

ALABAMA POWER CO
Form FWP
December 04, 2007
Filed Pursuant to Rule 433

Registration Nos. 333-126348, 333-126348-01, 333-126348-02 and 333-126348-03

December 4, 2007

PRICING TERM SHEET

(To Preliminary Prospectus Supplement dated December 4, 2007)

| | |
|-------------------------|---|
| Issuer: | Alabama Power Company |
| Security: | Series 2007D 4.85% Senior Notes due December 15, 2012 |
| Expected Ratings*: | A2/A/A+ (Moody's/Standard & Poor's/Fitch) |
| Size: | \$200,000,000 |
| Coupon: | 4.85% |
| Public Offering Price: | 99.828% |
| Treasury Benchmark: | 3 3/8% due November 30, 2012 |
| US Treasury Yield: | 3.289% |
| Spread to Treasury: | 160 basis points |
| Re-offer Yield: | 4.889% |
| Make-Whole Call: | T + 25 |
| Interest Payment Dates: | June 15 and December 15 of each year, beginning June 15, 2008 |

Format: SEC Registered

Transaction Date: December 4, 2007

Expected Settlement Date: December 12, 2007

Joint-Lead Managers: Merrill Lynch, Pierce, Fenner & Smith Incorporated

Morgan Stanley & Co. Incorporated

Co-Managers: Lazard Capital Markets LLC

Mizuho Securities USA Inc.

Scotia Capital (USA) Inc.

SunTrust Robinson Humphrey, Inc.

* Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

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The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in this offering will arrange to send you the prospectus if you request it by calling Alabama Power Company collect at 1-205-257-2714 or Merrill Lynch, Pierce, Fenner & Smith Incorporated toll-free at 1-866-500-5408 or Morgan Stanley & Co. Incorporated toll-free at 1-866-718-1649.