

RECORDATION NO. 26415 FILED

JUN 23 '06 11-11 AM

SURFACE TRANSPORTATION BOARD

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

June 23, 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 June 23, 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

Mr. Vernon A. Williams
June 23, 2006
Page 2

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

594 Mechanized Rapid Discharge® V Coal railcars within the two series JHMX 99841 – JHMX 99999, JHMX 991000 – JHMX 991320 and JHMX 991441 – JHMX 991560 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,



Edward M. Luria

RWA/sem
Enclosures

JUN 23 '06 11-11 AM

SURFACE TRANSPORTATION BOARD

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 June 4, 1999 between SIEMENS FINANCIAL SERVICES, INC., as Lessor, and ALABAMA POWER COMPANY, as Lessee (as supplemented by that certain Restated Lease Supplement dated as of June 23, 1999, and all Lease Supplements and Acceptance Notices related thereto and/or superseded thereby, and as amended by that certain Amendment No. 1 to Equipment Leasing Agreement dated as of June 23, 2006, and as further amended and supplemented from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: 594 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 June 23, 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.

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	\$18,758,520.00	\$3,813,480.00	\$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 the Restated Lease Supplement dated June 23, 1999 and all Acceptance Notices and Lease Supplements related thereto and superseded thereby, and shall be the "Lease Supplement" for all purposes of the Lease.

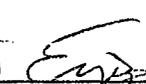
The Lessor shall make such filings under Section 3 of the Lease as it shall reasonably determine are necessary or prudent of or with respect to this Restated Lease Supplement No. 2.

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 23rd day of June, 2006.

Attest:

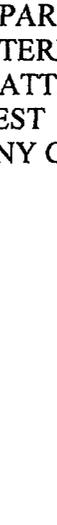
By: 
Name: ERNEST ERICKSON
Title:

By: 
Name: ERNEST ERICKSON
Title:

Lessor:

SIEMENS FINANCIAL SERVICES, INC.

By: 
Name: Roland Chalmers Brown
Title: CEO

By: 
Name: Kenneth G. Sullivan
Title: Vice President of Credit and Operations

Attest:

By: _____
Name:
Title:

Lessee:

ALABAMA POWER COMPANY

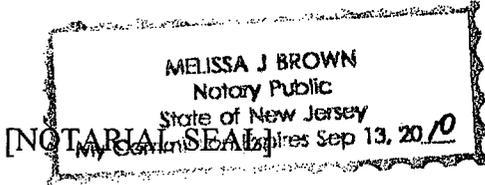
By: _____
Name:
Title:

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 21st day of June, 2006, before me personally appeared Roland Chalons-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.



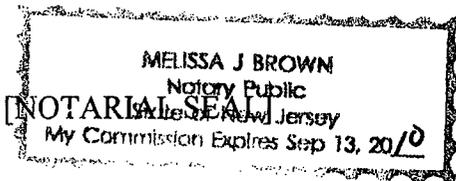
Notary Public *Melissa J Brown*

My Commission Expires: 9/13/2010

STATE OF New Jersey

COUNTY OF Middlesex , ss:

On this 21st day of June, 2006, before me personally appeared Kenneth G. Sullivan, to me personally known, who being by me duly sworn, says [s]he is the Vice President 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.



Notary Public *Melissa J Brown*

My Commission Expires: 9/13/2010

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 23rd day of June, 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: *Ceila H. Shorts*
Name: *Ceila H. Shorts*
Title: *Assistant Secretary*

By: *Art P. Beattie*
Name: *Art P. Beattie*
Title: *Executive V.P., CFO
and 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 *Alabama*

COUNTY OF *Jefferson* ss: *416828842*

On this *23* day of *June*, 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, + Treas.* 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.

Amith A Baker

Notary Public

Feb 3, 2009

My Commission Expires:

[NOTARIAL SEAL]

SCHEDULE I
TO RESTATED LEASE SUPPLEMENT NO. 2

Five hundred ninety-four (594) Mechanized Rapid Discharge® V Coal Cars:

Car Numbers: JHMX99841– JHMX99960 (120 cars)
 JHMX99961– JHMX991080 (120 cars)
 JHMX991081– JHMX991084 (4 cars)
 JHMX991086– JHMX991175 (90 cars)
 JHMX991178 (1 car)
 JHMX991180 – JHMX991181 (2 cars)
 JHMX991183 – JHMX991200 (18 cars)
 JHMX991201– JHMX991320 (120 cars)
 JHMX991441– JHMX991500 (60 cars)
 JHMX991501– JHMX991542 (42 cars)
 JHMX991544– JHMX991560 (17 cars)

SCHEDULE II
TO RESTATED LEASE SUPPLEMENT NO. 2

JHMX99841– JHMX99960 (120 cars)

JHMX99961– JHMX991080 (120 cars)

JHMX991081– JHMX991084 (4 cars)

JHMX991086– JHMX991175 (90 cars)

JHMX991178 (1 car)

JHMX991180 – JHMX991181 (2 cars)

JHMX991183 – JHMX991200 (18 cars)

JHMX991201– JHMX991320 (120 cars)

JHMX991441– JHMX991500 (60 cars)

JHMX991501– JHMX991542 (42 cars)

JHMX991544– JHMX991560 (17 cars)

TOTAL CARS: 594

TOTAL COST: \$27,163,367.89

SCHEDULE III
TO RESTATED LEASE SUPPLEMENT NO. 2

Rent Payment Date	Basic Rent	Interest Component	Principal Component	Unamortized Lease Balance After Payment Has Been Made
December 23, 2006	\$1,395,477.05	\$821,556.06	\$573,920.99	\$26,589,446.90
June 23, 2007	\$1,378,108.41	\$804,187.43	\$573,920.99	\$26,015,525.92
December 23, 2007	\$1,360,739.78	\$786,818.79	\$573,920.99	\$25,441,604.93
June 23, 2008	\$1,343,371.14	\$769,450.16	\$573,920.99	\$24,867,683.95
December 23, 2008	\$1,326,002.51	\$752,081.52	\$573,920.99	\$24,293,762.96
June 23, 2009	\$1,308,633.87	\$734,712.89	\$573,920.99	\$23,719,841.97
December 23, 2009	\$1,291,265.24	\$717,344.25	\$573,920.99	\$23,145,920.99
June 23, 2010	\$1,273,896.60	\$699,975.62	\$573,920.99	\$22,572,000.00

SCHEDULE IV
TO RESTATED LEASE SUPPLEMENT NO. 2

Casualty Loss Values

<u>Casualty Loss Value Payment Date</u>	<u>Percentage</u>
June 23, 2006	103%
December 23, 2006	100.82%
June 23, 2007	98.63%
December 23, 2007	96.45%
June 23, 2008	94.27%
December 23, 2008	92.08%
June 23, 2009	89.90%
December 23, 2009	87.72%
June 23, 2010	85.53%

CERTIFICATION

I, Edward M. Luria, an attorney licensed to practice in the District of Columbia, the State of Delaware and the Commonwealth of Pennsylvania, 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: June 23, 2006



Edward M. Luria