



Richard O. Hutto  
Vice President  
Regulatory Affairs

600 North 18th Street  
Post Office Box 2641  
Birmingham, Alabama 35291

Tel 205 257 2941  
Fax 205 257 1088

February 14, 2019

**BY ELECTRONIC FILING**

Alabama Public Service Commission  
RSA Union Building  
100 North Union Street, Suite 950  
Montgomery, Alabama 36104

Attention: Mr. Walter L. Thomas, Jr., Secretary

Subject: Rate PAE (Purchase of Alternate Energy)  
Docket No. 18005

Dear Mr. Thomas:

In accordance with Alabama Code § 37-1-81, and as required by the Commission's Order in this docket dated March 12, 1981, Alabama Power Company is filing proposed updates to Rate PAE (Purchase of Alternate Energy). As with prior revisions to the rate, the base charges and energy payments set forth reflect updated costs and avoided cost data for Alabama Power Company. Alabama Power respectfully requests the Commission approve the proposed revisions to Rate PAE at its regularly scheduled March 2019 meeting, effective for billings beginning April 1, 2019.

Consistent with the Commission's rules on electronic filing, the original and one copy of this filing is being supplied by overnight delivery, along with a confirmation copy to be returned in the enclosed self-addressed and stamped envelope.

If you have any questions or need anything further, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Richard Hutto", with a long horizontal flourish extending to the right.

Richard Hutto  
Vice President, Regulatory Affairs

# **RATE PAE PURCHASE OF ALTERNATE ENERGY**



By order of the Alabama Public Service Commission dated \_\_\_\_\_, 2019 in Docket # 18005.

<b>PAGE</b> 1 of 4	<b>EFFECTIVE DATE</b> April 2019 Billings	<b>REVISION</b> Fortieth
-----------------------	--	-----------------------------

## **AVAILABILITY**

Available on any distribution line of the Company.

## **APPLICABILITY**

Applicable for any Customer who has installed an electric generating facility that has a nameplate capacity of not more than 100 KW for Customer's own use and desires a permanent electrical connection with the Company's system in order to sell alternate electrical energy to the Company.

## **RATE FOR PURCHASE OF ALTERNATE ENERGY**

Payments for alternate energy will be made in accordance with the options provided in this rate. To be eligible to enroll in Rate PAE, a Customer must receive electric service under a rate that is presently on file with the Alabama Public Service Commission and that is available to new accounts. The Customer also must satisfy the applicable requirements of Rate Rider RGB (Supplementary, Back-Up, or Maintenance Power). The Monthly Base Charge shall be paid by the Customer to the Company to cover the cost of meter configuration, meter reading, data processing and miscellaneous expenses necessary for the proper accounting of electrical energy sold to the Company by the Customer. The payment for energy is the per kWh payment by the Company to the Customer for energy purchased by the Company from the Customer.

Eligibility for either the Time of Day Rate Option or Time Advantage Rate Option shall be determined based on the rate under which the Customer currently receives electric service. If the Customer changes to a different rate for electric service, the Company will re-examine the Customer's eligibility to select a different option under this rate.

# RATE PAE PURCHASE OF ALTERNATE ENERGY



By order of the Alabama Public Service Commission dated \_\_\_\_\_, 2019 in Docket # 18005.

PAGE	EFFECTIVE DATE	REVISION
2 of 4	April 2019 Billings	Fortieth

## TIME OF DAY RATE OPTION

Monthly Base Charge:

Single Phase Service, All Customers	\$ 0.75 per customer
Three Phase Service, All Customers	\$ 1.35 per customer

Payment for Energy:

### BILLING MONTHS JUNE - SEPTEMBER

3.75¢ per kWh during the On-Peak Period (Weekdays 10:00 a.m. – 9:00 p.m. CST)  
2.77¢ per kWh during the Off-Peak Period (All Other Hours)

### BILLING MONTHS OCTOBER – MAY

2.92¢ per kWh during the On-Peak Period (Weekdays 7:00 a.m. – 9:00 p.m. CST)  
2.56¢ per kWh during the Off-Peak Period (All Other Hours)

## TIME ADVANTAGE RATE OPTION

Monthly Base Charge:

Single Phase Service, All Customers	\$ 0.75 per customer
Three Phase Service, All Customers	\$ 1.35 per customer

Payment for Energy:

### BILLING MONTHS JUNE through SEPTEMBER

3.86¢ per kWh during the Summer Peak Period (Weekdays 1:00 p.m. – 7:00 p.m. CST)  
2.92¢ per kWh during the Summer Economy Period (All Other Hours)

### BILLING MONTHS NOVEMBER through MARCH

2.82¢ per kWh during the Winter Peak Period (Weekdays 5:00 a.m. – 9:00 a.m. CST)  
2.68¢ per kWh during the Winter Economy Period (All Other Hours)

### BILLING MONTHS OCTOBER, APRIL, and MAY

2.73¢ per kWh for all hours

# RATE PAE PURCHASE OF ALTERNATE ENERGY



By order of the Alabama Public Service Commission dated \_\_\_\_\_, 2019 in Docket # 18005.

PAGE 3 of 4	EFFECTIVE DATE April 2019 Billings	REVISION Fortieth
----------------	---------------------------------------	----------------------

## PAYMENT

Statements covering charges and credits for energy received from the Customer and charges for Supplementary, Back-up, and Maintenance Power shall be rendered monthly. If the Customer's credits for energy delivered exceed the Company's charges, the Customer's account will be credited and such credits may be carried forward. Upon the request of the Customer or upon termination of service under this Rate, the Company will provide the Customer with a check for any amount due at that time. Charges to the Customer exceeding credits for energy received from the Customer are payable within ten (10) days from the due date and if not paid within such period become delinquent and subject to charges as set forth in the rules and regulations under which the Company must operate.

For billings under the rate options, all hours on the following holidays are considered Off-Peak Period: New Year's Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. When any of the foregoing holidays fall on Sunday, the following Monday shall be treated as the holiday.

Customer shall be responsible for all costs associated with any corresponding facilities, improvements and upgrades needed for interconnection of the electric generating equipment or for delivery of energy to the Company's load. In addition to these costs, Customer is responsible for payment of all fees associated with studies required for interconnection, in accordance with the following schedule:

Generator Size	Fee
1 kW to 25 kW	No Fee
Greater than 25 kW to 100 kW	\$500.00

For more information regarding the process for interconnecting a generator in accordance with Rate PAE, including a contact for obtaining the interconnection application and agreement, visit [www.alabamapower.com//business/rates-and-pricing/about-our-pricing.html](http://www.alabamapower.com//business/rates-and-pricing/about-our-pricing.html).

**RATE PAE  
PURCHASE OF ALTERNATE ENERGY**



By order of the Alabama Public Service Commission dated \_\_\_\_\_, 2019 in Docket # 18005.

<b>PAGE</b> 4 of 4	<b>EFFECTIVE DATE</b> April 2019 Billings	<b>REVISION</b> Fortieth
-----------------------	--	-----------------------------

**TERM OF CONTRACT**

Service under this rate shall be for a period of not more than one (1) year, renewing automatically for successive terms until terminated by Customer by providing thirty (30) days' written notice to Company.

Company may terminate service under this rate in the event of a breach by Customer of the provisions of this rate, the Special Rules and Regulations governing the application of this rate, the provisions of Rate Rider RGB and the Special Rules and Regulations governing its application; provided that Company has given Customer notice of such breach and Customer has failed to remedy same within thirty (30) days of such notice. Company also may terminate service under this rate in the event Company no longer is obligated to purchase alternate energy from Customer in accordance with the Public Utility Regulatory Policies Act of 1978, as amended and Title 18, Part 292 of the Code of Federal Regulations, as implemented by the Alabama Public Service Commission. Termination in such instance shall be effective upon fifteen (15) days' written notice to the Customer.

**GENERAL**

Service under this rate is subject to rules and regulations approved or prescribed by the Alabama Public Service Commission, particularly those Special Rules and Regulations governing the application of this rate.

Attachment

**ALABAMA POWER COMPANY**  
**ESTIMATED AVOIDED ENERGY COSTS (TIME OF DAY PERIODS)**  
 \$/MWH

	<u>PEAK SEASON PEAK HRS</u>	<u>PEAK SEASON OFF-PEAK HRS</u>	<u>OFF-PEAK SEASON PEAK HRS</u>	<u>OFF-PEAK SEASON OFF-PEAK HRS</u>	<u>YEARLY AVERAGE</u>
April 1, 2019 to March 31, 2020	35.51	26.26	27.68	24.22	26.83
April 1, 2020 to March 31, 2021	33.70	25.59	27.59	24.90	26.75
April 1, 2021 to March 31, 2022	39.50	28.91	29.56	26.46	29.28
April 1, 2022 to March 31, 2023	42.59	30.53	31.26	28.91	31.39

The above numbers represent estimated avoided energy costs at the generator and, therefore, include no consideration of losses. The factor for loss adjustment which converts the avoided cost data to the value at primary distribution (the level of Rate PAE) is 1.05535

April 1, 2019 to March 31, 2020	37.48	27.71	29.21	25.56	28.32
---------------------------------	-------	-------	-------	-------	-------

**ALABAMA POWER COMPANY**  
**ESTIMATED AVOIDED ENERGY COSTS (TIME ADVANTAGE PERIODS)**  
 \$/MWH

	<u>PEAK SEASON PEAK HRS</u>	<u>PEAK SEASON OFF-PEAK HRS</u>	<u>OFF-PEAK SEASON PEAK HRS</u>	<u>OFF-PEAK SEASON OFF-PEAK HRS</u>	<u>SHOULDER</u>	<u>YEARLY AVERAGE</u>
April 1, 2019 to March 31, 2020	36.53	27.65	26.70	25.36	25.88	26.83
April 1, 2020 to March 31, 2021	34.67	26.85	27.78	26.59	24.82	26.75
April 1, 2021 to March 31, 2022	40.90	30.50	29.30	27.85	27.27	29.28
April 1, 2022 to March 31, 2023	44.70	32.23	31.25	29.85	29.62	31.39

The above numbers represent estimated avoided energy costs at the generator and, therefore, include no consideration of losses. The factor for loss adjustment which converts the avoided cost data to the value at primary distribution (the level of Rate PAE) is 1.05535

April 1, 2019 to March 31, 2020	38.55	29.18	28.18	26.76	27.31	28.32
---------------------------------	-------	-------	-------	-------	-------	-------