

RECORDATION NO. 26318 FILED

MAY 01 '06 4-30 PM

SURFACE TRANSPORTATION BOARD

OF COUNSEL
URBAN A. LESTER

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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

May 1, 2006

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Restated Lease Supplement No. 2, dated as of May 1, 2006, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor:	Siemens Financial Services, Inc. 170 Wood Avenue South Iselin, New Jersey 08830
Lessee:	Alabama Power Company 600 N 18th St/14N-8163 Birmingham, Alabama 35202

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SURFACE TRANSPORTATION BOARD

EXECUTION VERSION

RESTATED LEASE SUPPLEMENT NO. 2

(This is counterpart no. ___ of five serially numbered manually executed counterparts)

This Restated Lease Supplement No. 2 is executed pursuant to, and incorporates by reference all of the terms, conditions and provisions of, the Equipment Leasing Agreement dated as of March 19, 1999 between SIEMENS FINANCIAL SERVICES, INC., as Lessor, and ALABAMA POWER COMPANY, as Lessee (as amended by that certain Amendment to Equipment Leasing Agreement dated as of April 15, 1999 and that certain Amendment No. 2 to Equipment Leasing Agreement dated as of May 1, 2006 and as further amended and supplemented from time to time, the "Lease").

All capitalized terms used herein which are not defined herein shall have the meaning given to such terms in the Lease.

1. Description and Quantity of Items of Equipment covered by this Restated Lease Supplement No. 2: 942 railcars described and also identified by identification number on Schedule I hereto.
2. Equipment Cost: The aggregate Equipment Cost for all Items of Equipment delivered pursuant to this Restated Lease Supplement No. 2 shall be the aggregate Equipment Cost stated in Schedule II to this Restated Lease Supplement No. 2. The Equipment Cost for an Item of Equipment shall, notwithstanding the definition of Equipment Cost for an Item of Equipment set forth in the Lease, which is hereby superseded with respect to Equipment described in this Restated Lease Supplement No. 2, be equal to the aggregate Equipment Cost stated in Schedule II to this Restated Lease Supplement No. 2 divided by the total number of cars described on such Schedule II.
3. Additional Term: Four years, commencing on May 1, 2006.
4. Basic Rent: Basic Rent for each Item of Equipment shall be determined based on the Applicable Rate in effect two (2) Business Days prior to the date hereof and shall be equal to the relevant Interest Component plus the Principal Component for such Item of Equipment, such components to be determined by dividing (x) such components for all Items of Equipment, as set forth on Schedule III of this Restated Lease Supplement No. 2, by (y) the total number of Items of Equipment covered by this Restated Lease Supplement No. 2. The Basic Rent shall be payable in semi-annual installments during the Additional Term on the Rent Payment Dates, as set forth on Schedule III of this Restated Lease Supplement No. 2.

Mr. Vernon A. Williams
May 1, 2006
Page 2

A description of the railroad equipment covered by the enclosed document is:

942 Mechanized Rapid Discharge® V Coal railcars within the two series JHMX 99001 – JHMX 99840 and JHMX 991321 – JHMX 991440 as more particularly set forth in the equipment schedule attached to the document.

A short summary of the document to appear in the index is:

Restated Lease Supplement No. 2.

Also enclosed is a check in the amount of \$34.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/sem
Enclosures

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All capitalized terms used herein which are not defined herein such terms in the Lease.

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1. Description and Quantity of Items of Equipment Supplement No. 2: 942 railcars described and also identified on Schedule I hereto. Lease
per on
2. Equipment Cost: The aggregate Equipment Cost for all Items of Equipment delivered pursuant to this Restated Lease Supplement No. 2 shall be the aggregate Equipment Cost stated in Schedule II to this Restated Lease Supplement No. 2. The Equipment Cost for an Item of Equipment shall, notwithstanding the definition of Equipment Cost for an Item of Equipment set forth in the Lease, which is hereby superseded with respect to Equipment described in this Restated Lease Supplement No. 2, be equal to the aggregate Equipment Cost stated in Schedule II to this Restated Lease Supplement No. 2 divided by the total number of cars described on such Schedule II.
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5. Casualty Loss Values: For any date, the amount determined by multiplying the Equipment Cost of the relevant Item of Equipment by the percentage set forth opposite each Casualty Loss Value Payment Date as set forth on Schedule IV to this Restated Lease Supplement No. 2.

6. <u>Certain Values</u>			
<u>Expiration of:</u>	<u>Maximum Lessee Risk Amount:</u>	<u>Maximum Lessor Risk Amount:</u>	<u>End-of-Term Purchase Option Amount:</u>
Additional Term	\$29,748,360.00	\$6,047,640	\$38,000.00 per each Item of Equipment

7. Restated Lease Supplement No. 2. Upon its delivery, this Restated Lease Supplement No. 2 shall supersede and replace Lease Supplement No. 1, the Restated Lease Supplement and each of the Acceptance Notices delivered thereunder and shall be the "Lease Supplement" for all purposes of the Lease.

The Lessor shall make such filings under Section 3 of the Lease as it shall reasonably determine are necessary or prudent of or with respect to this Restated Lease Supplement No. 2.

8. **THIS RESTATED LEASE SUPPLEMENT NO. 2 AND ITS TERMS AND CONDITIONS ARE HEREBY INCORPORATED BY REFERENCE IN THE LEASE.**
9. **THIS RESTATED LEASE SUPPLEMENT NO. 2 ALONG WITH A CERTIFIED COPY OF THE LEASE SHALL CONSTITUTE CHATTEL PAPER FOR PURPOSES OF THE UNIFORM COMMERCIAL CODE. NO SECURITY INTEREST IN THE LEASE MAY BE CREATED THROUGH THE TRANSFER OF POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1 OF THIS RESTATED LEASE SUPPLEMENT NO. 2.**

IN WITNESS WHEREOF, the parties hereto have caused this Restated Lease Supplement No. 2 to be duly executed by their duly authorized representatives as of the 1st day of May, 2006.

Attest:

By: Carol Walters
Name: Carol Walters
Title: VP Operations

By: Carol Walters
Name: Carol Walters
Title: VP Operations

Lessor:

SIEMENS FINANCIAL SERVICES, INC.

By: [Signature]
Name: Roland Chalons-Browne
Title: CEO

By: [Signature]
Name: ROBERT J. KNAPP
Title: SR. VP & CFO

Lessee:

Attest:

ALABAMA POWER COMPANY

By: _____
Name:
Title:

By: _____
Name:
Title:

THIS IS COUNTERPART NO. _____ OF FIVE (5) SERIALLY NUMBERED MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT, IF ANY, THAT THIS DOCUMENT CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST IN THIS DOCUMENT MAY BE PERFECTED THROUGH THE POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

IN WITNESS WHEREOF, the parties hereto have caused this Restated Lease Supplement No. 2 to be duly executed by their duly authorized representatives as of the 1st day of May, 2006.

Lessor:

Attest:

SIEMENS FINANCIAL SERVICES, INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

By: _____
Name:
Title:

By: _____
Name:
Title:

Lessee:

Attest:

ALABAMA POWER COMPANY

By: *Cailla H. Shorts*
Name: *Cailla H. Shorts*
Title: *Assistant Secretary*

By: *Art P. Beattie*
Name: ART P. BEATTIE
Title: EXECUTIVE VICE PRESIDENT
CFO & TREASURER

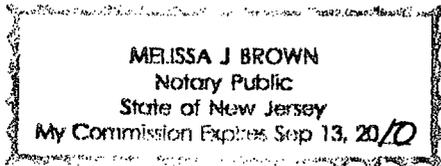
THIS IS COUNTERPART NO. _____ OF FIVE (5) SERIALY NUMBERED MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT, IF ANY, THAT THIS DOCUMENT CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST IN THIS DOCUMENT MAY BE PERFECTED THROUGH THE POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

STATE OF *New Jersey*

COUNTY OF *Middlesex*, ss:

On this *1st* day of *April*, 2006, before me personally appeared *Roland Chalmers-Browne*, to me personally known, who being by me duly sworn, says [s]he is the *CEO* of SIEMENS FINANCIAL SERVICES, INC., that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and [s]he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]



Notary Public *Melissa J Brown*

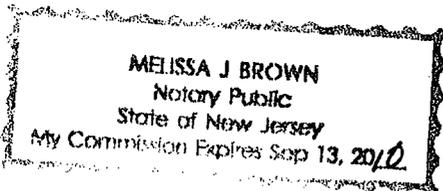
My Commission Expires: *9.13.2010*

STATE OF *New Jersey*

COUNTY OF *Middlesex*, ss:

On this *18th* day of *April*, 2006, before me personally appeared *Robert J. Knapp*, to me personally known, who being by me duly sworn, says [s]he is the *SR. VP + CFO* of SIEMENS FINANCIAL SERVICES, INC., that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and [s]he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]



Notary Public *Melissa J Brown*

My Commission Expires: *9.13.2010*

STATE OF *Alabama*

COUNTY OF *Jefferson*, ss:

On this *1* day of *May*, 2006, before me personally appeared *Art P. Beattie* to me personally known, who being by me duly sworn, says [s]he is the *Exec. VP, CFO + Treasurer* of ALABAMA POWER COMPANY, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and [s]he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Quita A. Baker
Notary Public

[NOTARIAL SEAL]

Feb 3 2009
My Commission Expires:

SCHEDULE I
TO RESTATED LEASE SUPPLEMENT NO. 2

Mechanized Rapid Discharge® V Coal Cars – 4418 Cubic Foot Capacity

Car Numbers: JHMX99001 – JHMX99014 (14 cars)
 JHMX99016 – JHMX99019 (4 cars)
 JHMX99021 – JHMX99028 (8 cars)
 JHMX99030 – JHMX99087 (58 cars)
 JHMX99089 – JHMX99193(105 cars)
 JHMX99195 – JHMX99248 (54 cars)
 JHMX99250 – JHMX99271 (22 cars)
 JHMX99273 – JHMX99310 (38 cars)
 JHMX99312 – JHMX99327 (16 cars)
 JHMX99329 – JHMX99334 (6 cars)
 JHMX99336 – JHMX99407 (72 cars)
 JHMX99409 – JHMX99604 (196 cars)
 JHMX99606 – JHMX99651 (46 cars)
 JHMX99653 – JHMX99674 (22 cars)
 JHMX99676 (1 car)
 JHMX99678 – JHMX99695 (18 cars)
 JHMX99697 – JHMX99704 (8 cars)
 JHMX99706 – JHMX99840 (135 cars)
 JHMX991321– JHMX991340 (20 cars)
 JHMX991342-- JHMX991440 (99 cars)

SCHEDULE II
TO RESTATED LEASE SUPPLEMENT NO. 2

JHMX99001 – JHMX99014 (14 cars)

JHMX99016 – JHMX99019 (4 cars)

JHMX99021 – JHMX99028 (8 cars)

JHMX99030 – JHMX99087 (58 cars)

JHMX99089 – JHMX99193(105 cars)

JHMX99195 – JHMX99248 (54 cars)

JHMX99250 – JHMX99271 (22 cars)

JHMX99273 – JHMX99310 (38 cars)

JHMX99312 – JHMX99327 (16 cars)

JHMX99329 – JHMX99334 (6 cars)

JHMX99336 – JHMX99407 (72 cars)

JHMX99409 – JHMX99604 (196 cars)

JHMX99606 – JHMX99651 (46 cars)

JHMX99653 – JHMX99674 (22 cars)

JHMX99676 (1 car)

JHMX99678 – JHMX99695 (18 cars)

JHMX99697 – JHMX99704 (8 cars)

JHMX99706 – JHMX99840 (135 cars)

JHMX991321– JHMX991340 (20 cars)

JHMX991342– JHMX991440 (99 cars)

TOTAL CARS: 942

TOTAL COST: \$43,105,734.00

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: _____

5/1/06



Robert W. Alvord