

ALABAMA PUBLIC SERVICE COMMISSION P.O. BOX 304260 MONTGOMERY, ALABAMA 36130-4260

TWINKLE ANDRESS CAVANAUGH, PRESIDENT

JOHN A. GARNER, EXECUTIVE DIRECTOR

JEREMY H. ODEN, ASSOCIATE COMMISSIONER

CHRIS "CHIP" BEEKER, JR., ASSOCIATE COMMISSIONER

MEMORANDUM

DATE:

August 25, 2020

TO:

Commissioner Twinkle Andress Cavanaugh

Commissioner Jeremy H. Oden

Commissioner Chris "Chip" Beeker, Jr.

FROM:

Darrell A. Baker, Director

**Utility Services Division** 

SUBJ ECT:

Agenda for September 1, 2020 Commission Meeting.

The following items will be presented to the Commission during the regular September 1, 2020 Commission Meeting.

# CONSUMER SERVICES REPORT

# CONSUMER SERVICES ELECTRIC & GAS INQUIRIES

# August

Company	Service Category	Total Inquiries	Service Outage Interruption	Service Quality	Service Connection	Service Disconnected	Billing Issues	Payment Issues	Request Info Only
Alabama Power	Residential	13	2	3			2		6
	Business	3			1				2
					or and an analysis of	5 F			
Spire Alabama	Residential	7	d.	1	1	25.200			5
	Business								
	2		2						3
Spire Gulf	Residential	3					3		
	Business	1					1		777
		A A G	rest restriction		n pre gra			The state of the s	
TOTAL	Residential	23	2	4	1		5		11
	Business	4			1		1		2

# **BASIC SERVICE ONLY**

			24		ISIC SEILV	.02 01121				
Company	Service Category	Total Inquiries	Service Outage	Service Quality	Service Connection	Service Disconnection	Billing Issues	Payment Issues	Lifeline	Request Info Only
ILEC	Residential							110		
ILEC	Business									
			3	3			1		3	
CLEC	Residential	2	1				1		e i ann	149
CLEC	Business	1				1				
TOLL	Residential Business									
OTHER	Residential									***************************************
	Business									
The Francisco To The		1 3 34		3 55	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	je je	a se bi		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
Total Under PSC Complaint Jurisdiction		3	1			1	1			

# OTHER RETAIL SERVICES/ISSUES

Service Category	Total Inquiries	Toll Service	Internet Service	Slamming Cramming	Wireless Issues	Number Porting Issues	Video CATV	Inmate Calling Service	Request Info Only
Residential	12		11				1		
Business	3		2			1			
Total									
Not Under PSC Jurisdiction	14		13				1		
Under PSC Jurisdiction	1					1			

Other Retail Services/Issues Under PSC Jurisdiction (Above)	1
Basic Service Inquiries Under PSC Jurisdiction (Previous Page)	3
Total Telecom Inquiries Under PSC Jurisdiction (Non-referrals)	4
Inquiries Not Subject to PSC Jurisdiction	14

Referred Inquiries						
(Waived Complaint Jurisdiction)						
Residential	22					
Business	2					
TOTAL	24					

TOTAL TELECOM INQUIRIES								
Under PSC Complaint Jurisdiction	Waived Complaint Jurisdiction (Referrals)	Received But Not Under PSC Jurisdiction	Total Received					
4	24	14	42					

Utility Services Agenda Monthly Commission Meeting August 25, 2020 Page 2

# Gas Agenda

#### **NATURAL GAS**

Docket 18046 and SPIRE ALABAMA INC. -- Division Report on Rate RSE as of July 31, 18328 2020

Based on preliminary figures at point-of-test July 31, 2020, the projected RSE return on average common equity for the rate year ending September 30, 2020, was 10.62 percent, which was within the authorized range and results in no adjustment to rates. The authorized return on average common equity is 10.15 to 10.65 percent.

Docket 28101 SPIRE GULF INC. -- Division Report on Rate RSE as of July 31, 2020

Based on preliminary figures at point-of-test July 31, 2020, the projected RSE return on average common equity for the fiscal year ending September 30, 2020, was 11.65 percent, which was above the authorized range. As a result, rates will be reduced by \$1,445,029 effective October 1, 2020, through September 30, 2021, to reflect the adjustment under the normal operation of RSE. The authorized return on average common equity is 10.45 to 10.95 percent.

- Docket U-4494 <u>SPIRE ALABAMA INC.</u> -- Application for Approval of an Amendment to a Special Services Agreement with Tennessee Aluminum Processors, Inc Recommend Approval.
- Docket U-5346 SPIRE ALABAMA INC. -- Application for Approval of a Special Services Agreement with Rheem Manufacturing Company Recommend Approval.

Utility Services Agenda Monthly Commission Meeting August 25, 2020 Page 3

# Water Agenda

# **WASTEWATER**

**Docket 31555** 

O'BRIEN ENVIRONMENTAL SERVICES, LLC -- Petition requesting approval to Modify O'Brien Envirionmental, LLC's Certificate of Financial Viability to add the Legends at Brushy Creek Phase III wastewater system. Recommend approval.

Utility Services Agenda Monthly Commission Meeting August 25, 2020 Page 4

# **Telecommunication Agenda**

# **CERTIFICATION (S)**

Docket 25980

**ALL ELIGIBLE TELECOMMUNICATIONS CARRIERS --**

Implementation of the Universal Service Requirements of Section 254 of the Telecommunications Act of 1996 and 47 C.F.R. § 54.314. All Eligible Telecommunications Carriers (ETCs) for high cost universal funding seek certification of their eligibility and expenditure for the 2021 USF Connect America Fund and high cost support. Certifies the eligibility of the petitioning ETCs and notifies the Federal Communications Commission of that certification.

Recommend approval.

#### SUSPENSION (S)

Docket U-5345

BELLSOUTH TELECOMMUNICATIONS, LLC d/b/a AT&T ALABAMA or AT&T SOUTHEAST -- In the General Subscribers Services Tariff, increases the Basic 911 monthly exchange line rate from \$232 to \$279. Filed August 11, 2020, with a requested effective date of September 10, 2020. Staff recommends suspension of the filing for up to 180 days (through March 8, 2021).

Recommend Approval.

## **MISCELLANEOUS**

Docket U-5343

BELLSOUTH TELECOMMUNICATIONS, LLC d/b/a AT&T
ALABAMA or AT&T SOUTHEAST -- Makes textual changes to remove deregulated Maintenance of Service charges in the Access Services Tariff. Terms and conditions for these charges are located in the Company's Interstate Access Guidebook. Filed July 29, 2020, with a requested effective date of August 28, 2020.

Recommend Approval.



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

# <u>MEMORANDUM</u>

DATE:

August 25, 2020

TO:

President Twinkle Andress Cavanaugh

Commissioner Jeremy H. Oden

Commissioner Chris "Chip" Beeker, Jr.

FROM:

Wallace R. Jones, Director WR9

**Gas Pipeline Safety Division** 

SUBJECT: Agenda for September 1, 2020 Commission Meeting

This memorandum reflects activities of the Gas Pipeline Safety (GPS) Division that will be presented at the September 1, 2020 Commission Meeting.

> GPS performed the following inspections during the month of July 2020:

Standard Inspection	Construction	IMP/DIMP	Operator Qualification	Incident	Damage Prevention	Control Room	Follow- Up	TOTAL Inspections
23	3		15			1	8	50

From the 50 inspections shown above, seven (7) enforcement letters of notification were issued, noting sixteen (16) non-compliance issues during the month of July. Five (5) non-compliance items were corrected during the month of July.

# **Incidents/Accidents**

One state-reportable incident was reported during the month of July:

> 7/21/2020 - Spire - Montgomery; Spire crew mistakenly retired a 4" plastic main resulting in an outage for 141 customers

# Training

Two operator/contractor training sessions on Polyethylene (PE) plastic fusion were conducted during the month of July:

> 7/7/2020 – South Alabama Utilities

19 Personnel Qualified

> 7/21/2020 – Cullman-Jefferson Gas District

14 Personnel Oualified

# Miscellaneous

Mr. Glynn Blanton, Pipeline and Hazardous Materials Safety Administration (PHMSA) Southern Region Liaison participated in field inspections at Spire's Pinson Liquefied Natural Gas (LNG) facility, Cullman-Jefferson Gas District in Cullman and Hunt Oil in Tuscaloosa on July 14th through July 16th. These inspections concluded the annual PHMSA audit of the Alabama Public Service Commission's (APSC) GPS Division. Mr. Blanton had been in Montgomery previously to conduct the records inspection in the GPS offices. GPS received a score of 100 on both the natural gas and hazardous liquid audits. Mr. Blanton conducted a virtual exit interview with Mr. Jones and Judge John Garner, Executive Director of the APSC on July 27<sup>th</sup>.

Mr. Wallace Jones, GPS Division Director and National Association of Pipeline Safety Representatives (NAPSR) National Chair made a presentation to the American Public Gas Association (APGA) during their Annual Conference on July 22<sup>nd</sup>. Mr. Jones discussed the effects of COVID-19 on the pipeline safety inspections conducted by the state pipeline safety programs.

Mr. Jones attended the quarterly Alabama Liquefied Petroleum Gas (LPG) Board meeting on July 23rd at the Alabama LPG Association in Prattville. This was the first board meeting held since the beginning of the COVID-19 pandemic. General business only was conducted. Several issues were tabled due to concerns over the meeting lasting too long.

Mr. Jones and several of the GPS investigators participated in the Louisiana Gas Association's (LGA) Virtual Pipeline Safety Conference on July 28th through July 30th. Mr. Jones made a presentation as the NAPSR National Chair and discussed how COVID-19 had affected the states' inspections and several new regulations that had recently been initiated by PHMSA. Alabama is a co-sponsor of this event each year and normally attends in person to assist the LGA with the conference.



ALABAMA PUBLIC SERVICE COMMISSION P. O. BOX 304260 MONTGOMERY, ALABAMA 36130-4260

TWINKLE ANDRESS CAVANAUGH, PRESIDENT JEREMY H. ODEN, ASSOCIATE COMMISSIONER CHRIS "CHIP" BEEKER, JR., ASSOCIATE COMMISSIONER

JOHN A. GARNER, EXECUTIVE DIRECTOR

# MEMORANDUM

DATE:

August 21, 2020

TO:

**President Twinkle Andress Cavanaugh** 

Commissioner Jeremy H. Oden

Commissioner Chris "Chip" Beeker, Jr.

FROM:

Janice M. Hamilton, Directo

Utility Enforcement Division

SUBJECT: Agenda for the September 1, 2020 Commission Meeting

This memorandum reflects the Utility Enforcement Division's (UED) report describing the major tasks, inspections and activities accomplished by its staff during the month of July 2020.

# RAILWAY SAFETY

The track inspection results below reflect activity by our Railway Safety (RWS) Staff in the field.

Rail Carriers	Regular Track	Track Defects	Violation	Track Miles	Track Turnouts
Visited	Inspections	Identified	Recommended	Inspected	Inspected
8	27	121	0	225	113

The table below reflects track safety observations made in which no non-compliant condition was identified. Forty-seven roadway workers' safe practices were observed.

Railroad Bridge	Roadway Worker	Roadway Maintenance	Bridge Worker
Observations	Protection	Machines	Safety
0	17	19	0

The data in the table shown below was collected from Motive Power & Equipment (MP&E) inspections that were performed on locomotives, freight cars, tank cars, and other railroad equipment.

Rail Carriers	Regular Eqpt.	Defects	Violations	Number of
Visited	Inspections	Identified	Recommended	Units Inspected
5	12	82	0	841

The table below shows observations completed by the MP&E Inspector in which no non-compliant condition was identified.

Air Brake	Blue Flag	End of Train
Tests	Protection	Devices
1	1	1

The RWS Staff examined a train derailment on the **Autauga Northern Railroad (AUT)** main line in July. An AUT train struck an earth moving dump truck near the Town of Billingsley and caused County Road 77 to be closed for about 48 hours while repairs were being made to the track and highway.

The RWS Inspectors also investigated a freight train derailment on the **Norfolk Southern Railway** (NS) in Coaling. The derailment cause has still not been determined. This incident delayed **Amtrak** service for several hours while cleanup and repairs were made.

Also, during the month, the National Response Center reported a CSX freight train strike of a car in Parrish where the driver was killed. Additionally, a tractor was struck by a train at a crossing in Opelika which resulted in an injury to the driver of the tractor.

# **MOTOR CARRIER SERVICES**

The Motor Carrier Services (MCS) staff accomplished the following matters regarding state authority to operate as a motor carrier in Alabama with proof of insurance coverage:

Vehicle Registration	Intra Applic		NOL Processed/ Closed Intra	Under Legal Division	New Authority		otor Carr ority Inq	
Numbers	Processed	Returned	Applications	Review	Approved	Phone	E-mails	Others
23	9	1	1	7	9	68	53	23

MCS staff members handled the tasks shown below regarding insurance coverage, prepared correspondence that challenged incorrect filings and addressed related inquiries:

Insurance	Revocation	Reinstatement	Miscellaneous	Letters	Insurance Inquiries	
Filings Received	Orders	Orders	Actions	Sent	Phone	E-mails
348	13	23	4	21	60	317

The Section addressed the following Unified Carrier Registration (UCR) responsibilities:

UCR Applications		UCR Mail outs	UCR Audit	<b>UCR Inquiries</b>	
Received	Returned	for 2020	Correspondence	Phone	E-mail
32	10	2,521	46	175	33

As of July 31, there were 7,303 Alabama carriers (78%) registered for 2020 UCR with 2,086 that need to register. Our office received funds from the UCR Depository for June online payments that were processed through the National Registration System (NRS) from 662 carriers that were domiciled in Alabama and some that were based in non-participating states.

In July, the staff mailed nine letters pertaining to Focused Anomaly Reviews (FARs) for 2020 UCR registration year and one for the 2019 UCR registration year. A total of \$1,282 was collected from FARs for the month. In addition to the FARs audit letters, two letters pertaining to inspection audits were mailed.

The staff also assisted motor carriers in making necessary changes to their operating status with the Federal Motor Carrier Safety Administration (FMCSA). There were 30 MCS-150 forms processed indicating that 17 motor carriers' USDOT number were deactivated and 13 forms contained updates to carriers' USDOT number data.

The staff received 17 For Non-Profit (FNP) quarterly reports from FNP carriers for the second quarter of 2020.

The MCS staff received 36 annual reports for 2019 during the month of July. At the beginning of the month, the staff mailed 56 certified letters regarding the 2019 annual report to all delinquent passenger and household goods carriers.

In July, one household goods tariff for **Dutton Investments**, LLC d/b/a College Hunks Hauling Junk & Moving (NEW) was accepted.

The staff completed compliance audits for the following two carriers:

- Suthern Comfort, Inc. d/b/a Southern Comfort Limousine (C3069) It was recommended that the carrier update their current tariff and maintain operations within their geographical scope.
- All My Sons Moving & Storage of Birmingham, LLC (C3915) –It was recommended
  that the carrier remit inaccurate charges to shipper who filed a complaint against the carrier.

The MCS staff conducted the annual records inspection review with **Rasier**, **LLC** (**Uber**) on July 21. The staff did not find any non-compliant issues.

# FIELD SERVICES

The Field Services Section (FSS) staff inspected **Lakeside Leisure's** water reselling facilities located at Windemere Cove RV Resort in Langford. When tested at an available faucet, clear fluid flowed with sufficient pressure.

Nine wastewater treatment systems, managed by **O'Brien Environmental Services, LLC**, were inspected in North Alabama. All systems were performing as designed with no visible defects. Staff spoke with one resident who was curious to know why a masked man was behind his RV taking pictures and notes. Staff introduced himself and explained the nature of his presence. The customer commented that he was very pleased with the wastewater facilities and service available to him.

Webinars were reviewed that provided information about hydroelectric plants, as well as electrical power transmission and distribution facilities. Some webinars discussed how power companies and regulatory agencies were ironing out issues surrounding the integration of distributed energy resources into their generation mix. Cybersecurity remains a topic of concern as hackers continue to attempt to gain access to the electric power grid for less than honorable purposes.



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

August 25, 2020

# **MEMORANDUM**

TO: President Twinkle Andress Cavanaugh

Commissioner Jeremy H. Oden

Commissioner Chris "Chip" Beeker, Jr.

FROM: John D. Free, Director 199

**Electricity Policy Division** 

SUBJECT: Agenda – September 1, 2020 Commission Meeting

The Electricity Policy Division will present the following items at the September 1, 2020 Commission Meeting.

# **ELECTRICITY**

# **ALABAMA POWER COMPANY**

<b>Dockets</b>	18117	Division Report on Rate RSE and Rate ECR as of July 31, 2020
	and	
	18416;	The Electricity Policy Division performed the regular monthly examination
	18148	of the books and records of Alabama Power Company. Included in the table
		below are selected financial highlights concerning Rate RSE and Rate ECR.
		In addition, the Division's computations and determinations of the December
		2020 Weighted Return on Average Retail Common Equity (WRRCE),
		actualized through July 2020, can be found on page 2 of this report.

Rate RSE Forecast	Rate ECR Summary
12 Months Ending DECEMBER 31, 2020	Energy Cost Over/(Under)  Recovered for  JULY 2020
6.45% WRRCE	(\$1,849,185)

<sup>\*</sup>The authorized Weighted Return on Average Retail Common Equity Range is 5.75% - 6.15%.

# ELECTRICITY POLICY DIVISION AGENDA September 1, 2020 Commission Meeting Page 2

## **ELECTRICITY POLICY DIVISION**

# Alabama Power Company Weighted Return on Average Retail Common Equity Calculation Forecast - 12 Months Ending December 31, 2020

Common Equity as of July 31, 2020		\$9,635,103,140		
Add Budgeted Net Income: August through December 2020	\$423,482,414			
Add Budgeted Capital Contributions:  August through December 2020  Add Other Adjustments:  August through December 2020	\$25,812,195 \$0	\$449,294,609		
		\$\frac{1}{2}\frac{1}\frac{1}{2}\f		
Deduct Budgeted Stock Dividends:  August through December 2020	\$249,609,517	\$249,609,517		
Projected Common Equity for December 31, 2020		\$9,834,788,232		
Projected Average Common Equity For the 12 Months Ending December 31, 2020		\$9,653,869,235		
Projected Retail Investment Separation Factor	95.34%			
Projected Average Retail Common Equity For the 12 Months Ending December 31, 2020		\$9,203,998,929		
Projected Retail Net Income For the 12 Months Ending December 31, 2020	\$1,134,982,633			
Projected Common Equity Percentage of Capital Structure For the 12 Months Ending December 31, 2020	52.27%			
Projected Weighted Return on Average Retail Common Equity (WRRCE)  For the 12 Months Ending December 31, 2020  6.459				

The Common Equity as of July 31, 2020 (Actual) was adjusted using net income, payment of Common Stock and Preferred Stock dividends, Capital Contributions, and Other Adjustments from the Company's 2020 budget. The average common equity is a 12-month average using actual and budgeted data. The average retail common equity (RCE) was calculated using the retail separation factor of 95.34%. The retail net income (RNI) for average common equity and the common equity percentage (CEP) were calculated by using actual data for the seven months ended July 31, 2020, and then adding five months of budget data for August through December 2020. The Other Adjustments added to projected common equity is the result of the Company adopting FASB Statement 123 (R), which requires the reporting of stock option expenses.

The Forecast is subject to change due to uncertainties associated with weather, customer usage patterns and economic conditions across the state.



ALABAMA PUBLIC SERVICE COMMISSION P.O. BOX 304260 MONTGOMERY, ALABAMA 36130-4260

TWINKLE ANDRESS CAVANAUGH, PRESIDENT

JEREMY H. ODEN, ASSOCIATE COMMISSIONER

CHRIS "CHIP" BEEKER, JR., ASSOCIATE COMMISSIONER

JOHN A. GARNER, EXECUTIVE DIRECTOR

#### **MEMORANDUM**

DATE:

August 26, 2020

TO:

Commission President Twinkle Andress Cavanaugh

Commissioner Jeremy H. Oden

Commissioner Chris "Chip" Beeker, Jr.

**Division Directors** 

FROM:

Legal Division

SUBJ ECT:

Agenda - September 1, 2020 Commission Meeting

The Legal Division will present the following at the September 1, 2020

Commission Meeting:

**DOCKET 33023** 

(Y) - Motor carrier application of Seeing The Light Non-Emergency Medical Transportation, LLC, of Calera, Alabama, for a Certificate to transport passengers in non-emergency medical transportation service. A Report and Recommended Order ("RRO") was entered in this cause on August 3, 2020, which recommended the application be denied. No exceptions to the RRO were filed within 20 days from the date of service.

**Recommend:** Entry of an order recognizing that the RRO entered in this cause became the order of the Commission by operation of law due to the fact that no Exceptions to the RRO were filed within the statutorily established timeframe of 20 days.

**DOCKET C-19781** 

(Y) - Petition of Harmony Hill Trucking Co., Inc., of Uniontown, Alabama, for reinstatement of Motor Carrier Certificates F3312 & P277 which were revoked due to Petitioner's failure to maintain proper proof of liability and cargo insurance coverage.

Recommend: Grant/Reinstatement

#### **DOCKET 33048**

(B) - Application of Dutton Investments, LLC d/b/a College Hunks Hauling Junk & Moving, of Robertsdale, Alabama, for a Certificate to transport household goods.

Recommend: Grant certificate and approval of tariff

#### **DOCKET C-19606**

(B) - Petition of The Designated Driver LLC, of Eufaula, Alabama, to change its company name to The Designated Driver, LLC., adding a comma and period to the name, and to reinstate Motor Carrier Certificate FNP B-49 which was revoked due to Petitioner's failure to maintain proper proof of liability insurance coverage.

Recommend: Grant/Reinstatement in new company name

#### **DOCKET 31733**

(B) - Petition of Move & Store, LLC, of Birmingham, Alabama, for a waiver from the Rule 3.22 prohibition against having a trade name appear on its vehicles in larger lettering than the name under which the certificate was issued.

**Recommend:** Approval of temporary waiver (one year) from the Rule 3.22 prohibition against having a trade name appear on a vehicle in larger lettering than the name under which the certificate was issued.

#### **DOCKET 33046**

(B) - In Re: Amendment to Rules of Practice. The Commission currently accepts electronically filed documents pursuant to a temporary rule, separate from the Rules of Practice.

Recommend: Establishment of a rulemaking proceeding to consider an amendment to the Commission's Rules of Practice to add the electronic filing requirements to Rule 4. The Commission will publish the proposed amendment to the rules and consider any comments on the proposed amendment if received on or before the close of business on October 1, 2020. Reply comments will be considered by the Commission if received on or before the close of business on October 23, 2020. All comments will also be posted on the website.

#### **DOCKET 33044**

(M) - Show Cause proceeding for motor carriers who failed to file annual reports for 2019 operations. (Alabama Public Service Commission v. All Motor Carriers who failed to file Annual Reports for 2019 operations).

**Recommend:** Issuance of order establishing Show Cause hearing for all motor carriers who failed to file Annual Reports for 2019 operations

# **DOCKET 33040**

(M) - Show Cause proceeding for Trans Cargo Xpress, LLC, of Hialeah, Florida for failure to respond to Commission Order dated August 14, 2020.

**Recommend:** Issuance of an order suspending the 2020 UCR registration of Trans Cargo Xpress, LLC

# DOCKET 32767; U-4226

(G) - Petition by Alabama Power Company ("Alabama Power" or the "Company") to Modify Rate Rider RGB. On April 26, 2018, the Southern Environmental Law Center (SELC), on behalf of James Bankston, Ralph Pfeiffer and Gasp, Inc. (the "Complainants/Intervenors"), filed a complaint (the "Complaint") against Alabama Power alleging that the firm back-up power charges included in Part 1.B. of the Company's Rate Rider RGB were unfair, unreasonable, unjust and discriminatory. The Complaint was assigned to Docket 32767.

On June 15, 2018, Alabama Power filed a Motion to Dismiss the Complaint along with a contemporaneous request to modify the charges under Part 1.B. of Rate Rider RGB (the "Modifications Petition"). Among other things, the Modifications Petition sought to increase Rate Rider RGB's firm back-up power charges from \$5.00 per kW to \$5.41 per kW and its super peak energy charge from \$0.70/kWh to \$0.71/kWh. The modifications proposed were supported by testimony from Ms. Natalie Dean, the Company's Regulatory Pricing Manager. The Modifications Petition was assigned to Docket U-4226. The Complainants/Intervenors filed a Motion to Intervene in Docket U-4226, which was granted by the Commission. The Complainants/Intervenors also filed a Response to Alabama Power's Motion to Dismiss in Docket 32767, along with an Amended Complaint in that Docket.

On August 23, 2018, the Commission issued a Procedural Ruling holding Alabama Power's Motion to Dismiss in Docket 32767 in abeyance. Pursuant to Rule 16 of the Commission's Rules of Practice, the August 23 Procedural Ruling also established an evidentiary cycle to allow for discovery and the submission of testimony and evidence regarding Alabama Power Company's proposed modifications to Rate Rider RGB under consideration in Docket U-4226. Following discovery, the Complainants/Intervenors submitted the testimony of Mr. Karl Rabago. Alabama Power then submitted reply testimony from Ms. Natalie Dean. A public hearing to consider the issues pending in Docket U-4226 and Docket 32767 was held on November 21, 2019. At the November 21, 2019 hearing, the previously submitted testimony of Ms. Dean and Mr. Rabago was entered into the record and both witnesses were submitted for cross-examination. Energy Alabama and the Attorney General's Office were granted Intervenor status by the Commission and also participated in the hearing. At the conclusion of the hearing, the Chief Administrative Law Judge directed the parties to submit their post-hearing briefs in the form of proposed orders. Alabama Power, the Complainants/Intervenors and Energy Alabama each submitted post hearing briefs in the form of proposed orders.

#### Recommend:

- After extensive review of all of the prefiled testimony, the discovery produced by the parties, the transcript of the hearing and the post hearing briefs in the formof proposed orders, the Commission Staff has determined that Alabama Power has demonstrated that its back-up power service charges are reasonable in that such charges are based on actual metered data, the company's most recent cost-of-service study, and reasonable modeling techniques. In arriving at this conclusion, the staff determined that the Complainants/Intervenors did not provide any substantive evidence, calculations or alternative methods to persuade Commission Staff that Alabama Power's back-up charges should be rejected. Accordingly, it is the Staff's view that the charges for firm back-up power service in Rate Rider RGB as proposed by Alabama Power are just, reasonable, and not unduly discriminatory.
- The staff does, however, recommend the following modifications and conditions:
  - The proposed language modifications submitted by Alabama Power are to be accepted to clarify the language in Part 1.B. of Rate Rider RGB; and
  - Alabama Power is directed, within twelve (12) months of the final order issued in this proceeding, to establish a demand rate option for all residential customers. Any residential customer subject to Rate Rider RGB Part 1.B. shall be allowed to take electric service under the newly established rate in lieu of the other charges provided in Part 1.B. of Rate Rider RGB. Such customers will remain subject to the other provisions of Rate Rider RGB and the Special Rules for Rate Rider RGB

Based on the foregoing, the staff further recommends that Alabama Power's Motion to Dismiss in Docket No. 32767 be granted. All issues relevant to Docket 32767 were taken under thorough consideration in the review of the Modifications Petition filed in Docket U-4226. The Complainant/Interveners' arguments raised in Docket 32767 have therefore been duly considered and resolved.



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

# **MEMORANDUM**

DATE:

August 27, 2020

TO:

Commission President Twinkle Andress Cavanaugh

Commissioner Jeremy H. Oden

Commissioner Chris "Chip" Beeker, Jr.

**Division Directors** 

FROM:

Legal Division

SUBJECT:

Off Agenda Item - September 1, 2020 Commission Meeting

In addition to the items listed on our previous agenda, the Legal Division will present the following item at the September 1, 2020, Commission Meeting:

# OFF AGENDA ITEM SEPTEMBER 1, 2020, COMMISSION MEETING

**DOCKET 33042(Y)** – Unopposed motor carrier application of Khidhr LLC d/b/a Khidhr, of Smiths Station, Alabama, for a certificate to transport passengers and their baggage in special or charter taxi operations. The Applicant waived its right to a Report and Recommended Order at the hearing.

**RECOMMEND:** 

Grant