



**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: April 26, 2022

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

FROM: Jeff Johnston, Director   
Utility Services Division

SUBJECT: Agenda for May 3, 2022 Commission Meeting.

The following items will be presented to the Commission during the regular May 3, 2022 Commission Meeting.

# **CONSUMER SERVICES REPORT**





**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	5		2	1			2		
Business	1								1
<b>Total</b>	<b>6</b>		<b>2</b>	<b>1</b>			<b>2</b>		<b>1</b>
Not Under PSC Jurisdiction	4		2				2		
Under PSC Jurisdiction	2			1					1

Other Retail Services/Issues Under PSC Jurisdiction (Above)	2
Basic Service Inquiries Under PSC Jurisdiction (Previous Page)	0
Total Telecom Inquiries Under PSC Jurisdiction (Non-referrals)	2
Inquiries Not Subject to PSC Jurisdiction	4

<b>Referred Inquiries (Waived Complaint Jurisdiction)</b>	
Residential	8
Business	1
<b>TOTAL</b>	<b>9</b>

<b>TOTAL TELECOM INQUIRIES</b>			
Under PSC Complaint Jurisdiction	Waived Complaint Jurisdiction (Referrals)	Received But Not Under PSC Jurisdiction	Total Received
2	9	4	15

**Gas Agenda**

**NATURAL GAS**

Docket 18046 and SPIRE ALABAMA INC. -- Division Report on Rate RSE as of March 31,  
18328 2022

Based on preliminary figures as of March 31, 2022, the projected RSE return on average common equity for the rate year ending September 30, 2022, was 9.65 percent. 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 March 31, 2022

Based on preliminary figures as of March 31, 2022, the projected RSE return on average common equity for the rate year ending September 30, 2022, was 7.65 percent. The authorized return on average common equity is 9.70 to 10.30 percent.

**Telecommunication Agenda**

**INTERCONNECTION AGREEMENT (S)**

- Docket U-4841 **BELLSOUTH TELECOMMUNICATIONS, LLC d/b/a AT&T, ALABAMA or AT&T SOUTHEAST and BRIGHT HOUSE NETWORKS INFORMATION SERVICES (BHN)** -- Approval of an Interconnection Agreement between BellSouth Telecommunications, Inc. d/b/a AT&T Alabama or AT&T Southeast and Bright House Networks Information Services (Alabama), LLC pursuant to Sections 251 and 252 of the Telecommunications Act of 1996.  
Recommend Approval.
- Docket U-5419 **FRONTIER COMMUNICATIONS OF THE SOUTH, LLC and WINDSTREAM COMMUNICATIONS, LLC** -- Approval of an Interconnection Agreement between Frontier Communications of the South, LLC and Windstream Communications, LLC pursuant to Sections 251 and 252 of the Telecommunications Act of 1996.  
Recommend Approval.
- Docket U-5420 **CHARTER FIBERLINK-ALABAMA, LLC and NATIONAL TELEPHONE OF ALABAMA, INC.** -- Approval of an Interconnection Agreement between Charter Fiberlink - Alabama, LLC and National Telephone Company of Alabama, Inc. pursuant to Sections 251 and 252 of the Telecommunications Act of 1996.  
Recommend Approval.
- Docket U-5421 **FARMERS TELECOMMUNICATIONS COOPERATIVE, INC. and ONVOY, LLC** -- Approval of an Interconnection Agreement between Farmers Telecommunications Cooperative, Inc. and Onvoy, LLC pursuant to Sections 251 and 252 of the Telecommunications Act of 1996.  
Recommend Approval.



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**MEMORANDUM**

**DATE:** April 26, 2022

**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 May 3, 2022, Commission Meeting

This memorandum reflects activities of the Gas Pipeline Safety (GPS) Division that will be presented at the May 3, 2022, Commission Meeting.

- GPS performed the following inspections during the month of March 2022:

Standard Inspection	Construction	IMP/DIMP	Operator Qualification	Incident	Damage Prevention	Section 114	Control Room	Follow-Up	Total Inspections
15	7	3	5	1		5		10	46

From the forty-six (46) inspections shown above, seven (7) enforcement letters of notification were issued, noting nineteen (19) non-compliance issues. Eleven (11) non-compliance items were corrected during the month of March.

**Incidents/Accidents**

One (1) state-reportable incident was reported during the month of March:

- 3/19/2022 – Southeast Gas (Central Division) – Vehicle ran off road and damaged a regulator station; no leaks, fire, or explosion

**Training**

One (1) operator/contractor training session on Polyethylene (PE) plastic fusion was conducted during the month of March:

- 3/15/2022 – Leak City (Athens) 23 Personnel Qualified



## **Miscellaneous**

The Gas Pipeline Safety (GPS) staff participated in the Alabama Natural Gas Association's (ANGA) Spring Seminar held on March 8<sup>th</sup> – 11<sup>th</sup> at the Embassy Suites in Hoover, Alabama. Staff attended sessions for the Engineering Roundtable, Operations Roundtable and Safety Roundtables. The keynote speaker on Friday was Patrick Nix, former Auburn University quarterback and current football coach at Central of Phenix City High School.

The annual Pipeline and Hazardous Materials Safety Administration (PHMSA) audit of the Alabama Pipeline Safety Program began on the week of March 14<sup>th</sup> – 17<sup>th</sup>. Mr. David Appelbaum of PHMSA observed natural gas inspection activities at the Athens Utilities Department and the Huntsville Utilities Department. He will return in April to conduct a hazardous liquid inspection in south Alabama and the financial audit and records review at the Montgomery offices of GPS.

Mr. Wallace Jones, GPS Director and Mr. Randall Hand, Gas Pipeline Safety Investigator, Senior met with the staff at the Embassy Suites in Montgomery on March 22<sup>nd</sup> to discuss plans for the 35<sup>th</sup> Annual Pipeline Safety Seminar which is set for December 6<sup>th</sup> – 9<sup>th</sup> this year.

Mr. Hand conducted training for the Alcohol, Tobacco and Firearms (ATF) Agency on pipeline safety on March 30<sup>th</sup> and 31<sup>st</sup> at Leak City in Athens. Based on the response from this federal agency, Mr. Hand should be called upon to conduct additional training in the future.



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JOHN A. GARNER, EXECUTIVE DIRECTOR

## MEMORANDUM

**DATE:** April 26, 2022

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

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

**SUBJECT:** Agenda for the May 3, 2022 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 March 2022.

### 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	Violations Recommended	Track Miles Inspected	Track Turnouts Inspected
8	28	98	0	269	119

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

Railroad Bridge Observations	Roadway Worker Protection	Roadway Maintenance Machines	Bridge Worker Safety
28	20	9	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
8	12	108	3	619

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

Air Brake Tests	Blue Flag Protection	End of Train Devices
0	1	0

There were five incidents reported by the National Response Center in March:

1. A vehicle fell from an overpass and was struck causing two fatalities in Athens on CSX
2. A small sodium hydroxide release in Birmingham on NS
3. A 100-gallon transformer oil release in Birmingham on NS
4. A two-car derailment with unknown cause in Birmingham on NS
5. A tractor-trailer was struck by Amtrak with no injuries reported in York on NS

RWS Staff received and responded to one rail safety complaint in March. The complaint concerned a drainage issue at a grade crossing in Eutaw. Upon investigation, a blocked culvert was discovered that was causing water to back up against the ballast line and flood an adjacent property. The railroad was notified and the culvert was cleared which corrected the issue.

The RWS MP&E inspector completed the required annual FRA recurrent training during March.

**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 Numbers	Intrastate Applications		NOL Processed/ Closed Intra Applications	Under Legal Division Review	New Authority Approved	Motor Carrier Authority Inquiries		
	Processed	Returned				Phone	E-mails	Others
27	15	3	1	12	14	73	82	39

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

Insurance Filings Received	Revocation Orders	Reinstatement Orders	Miscellaneous Actions	Letters Sent	Insurance Inquiries	
					Phone	E-mails
397	26	13	1	32	30	314

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

UCR Applications		UCR Mailouts for 2022	UCR Audit Correspondence	UCR Inquiries	
Received	Returned			Phone	E-mail
9	4	216	5	115	24

As of March 31, there were 9,194 Alabama carriers (76%) registered for 2022 UCR with 2,907 that remain unregistered. Our office received funds from the UCR Depository for February online payments processed through the National Registration System (NRS) that came from 999 carriers that were domiciled in Alabama and some that were in non-participating states.

During March, the staff mailed two pending payment letters to carriers that created a voucher several weeks prior where payment had not been received for the 2022 UCR registration year.

In March, \$2,097 was collected for Focused Anomaly Reviews (FARs) audits for the 2022 UCR registration year.

The staff also assisted motor carriers in making necessary changes to their operating status with the Federal Motor Carrier Safety Administration (FMCSA). There were 14 MCS-150 forms processed indicating that seven motor carriers' USDOT numbers were deactivated and seven forms contained updates to carriers' USDOT number data.

MCS staff attended the UCR Board call, the UCR Board Education & Training Subcommittee call and the UCR Board Finance Subcommittee call that were held in March.

There was a show cause hearing for Energy Systems Southeast LLC that staff participated in during the month.

The staff received one For Non-Profit (FNP) quarterly report from an FNP carrier for the fourth quarter of 2021. Also, staff sent out 72 FNP quarterly reports for the first quarter of 2022 by mail and e-mail.

There were 12 annual reports for 2021 received in March.

In March, there was one passenger tariff for **July Enterprises, Inc d/b/a Coastal Express Shuttle (C4130)** and three passenger supplement tariffs for **Crown Limousine & Sedan Service, L.L.C. d/b/a Crown Limousine Service (C3652)**, **WHC AL, LLC d/b/a Ztrip (C3104)** and **Rush Hour Transit, Inc. (C4095)** that were accepted. Also, two taxi tariffs for **WHC AL, LLC d/b/a Ztrip (C726)** and **S & M, L.L.C. d/b/a Huntsville Cab Company (C3871)** and one contract with rates for **July Enterprises, Inc d/b/a Coastal Express Shuttle (P652) (P651)** that were also accepted.

The staff completed an on-site compliance audit for the following company:

- **Elderride, Inc. (C4007)** – Carrier must submit a new tariff and abide by the rates of its current tariff until the new one becomes effective.

The MCS staff conducted the annual records inspection review with Lyft, Inc. on March 15. The staff did not find any major issues.

There was a complaint received from a Birmingham police officer related to a TNC driver at the Birmingham-Shuttlesworth airport. The complaint was immediately reported to the regulated TNCs and one of them confirmed that the driver was removed from their platform.

Staff responded to nine transportation network company (TNC) related e-mails.

### **FIELD SERVICES**

The Field Services Section (FSS) staff met with personnel from **Community Utilities** to inspect The Village, an 89-home subdivision in Dadeville. No discrepancies were noted at the time of this inspection.

A re-inspection of **Water Works Inc.** was also performed to verify the completion of discrepancies listed in Docket 22682. All items identified were repaired or replaced with no other visible defects noted at the time of the inspection.



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**April 26, 2022**

**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 – May 3, 2022 Commission Meeting**

The Electricity Policy Division will present the following items at the May 3, 2022 Commission Meeting.

**ELECTRICITY**

**ALABAMA POWER COMPANY**

**Dockets 18117** Division Report on Rate RSE and Rate ECR as of January 31, 2022  
 and  
**18416;** Due to Alabama Power Company deploying a new accounting system in  
**18148** January 2022, many of their accounting and reporting processes were  
 delayed. However, some reports are now becoming available. Therefore, the  
 Electricity Policy Division performed the regular monthly examination 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  
 2022 Weighted Return on Average Retail Common Equity (WRRCE),  
 actualized through January 2022, can be found on page 2 of this report.

<b>Rate RSE Forecast</b>	<b>Rate ECR Summary</b>
<b>12 Months Ending DECEMBER 31, 2022</b>	<b>Energy Cost Over/(Under) Recovered for JANUARY 2022</b>
<b>6.15% WRRCE</b>	<b>(\$36,059,350)</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, 2022**

Common Equity as of January 31, 2022		\$11,239,925,104
Add Budgeted Net Income:		
February through December 2022	\$1,151,263,507	
Add Budgeted Capital Contributions:		
February through December 2022	\$54,560,727	
Add Other Adjustments:		
February through December 2022	\$0	\$1,205,824,234
Deduct Budgeted Stock Dividends:		
February through December 2022	\$806,374,839	\$806,374,839
Projected Common Equity for December 31, 2022		<u>\$11,639,374,499</u>
<hr/>		
Projected Average Common Equity		
For the 12 Months Ending December 31, 2022		\$11,423,208,511
Projected Retail Investment Separation Factor		95.15%
Projected Average Retail Common Equity		
For the 12 Months Ending December 31, 2022		\$10,869,182,898
Projected Retail Net Income		
For the 12 Months Ending December 31, 2022		\$1,264,917,505
Projected Common Equity Percentage of Capital Structure		
For the 12 Months Ending December 31, 2022		52.81%
Projected Weighted Return on Average Retail Common Equity (WRRCE)		
For the 12 Months Ending December 31, 2022		6.15%

The Common Equity as of January 31, 2022 (Actual) was adjusted using net income, payment of Common Stock and Preferred Stock dividends, Capital Contributions, and Other Adjustments from the Company's 2022 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 95.15%. 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, 2022, and then adding eleven months of budget data for February through December 2022. 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.



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## MEMORANDUM

DATE: April 26, 2022

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

FROM: Legal Division

SUBJECT: Agenda - May 3, 2022 Commission Meeting

The Legal Division will present the following at the May 3, 2022 Commission Meeting:

**DOCKET 26928** (Y) - Petition of Executive Connection, Inc., of Huntsville, Alabama, for cancellation of Motor Carrier Certificate 3387.

**Recommend:** Grant cancellation as requested

**DOCKET 30834** (Y) - Petition of Dirk Mims Trucking Company, Inc., of Clanton, Alabama, for cancellation of Motor Carrier Certificate F4035.

**Recommend:** Grant cancellation as requested

**DOCKET C-20289** (B) - Petition of KPJones Group LLC d/b/a K&M Hauling, of Hazel Green, Alabama, for approval of cargo self-insurance.

**Recommend:** Approval

**DOCKET 33072** (B) - Petition of Leslie M. Stone d/b/a K3C Transportation (Provisional Permit 650) for approval of permanent operating authority.

**Recommend:** Approval

LEGAL DIVISION AGENDA

May 3, 2022 Commission Meeting

April 26, 2022

PAGE #2

**DOCKET C-20261** (B) - Petition of Hampton Trucking, L.L.C., of Jasper, Tennessee, for reinstatement of Motor Carrier Certificate F1463 which was revoked due to Petitioner's failure to maintain proper proof of liability insurance coverage.

**Recommend:** Grant/Reinstatement

**DOCKET C-20271;** (B) - Petition of S & D Trucking, LLC, of Vernon, Alabama, for  
**30786** cancellation of Motor Carrier Certificate F4002 (Docket 30786). Motor Carrier Certificate F4002 was revoked by Commission Order dated April 5, 2022, due to Petitioner's failure to maintain proper proof of liability and cargo insurance coverage (Informal Docket C-20271).

**Recommend:** Reinstatement of Motor Carrier Certificate F4002 (Informal Docket C-20271) for the sole purpose of cancelling Motor Carrier Certificate F4002 in good standing. Grant cancellation as requested (Docket 30786).

**DOCKET 30494** (B) - Application of Central Water Works, Inc., a Florida corporation, for approval to increase water minimum rates and additional rates for each subsequent usage bracket per thousand gallons used. A hearing was held in this matter. The Attorney General of Alabama intervened and participated in the hearing. Commission Staff also participated in the hearing.

**Recommend:** Approval



LEGAL DIVISION AGENDA

May 3, 2022 Commission Meeting

April 26, 2022

PAGE #3

**DOCKET 33192**

(B) - Commission Staff identified several unregulated water providers that potentially meet the statutory definition of "utility," subjecting them to Commission regulation. Some of the identified water providers were incorporated as nonprofit companies pursuant to Ala. Code § 10A-20-9.01. To determine whether these and other water service providers are subject to regulation, on December 14, 2021, the Commission initiated this generic proceeding. The Commission received comments from six water service providers and the Alabama Rural Water Association. The comments addressed several legal issues and the commenting water providers submitted corporate governance documents.

**Recommend:** Issue an order finding that:

- 1) a nonprofit water company that only serves its own members and has formal provisions for members to select leadership is presumed to not be a public utility;
- 2) a water provider may be deemed to serve the general public even if its customers are limited to a single development or subdivision;
- 3) a water provider may be deemed to serve the general public even if it chooses to charge its retail customers the same rates it pays its wholesale water provider;
- 4) based on provided documents and comments, certain identified water providers are not public utilities; and
- 5) within 30 days from the effective date of the order, each identified water provider which failed to submit sufficient documentation during this proceeding shall either file for a certificate of convenience and necessity as a public utility or submit evidence that it is not a public utility.