



**STATE OF ALABAMA**  
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: February 23, 2021

TO: Commissioner Twinkle Andress Cavanaugh  
Commissioner Jeremy H. Oden  
Commissioner Chris "Chip" Beeker, Jr.

FROM: Darrell A. Baker, Director *DAB*  
Utility Services Division

SUBJECT: Agenda for March 2, 2021 Commission Meeting.

The following items will be presented to the Commission during the regular March 2, 2021 Commission Meeting.

# **CONSUMER SERVICES REPORT**

## CONSUMER SERVICES ELECTRIC & GAS INQUIRIES

February

Company	Service Category	Total Inquiries	Service Outage Interruption	Service Quality	Service Connection	Service Disconnected	Billing Issues	Payment Issues	Request Info Only
<b>Alabama Power</b>	Residential	<b>51</b>			3	2	25	18	3
	Business								
<b>Spire Alabama</b>	Residential	<b>4</b>			1	2	1		
	Business	<b>1</b>			1				
<b>Spire Gulf</b>	Residential	<b>4</b>					4		
	Business								
<b>TOTAL</b>	Residential	<b>59</b>			4	4	30	18	3
	Business	<b>1</b>			1				

**BASIC SERVICE ONLY**

<b>Company</b>	<b>Service Category</b>	<b>Total Inquiries</b>	<b>Service Outage</b>	<b>Service Quality</b>	<b>Service Connection</b>	<b>Service Disconnection</b>	<b>Billing Issues</b>	<b>Payment Issues</b>	<b>Lifeline</b>	<b>Request Info Only</b>
ILEC	Residential									
	Business									
CLEC	Residential	7	4	1		2				
	Business									
TOLL	Residential									
	Business									
OTHER	Residential									
	Business									
<b>Total Under PSC Complaint Jurisdiction</b>		<b>7</b>	<b>4</b>	<b>1</b>		<b>2</b>				

**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	9		6		1		1		1
Business									
<b>Total</b>	<b>9</b>		<b>6</b>		<b>1</b>		<b>1</b>		<b>1</b>
Not Under PSC Jurisdiction	8		6		1		1		
<b>Under PSC Jurisdiction</b>	<b>1</b>								<b>1</b>

<b>Other Retail Services/Issues Under PSC Jurisdiction (Above)</b>	<b>1</b>
<b>Basic Service Inquiries Under PSC Jurisdiction (Previous Page)</b>	<b>7</b>
<b>Total Telecom Inquiries Under PSC Jurisdiction (Non-referrals)</b>	<b>8</b>
<b>Inquiries Not Subject to PSC Jurisdiction</b>	<b>8</b>

<b>Referred Inquiries (Waived Complaint Jurisdiction)</b>	
Residential	11
Business	1
<b>TOTAL</b>	<b>12</b>

<b>TOTAL TELECOM INQUIRIES</b>			
Under PSC Complaint Jurisdiction	Waived Complaint Jurisdiction (Referrals)	Received But Not Under PSC Jurisdiction	Total Received
<b>8</b>	<b>12</b>	<b>8</b>	<b>28</b>

**Gas Agenda**

**NATURAL GAS**

Docket 18046 and SPIRE ALABAMA INC. -- Division Report on Rate RSE as of January 31,  
18328 2021

Based on preliminary figures at point-of-test January 31, 2021, the projected RSE return on average common equity for the fiscal year ending September 30, 2021, was 10.81 percent, which was above the authorized range. As a result, rates will be reduced by \$2,835,972 effective April 1, 2021, to reflect the adjustment under the normal operation of RSE. 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 January 31, 2021

Based on preliminary figures at point-of-test January 31, 2021, the projected RSE return on average common equity for the rate year ending September 30, 2021, was 9.53 percent, which was below the authorized range and results in no adjustment to rates. The authorized return on average common equity is 10.45 to 10.95 percent.

Docket U-3727 SPIRE ALABAMA INC. -- Application for approval of a Base Contract for Sale and Purchase of Natural Gas with BBT Alabama Intrastate, LLC (formerly American Midstream).

Recommend Approval.

Docket U-5358 SPIRE ALABAMA INC. -- Application for approval of a Base Contract for Sale and Purchase of Natural Gas with CIMA Energy, LP.

Recommend Approval.

**Telecommunication Agenda**

**INTERCONNECTION AGREEMENT (S)**

Docket U-5359 HARGRAY OF ALABAMA, INC. and WINDSTREAM ALABAMA, LLC  
-- Approval of an Interconnection Agreement between Windstream  
Alabama, LLC and Hargray of Alabama, Inc. pursuant to Sections 251 and  
252 of the Telecommunications Act of 1996.

Recommend Approval.

**CANCELLATION/WITHDRAWAL (S)**

Docket 32244 TALK AMERICA SERVICES, LLC -- By notice received February 8,  
2021, Talk America Services, LLC (Talk America) seeks approval to cancel  
their Certificate of Public Convenience and Necessity and to withdraw their  
tariff. Talk America is certified by the Commission as a CLEC and toll  
reseller. The Company asserts it is no longer providing telecommunications  
services to Alabama consumers.

Recommend Approval.

**SUMMARY OF OTHER FILING (S)**

D-7652 CONSOLIDATED COMMUNICATIONS OF FLORIDA COMPANY,  
INC. -- Increases the rate for residential Basic Local Exchange Service by  
4.6 percent, corresponding to the annual Consumer Price Index change, as  
authorized in the Communications Reform Act. Filed January 26, 2021,  
with a requested effective date of March 1, 2021.



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**MEMORANDUM**

**DATE: February 23, 2021**

**TO: President Twinkle Andress Cavanaugh  
 Commissioner Jeremy H. Oden  
 Commissioner Chris "Chip" Beeker, Jr.**

**FROM: Wallace R. Jones, Director *WRJ*  
 Gas Pipeline Safety Division**

**SUBJECT: Agenda for March 2, 2021 Commission Meeting**

This memorandum reflects activities of the Gas Pipeline Safety (GPS) Division that will be presented at the March 2, 2021 Commission Meeting.

- GPS performed the following inspections during the month of January 2021:

Standard Inspection	Construction	IMP/DIMP	Operator Qualification	Incident	Damage Prevention	Control Room	Follow-Up	TOTAL Inspections
	11		2				31	44

From the forty-four (44) inspections shown above, twenty-two (22) non-compliance items were corrected during the month of January.

**Incidents/Accidents**

No incidents were reported during the month of January.

**Training**

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

- 1/19/2021 – Leak City (Athens) 77 Personnel Qualified
- 1/20/2021 – Southern Directional (Contractor) 53 Personnel Qualified

## Miscellaneous

On January 27<sup>th</sup> Mr. Wallace Jones, Gas Pipeline Safety (GPS) Division Director participated in a call with the Honorable Sherry Sullivan, Mayor of Fairhope. Ms. Sullivan has recently taken over as Mayor of Fairhope and wanted to become more familiar with the non-compliance issues facing the City of Fairhope's gas system. The discussion centered around the progress the Gas Department has made over the last few months and the plan of action that has been initiated by the Mayor and her staff to address the remaining issues. GPS will be conducting more frequent follow-up inspections of the Fairhope system to verify that the recommended compliance actions are continuing.



## STATE OF ALABAMA

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JOHN A. GARNER, EXECUTIVE DIRECTOR

### MEMORANDUM

**DATE:** February 22, 2021

**TO:** President Twinkle Andress Cavanaugh  
Commissioner Jeremy H. Oden  
Commissioner Chris "Chip" Beeker, Jr.

**FROM:** G. Scott Morris, Interim Director *GSM*  
Utility Enforcement Division

**SUBJECT:** Agenda for the March 2, 2021 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 January 2021.

### Railway Safety

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

Rail Carriers Visited	Regular Track Inspections	Track Defects Identified	Violation Recommended	Track Miles Inspected	Track Turnouts Inspected
4	10	32	0	12	36

The table below reflects track safety observations made in which no non-compliant conditions were identified. Ten roadway workers, bridge workers, and practices were observed.

Railroad Bridge Observations	Roadway Worker Protection	Roadway Maintenance Machines	Bridge Worker Safety
0	5	3	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 Visited	Regular Eqpt. Inspections	Defects Identified	Violations Recommended	Number of Units Inspected
6	8	72	0	551

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

<b>Air Brake Tests</b>	<b>Blue Flag Protection</b>	<b>End of Train Devices</b>
3	3	0

There were two incidents reported by the National Response Center in January:

- A trespasser was struck and fatally injured by a **Norfolk Southern** train in Anniston
- Two **CSX** employees fell down an embankment in Montgomery and were transported to the hospital for treatment of unknown injuries

The first report did not require an RWS investigation. The second report was followed up on by RWS inspectors, however, no formal investigation was launched.

There were also two complaints received by RWS staff in January concerning a highway grade crossing that was blocked. The complaints were directed to the online FRA’s Blocked Crossing complaint website.

RWS track inspectors successfully completed **Drone Pilot Ground School**. Also, RWS staff completed the **FAA Small Unmanned Aircraft Pilot Exam** and received drone pilot certifications.

**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:

<b>Vehicle Registration Numbers</b>	<b>Intrastate Applications</b>		<b>NOL Processed/ Closed Intra Applications</b>	<b>Under Legal Division Review</b>	<b>New Authority Approved</b>	<b>Motor Carrier Authority Inquiries</b>		
	<b>Processed</b>	<b>Returned</b>				<b>Phone</b>	<b>E-mails</b>	<b>Others</b>
17	8	1	6	4	4	53	52	25

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

<b>Insurance Filings Received</b>	<b>Revocation Orders</b>	<b>Reinstatement Orders</b>	<b>Miscellaneous Actions</b>	<b>Letters Sent</b>	<b>Insurance Inquiries</b>	
					<b>Phone</b>	<b>E-mails</b>
356	26	12	2	39	58	383

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

<b>UCR Applications</b>		<b>UCR Mail outs for 2021</b>	<b>UCR Audit Correspondence</b>	<b>UCR Inquiries</b>	
<b>Received</b>	<b>Returned</b>			<b>Phone</b>	<b>E-mail</b>
17	6	173	34	184	23

As of January 31, there were 7,079 Alabama carriers (73%) registered for 2021 UCR with 2,635 that remain unregistered. Our office received funds from the UCR Depository for December online payments

processed through the National Registration System (NRS) that came from 3,307 carriers that were domiciled in Alabama and some that were in non-participating states. Also, the UCR Depository made its first distribution for the 2021 registration year.

The staff mailed three pending payment reminder letters for the 2021 UCR registration year.

In January, a total of \$12,894 was collected on Focused Anomaly Reviews (FARs) for the 2021 UCR registration year. In addition to the FARs audits, \$1,056 was collected pertaining to inspection audits.

The staff also assisted motor carriers in making necessary changes to their operating status with the Federal Motor Carrier Safety Administration (FMCSA). There were 18 MCS-150 forms processed indicating that ten motor carrier's USDOT number was deactivated, and eight forms contained updates to carriers' USDOT number data.

Here are some of the highlights from the UCR Board of Directors meeting:

- One Board member announced their retirement and the Board voted to recommend their replacement
- The newly appointed FMCSA Deputy Administrator, Meera Joshi spoke and introduced herself
- The MCS-150 retreat audit program provided by the UCR Board to assist participating states will begin February 1, 2021

The staff received 18 For Non-Profit (FNP) quarterly reports from FNP carriers for the fourth quarter of 2020.

The MCS staff received two annual reports from carriers that had been revoked for not completing their 2019 annual reports. These carriers are now in compliance and will be reinstated.

In January, one household goods tariff for **Applewhite Movers LLC (NEW)** was accepted.

### **FIELD SERVICES**

No inspections were scheduled or completed for the month of January. Staff was out on annual leave most of the month. Inspections will commence during the month of February as scheduled.



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**February 23, 2021**

**MEMORANDUM**

**TO: President Twinkle Andress Cavanaugh  
 Commissioner Jeremy H. Oden  
 Commissioner Chris "Chip" Beeker, Jr.**

**FROM: John D. Free, Director *JDF*  
 Electricity Policy Division**

**SUBJECT: Agenda – March 2, 2021 Commission Meeting**

The Electricity Policy Division will present the following items at the March 2, 2021 Commission Meeting.

**ELECTRICITY**

**ALABAMA POWER COMPANY**

**Dockets** 18117 Division Report on Rate RSE and Rate ECR as of January 31, 2021  
 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  
 2021 Weighted Return on Average Retail Common Equity (WRRCE),  
 actualized through January 2021, can be found on page 2 of this report.

Rate RSE Forecast		Rate ECR Summary
<b>12 Months Ending DECEMBER 31, 2021</b>		<b>Energy Cost Over/(Under) Recovered for JANUARY 2021</b>
<b>6.12% WRRCE</b>		<b>(\$9,538,812)</b>

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

ELECTRICITY POLICY DIVISION  
**Alabama Power Company**  
**Weighted Return on Average Retail Common Equity Calculation**  
**Forecast - 12 Months Ending December 31, 2021**

Common Equity as of January 31, 2021		\$10,309,964,861
Add Budgeted Net Income:		
February through December 2021	\$1,066,026,972	
Add Budgeted Capital Contributions:		
February through December 2021	\$50,305,752	
Add Other Adjustments:		
February through December 2021	\$0	\$1,116,332,724
Deduct Budgeted Stock Dividends:		
February through December 2021	\$776,339,432	\$776,339,432
Projected Common Equity for December 31, 2021		<u>\$10,649,958,153</u>
<hr/>		
Projected Average Common Equity		
For the 12 Months Ending December 31, 2021		\$10,461,415,913
Projected Retail Investment Separation Factor		95.26%
Projected Average Retail Common Equity		
For the 12 Months Ending December 31, 2021		\$9,965,544,799
Projected Retail Net Income		
For the 12 Months Ending December 31, 2021		1,170,044,093
Projected Common Equity Percentage of Capital Structure		
For the 12 Months Ending December 31, 2021		52.13%
Projected Weighted Return on Average Retail Common Equity (WRRCE)		
For the 12 Months Ending December 31, 2021		6.12%

The Common Equity as of January 31, 2021 (Actual) was adjusted using net income, payment of Common Stock and Preferred Stock dividends, Capital Contributions, and Other Adjustments from the Company's 2021 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 95.26%. The retail net income (RNI) for average common equity and the common equity percentage (CEP) were calculated by using actual data for the one month ended January 31, 2021, and then adding eleven months of budget data for February through December 2021. The Other Adjustments, if any, are 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.

ELECTRICITY POLICY DIVISION AGENDA

March 2, 2021 Commission Meeting

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**Docket** 18117 On February 1, 2021, Alabama Power Company (“the Company”) submitted information and calculations for the CNP Purchase Factors associated with the and  
18416 Company’s certificated power purchase arrangements, as provided for under Rate CNP, Part B. The filing reflects a projected under-recovery of costs associated with such arrangements which would be recoverable in the billing months of April 1, 2021 through March 31, 2022.

Although the Company is entitled under Rate CNP and the corresponding orders of the Commission to recover the entire revenue requirement associated with its power purchase arrangements, our staff has proposed that, in lieu of new CNP Purchase Factors associated with the submitted calculations, the Company will leave the current CNP Purchase Factors in effect for the period April 1, 2021 through March 31, 2022.

**Recommendation:** Approval

**Docket** 18005 On February 15, 2021, Alabama Power Company filed with the Alabama Public Service Commission the annual update to Rate PAE (Purchase of Alternate Energy). Under Rate PAE, qualifying customers that have installed an electric generating facility for their own use (with nameplate capacity of 100 kW or less) receive payment for energy sold to the Company in accordance with the Public Utility Regulatory Policies Act of 1978 (PURPA). Rate PAE has been in effect since 1981. The Company annually updates avoided cost and other data that are used to set the charges and compensation under the rate. The Company has requested the proposed modifications become effective for April 2021 billings.

**Recommendation:** Approval

ELECTRICITY POLICY DIVISION AGENDA

March 2, 2021 Commission Meeting

Page 4

**Dockets** U-5213 On February 15, 2021, Alabama Power Company filed with the Alabama Public Service Commission the annual update to Rate CPE (Contract for Purchased Energy). Rate CPE applies to Qualifying Facilities (“QFs”) with a nameplate capacity greater than 100 kW, seeking to sell energy to Alabama Power Company. Under the Public Utility Regulatory Policies Act of 1978 and its implementing regulations, Alabama Power is obligated to purchase energy from QFs at rates equivalent to the Company’s avoided costs. Rate CPE has been in effect since March 2017, and the Company annually updates avoided cost and other data that are used to set the energy payments established under the rate. The Company has requested the new rates become effective April 1, 2021.

**Recommendation:** Approval

**Dockets** U-3765; U-4226; U-4554; and U-3453 On February 16, 2021, Alabama Power Company filed with the Alabama Public Service Commission, in accordance with section 37-1-81, *Code of Alabama, 1975*, for approval to withdraw Rate PPP (Price Protection Products for Real Time Pricing Consumers) and Rate XILTU (Incremental Load – Time of Use); and for revisions to Rate FPL (Unmetered Protective Lighting) and Rate SLM (Public Street and Highway Lighting). The Company is withdrawing Rate PPP and Rate XILTU due to there being no active customers receiving service under these rates. With regard to Rate FPL and Rate SLM, the proposed changes are ministerial in nature, intended to update the rate schedules to reflect 1) the phase out of luminaire options that are no longer available for new installations or for replacement of existing installations; and 2) the addition of an aluminum pole option as an alternative to the currently offered fiberglass pole, at similar costs.

**Recommendation:** Approval



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MEMORANDUM

DATE: February 23, 2021

TO: Commission President Twinkle Andress Cavanaugh  
Commissioner Jeremy H. Oden  
Commissioner Chris "Chip" Beeker, Jr.  
Division Directors

FROM: Legal Division

SUBJECT: Agenda - March 2, 2021 Commission Meeting

The Legal Division will present the following at the March 2, 2021  
Commission Meeting:

**DOCKET 33072** (B) - Motor carrier application of Leslie M. Stone d/b/a K3C Transportation, of Montgomery, Alabama, for a Certificate to transport passengers. A Report and Recommended Order ("RRO") was entered in this cause on January 21, 2021, which recommended a provisional grant of authority. 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 33093** (B) - Application of Packmasters Moving and Storage, L.L.C., of Moulton, Alabama, for a Certificate to transport household goods.

**Recommend:** Grant certificate and approval of tariff

**DOCKET 33098** (B) - Application of Applewhite Movers LLC, of Huntsville, Alabama, for a Certificate to transport household goods.

**Recommend:** Grant certificate and approval of tariff

**DOCKET C-19942** (B) - Petition of ADW Trucking, LLC, of Mobile, Alabama, for approval of cargo self-insurance.

**Recommend:** Approval

**DOCKET C-19894** (B) - Petition of David Huffmaster d/b/a D & M & Sons Hauling, of Chunchula, Alabama, for reinstatement of Motor Carrier Certificate F4000 which was revoked due to Petitioner's failure to maintain proper proof of liability insurance coverage.

**Recommend:** Grant/Reinstatement

**DOCKET C-19914** (B) - Petition of Mathan Holt Construction, LLC, of Auburn, Alabama, for reinstatement of Motor Carrier Certificate F4658 which was revoked due to Petitioner's failure to maintain proper proof of cargo insurance coverage.

**Recommend:** Grant/Reinstatement

**DOCKET 24964;** (B) - Petition of Six Mile Supply, Inc., of Brierfield, Alabama, for  
**21316** cancellation of Motor Carrier Certificates F669 and P361.

**Recommend:** Grant cancellation as requested

**DOCKET 33022** (B) - Motor Carrier Certificate 4115 was issued to Robert A. Sutherland d/b/a Eastern Shore Shuttle ("Eastern Shore Shuttle"), of Fairhope, Alabama, by Commission Order dated October 7, 2020. Said Order also required Eastern Shore Shuttle to file its tariff, obtain insurance and registration numbers and properly identify its vehicles. Eastern Shore Shuttle has failed to make the required filings.

**Recommend:** Cancellation on 30 days' notice

**DOCKET 33057** (M) - Motor Carrier Certificate F366 was transferred to Lesley Trucking Company, LLC, of Saraland, Alabama, by Commission Order dated November 9, 2020. Said Order required Lesley Trucking Company, LLC to file proof of cargo and liability insurance coverage and obtain registration numbers and properly identify its vehicles. Lesley Trucking Company, LLC has failed to timely make the required filings.

**Recommend:** Cancellation on 30 days' notice