular Redemption Demand as above provided.

SECTION 2. The Company covenants that the provisions of Section 4 of the Supplemental Indenture dated as of October 1, 1981, shall remain in full force and effect so long as any bonds of 1994 (Third Pollution Control Series), any bonds of 1994 (Fourth Pollution Control Series) or any bonds of 1994 (Fifth Pollution Control Series) shall be outstanding under the Indenture.

SECTION 3. As supplemented by this Supplemental Indenture, the Indenture, as heretofore supplemented and amended, is in all respects ratified and confirmed, and the Indenture, as heretofore supplemented and amended, and this Supplemental Indenture shall be read, taken and construed as one and the same instrument.

SECTION 4. Nothing in this Supplemental Indenture contained shall, or shall be construed to, confer upon any person other than a holder of bonds issued under the Indenture, as supplemented and amended, the Company and the Trustee any right or interest to avail himself of any benefit under any

provision of the Indenture, as heretofore supplemented and amended, or of this Supplemental Indenture.

SECTION 5. The Trustee assumes no responsibility for or in respect of the validity or sufficiency of this Supplemental Indenture or the due execution hereof by the Company or for or in respect of the recitals and statements contained herein, all of which recitals and statements are made solely by the Company.

SECTION 6. This Supplemental Indenture may be executed in several counterparts and all such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, said Alabama Power Company has caused this Supplemental Indenture to be executed in its corporate name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and to be attested by its Secretary or one of its Assistant Secretaries, and said Chemical Bank, to evidence its acceptance hereof, has caused this Supplemental Indenture to be executed in its corporate name by one of its Vice Presidents or Senior Trust Officers and its corporate seal to be hereunto affixed and to be attested by one of its Trust Officers, in several counterparts, all as of the day and year first above written.

ALABAMA POWER COMPANY,

By *Art P. Beathis*
Vice President

Attest:

Deidney O. Hoover
Assistant Secretary

Signed, sealed and delivered this
20th day of June, 1994 by

ALABAMA POWER

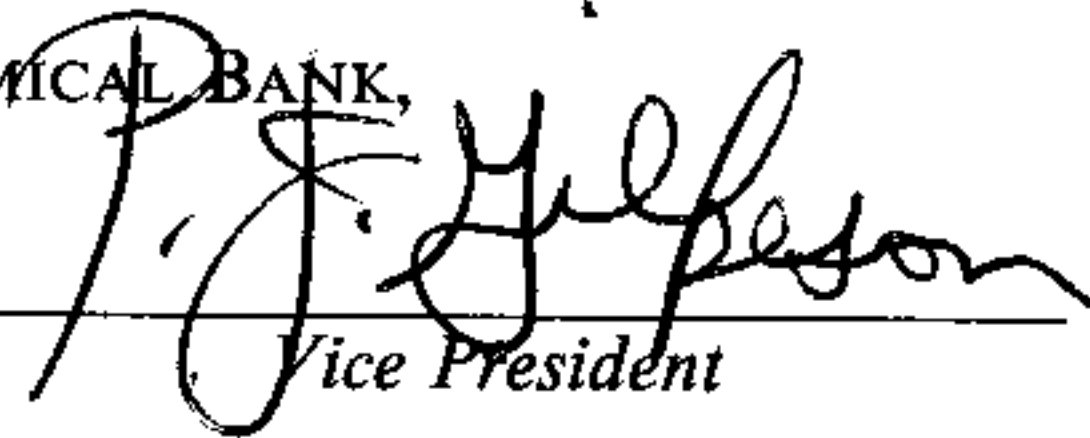
COMPANY in the presence of

Celia A. Shorts

William E. Olson

CHEMICAL BANK,

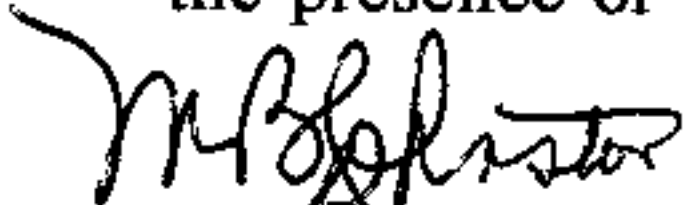
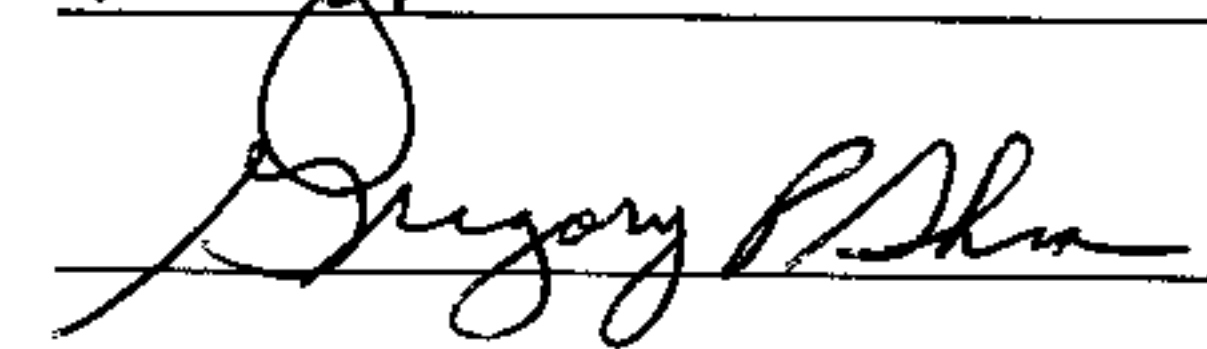
By


Vice President

Attest:


Trust Officer

Signed, sealed and delivered
this 17th day of June, 1994
by CHEMICAL BANK in
the presence of

STATE OF ALABAMA }
COUNTY OF JEFFERSON } ss.:

I, SHIRLY A. THOMAS, a Notary Public in and for said county, in said State, hereby certify that ART P. BEATTIE, whose name as Vice President of ALABAMA POWER COMPANY, a corporation, is signed to the foregoing indenture, and who is known to me, acknowledged before me on this day that, being informed of the contents of the indenture, he, as such officer and with full authority, executed the same voluntarily for and as the Act of said corporation. Given under my hand and seal of office this 20th day of June, 1994.


Shirly A. Thomas
My Commission Expires August 13, 1997

STATE OF ALABAMA }
COUNTY OF JEFFERSON } ss.:

On the 20th day of June, in the year one thousand nine hundred and ninety-four, before me personally came ART P. BEATTIE, to me known, who, being by me duly sworn, did depose and say that he resides at 5136 Stratford Road, Birmingham, Alabama 35242; that he is a Vice President of ALABAMA POWER COMPANY, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by the order of the Board of Directors of said corporation; and that he signed his name thereto by like order.


Shirly A. Thomas
My Commission Expires August 13, 1997

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

I, ANNABELLE DELUCA, A NOTARY PUBLIC IN AND FOR SAID COUNTY, IN SAID STATE, HEREBY CERTIFY THAT P. J. GILKESON, whose name as Vice President of CHEMICAL BANK, a corporation, is signed to the foregoing indenture, and who is known to me, acknowledged before me on this day that, being informed of the contents of the indenture, he, as such officer and with full authority, executed the same voluntarily for and as the Act of said corporation. Given under my hand and seal of office this 17th day of June, 1994.



Annabelle DeLuca
Notary Public, State of New York
No. 01DE5013759
Qualified in Kings County
Certificate Filed in New York County
Commission Expires July 15, 1995

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On the 17th day of June the year one thousand nine hundred and ninety-four, before me personally came P. J. GILKESON, to me known, who, being by me duly sworn, did depose and say that he resides at 452 Delafield Ave., Staten Island, N.Y. 10310; that he is a Vice President of CHEMICAL BANK, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation; and that he signed his name thereto by like authority.



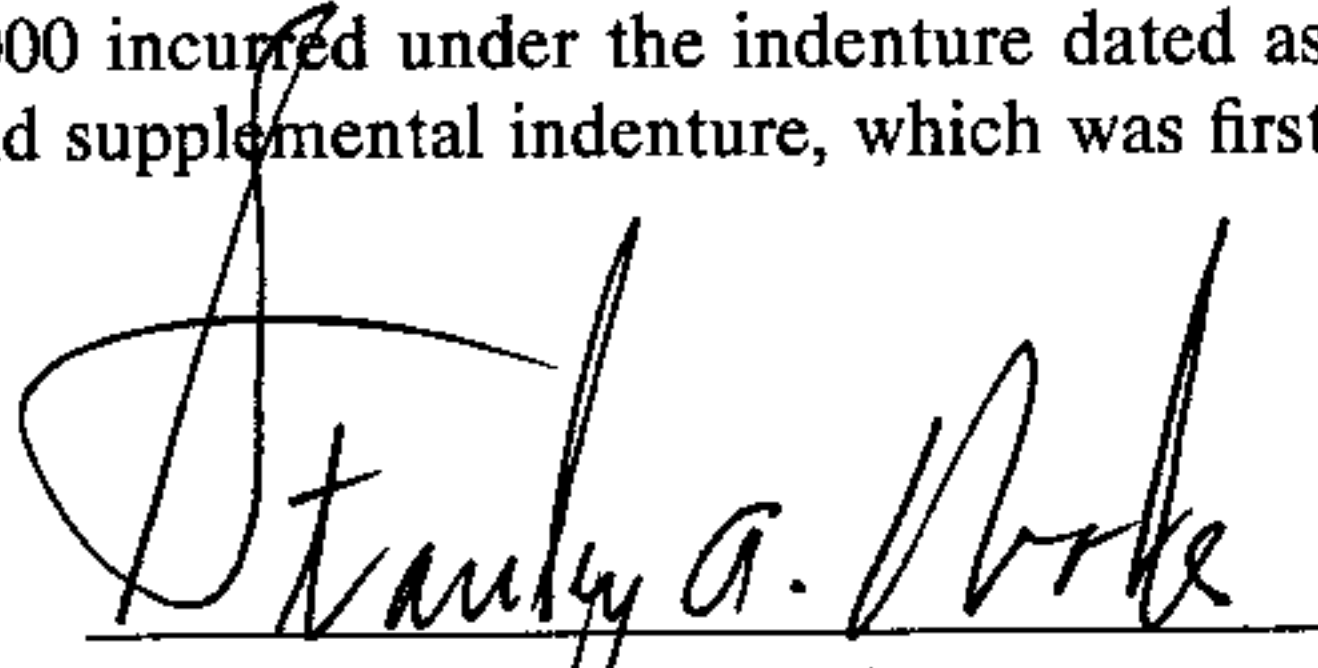
Annabelle DeLuca
Notary Public, State of New York
No. 01DE5013759
Qualified in Kings County
Certificate Filed in New York County
Commission Expires July 15, 1995

STATE OF ALABAMA
WALKER COUNTY

} ss.:

I, STANLEY A. WADE, Judge of Probate of Walker County, hereby certify that the foregoing supplemental indenture has been filed for record in this office and simultaneously therewith a privilege tax of \$80,550 was paid, being the privilege tax required by Code of Alabama 1975, Section 40-22-2, on additional indebtedness of \$53,700,000 incurred under the indenture dated as of January 1, 1942, referred to in said supplemental indenture, which was first filed for record in this office.

This 11 July, 1994



Judge of Probate

07/14/1994-22076
09:24 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
034 MCD 92.00

Inst # 1994-22076
RECORDED BOOK AND PAGE
SHOWN ABOVE
JUL 11 11 17 AM '94
JUDGE OF PROBATE