



STATE OF ALABAMA
PUBLIC SERVICE COMMISSION
P.O. BOX 304260
MONTGOMERY, ALABAMA 36130

TWINKLE ANDRESS CAVANAUGH, PRESIDENT

JOHN A. GARNER, EXECUTIVE DIRECTOR

JEREMY H. ODEN, ASSOCIATE COMMISSIONER

CHRIS "CHIP" BEEKER, JR., ASSOCIATE COMMISSIONER

Alabama Power Company,
Petitioner

Petition: Rate RSE (Rate Stabilization
and Equalization)

Dockets 18117 and 18416

ORDER

BY THE COMMISSION:

At the Commission's monthly meeting on February 5, 2019, the Electricity Policy Division of the Commission Staff provided a report concerning the results for Alabama Power Company ("Company") under Rate RSE (Rate Stabilization and Equalization) for the 12 months ended December 31, 2018. Among other things, the Staff reported that, pursuant to the terms and conditions of Rate RSE, the Company is required to refund for the benefit of customers revenues currently estimated to be approximately \$109 million.

Under the terms of Rate RSE, the Commission retains the authority to direct the disposition of the refund amount for the benefit of customers. To this end, the Staff has recommended that \$34 million be refunded to customers during the months of July – September 2019 with the remainder of approximately \$75 million¹ applied to reduce the under-recovered balance in Rate ECR (Energy Cost Recovery). Refunds would be calculated in a manner

¹ The eventual amount applied to Rate ECR will reflect any undistributed amounts associated with the customer refund.

consistent with the provisions of Rate RSE, as modified by the Commission's May 7, 2018 Order, with the final distribution spread evenly over the months of July – September 2019. This recommended application would directly benefit customers by returning a portion of the refund to customers through bill credits while utilizing the remaining balance to offset under-collected costs in Rate ECR that would otherwise have to be collected from customers.

Having considered the Staff's recommendation, the Commission **FINDS** the proposed application of the required refund under Rate RSE to be reasonable and appropriate. The Commission **FURTHER FINDS** that this application is to the benefit of customers because it returns a portion of the refund to customers through bill credits and also reduces under-collected costs in Rate ECR for which customers would otherwise be responsible.

IT IS, THEREFORE, DIRECTED AND ORDERED BY THE COMMISSION that for purposes of the refund required under Rate RSE related to the 12-months ended December 31, 2018, the Company shall refund \$34 million to customers during the months of July – September 2019 and shall apply the remainder of approximately \$75 million to Rate ECR (Energy Cost Recovery).

IT IS FURTHER ORDERED BY THE COMMISSION that the Company shall inform the Staff of the accounting entries made to apply a portion of the refund amount to Rate ECR, as described above, along with any other information reasonably necessary to confirm implementation of this directive.

IT IS FURTHER ORDERED BY THE COMMISSION that jurisdiction in this cause is, hereby, retained for any further order or orders that this Commission may find just and reasonable under the circumstances.

IT IS FURTHER ORDERED BY THE COMMISSION that this Order shall be effective as of the date hereof.

DONE at Montgomery, Alabama, this the 5th day of February, 2019.

ALABAMA PUBLIC SERVICE COMMISSION



Twinkle Andress Cavanaugh, President



Jeremy H. Oden, Commissioner



Chris "Chip" Beeker, Jr., Commissioner

ATTEST: A True Copy



Walter L. Thomas, Jr., Secretary