
Alabama



PUBLIC SERVICE COMMISSION



Annual Report 2011

TABLE OF CONTENTS



Table of Contents.....	2
Introduction.....	3
Commissioners.....	4
Commission Staff.....	10
Executive Director to the Commission.....	12
Legal.....	14
Administrative.....	16
Electricity Policy.....	20
Energy.....	29
Telecommunications.....	37
Transportation.....	41
APSC History.....	44
Past and Present Commissioners.....	46

INTRODUCTION



President Lucy Baxley (center) shown with Commissioners Twinkle Andress Cavanaugh (left) and Terry L. Dunn (right) at a Commission meeting

Since its creation over a century ago as the Railroad Commission of Alabama, the Alabama Public Service Commission has remained committed to ensuring that the citizens of Alabama receive reliable and affordable utility and transportation services at rates that are fair and reasonable. The agency's role has evolved throughout the years from the regulation of railroad transportation services to the regulation of all facets of public utility and transportation services. The entities regulated by the Alabama Public Service Commission include privately owned corporations providing electric, gas and water service to the public as well as select providers of telecommunications services. Additionally, railroads, buses, trucking companies and taxis operating outside police jurisdictions on a for-hire basis remain under the oversight of the Alabama Public Service Commission to varying degrees.

The Alabama Public Service Commission operates as a quasi-judicial body whose jurisdiction, powers and duties are statutory in nature. More specifically, the Alabama Public Service Commission derives its authority from the *Code of Alabama* 1975, Sections 24-1-28, 10-2B-15.13, 10-5-3, 10-5-4, 10-5-7, 11-50-268, 11-50-269, 11-50-270, 11-50A-25, 37-1-32, 37-2-3, 37-2-171, 37-3-7, 37-4-60, 37-4-82, 37-4-108, 37-8-8 and 37-9-9.

The Alabama Public Service Commission is governed by a president and two associate commissioners who are elected on a statewide basis. Each commissioner is elected to serve a four-year term with the president's term staggered by two years from the terms of the associate commissioners. A complete listing and historical record of past commissioners is included at the end of this report. The list includes some of the men and women who have historically been recognized as among Alabama's most famous public servants.

In order to carry out its vast responsibilities, the Commission generates its principal funding from inspection and supervision fees received from companies regulated by the agency. Those funds are, however, appropriated by the Alabama Legislature. The work of the Commission is performed by a staff of approximately 105 competent and dedicated professionals who serve in the various divisions and offices of the Commission.

Presented in this report is a summary of the regulated activities, accomplishments and financial results for the Alabama Public Service Commission for the period of October 1, 2010, through September 30, 2011. Although not all inclusive, this report represents a good overview of the many services and functions provided by the Commission.



Lucy Baxley

Commissioner Baxley's Staff

- ◇ April Pugh, Esq., Technical Assistant
- ◇ Lisa Parrish, Executive Assistant III
- ◇ Leveika Martin, Executive Secretary
- ◇ Nancy Bivens, Office Assistant

*L*ucy Baxley's top priority as President of the Alabama Public Service Commission is to keep electricity rates as low as possible in order to attract and maintain industry and jobs in Alabama. Lucy is particularly well-positioned to provide citizen oversight on key issues such as energy, telecommunications, and transportation. Not only has she presided over every Commission meeting, she has testified before the state legislature on telecommunications and fiscal policy, attended national and state energy conferences, and worked to influence energy policy in Congress.

Lucy brings leadership and integrity to the Public Service Commission. Her accomplishments include the following:

- ◇ Since June 2009, Lucy has reduced Alabama Power rates four times. This includes a historic rate reduction of 7.4% in January 2010.
- ◇ In June 2010, Lucy voted to refund more than \$25 million to Alabama Gas customers in the form of a bill credit. For the next nine years, gas customers will see bill reductions thanks to Lucy's work on the company's depreciation study.
- ◇ Lucy co-authored a Consumer Bill of Rights to put key PSC rules into language that everyone can understand.
- ◇ Under Lucy's leadership, the Commission has intervened extensively on behalf of Alabama consumers whose bills included unauthorized charges from providers other than their own local and long distance phone companies.
- ◇ Lucy approved a 2010 plan to allow Alabama Power Company to use stockholder money to increase the Natural Disaster Reserve fund in preparation for any natural disaster. This involved no ratepayer money and proved crucial when the tornados hit in April 2011.

COMMISSIONERS



COMMISSIONER LUCY BAXLEY'S STAFF

From left, Nancy Bivens, Leveika Martin, Lisa Parrish and April Pugh

- ◇ Lucy supports energy efficiency rates so customers can save money when they adjust their usage patterns. After an extensive study, Lucy voted in favor of new Time-of-Use Rates that allow both residential and commercial customers the opportunity to save on their power bills.
- ◇ In an effort to create new jobs, Lucy voted for a package of electric power incentives designed to encourage current businesses to expand and new business to locate in Alabama.
- ◇ Under Lucy's leadership, charges for inmate phone service have been capped and mandatory service quality standards implemented.
- ◇ She continues to actively oppose unfair federal regulations that will raise power bills and reduce jobs.

Her impressive record and extensive experience in state government includes two previous terms as State Treasurer and one term as Lt. Governor. Having spent her early public life in city, county and state government service, Lucy went on to earn a coveted reputation in Birmingham real estate. In 1994, as her youngest child was starting college, she launched a remarkable and stunningly successful career in public life beginning with her first election as Alabama's State Treasurer.

Re-elected in 1998, she received the highest number of votes cast for any candidate for constitutional office in that election. Four years later, the citizens of Alabama gave her more votes than either candidate running for governor that year, as they ushered her into the Lt. Governor's Office.

Lucy grew up on a farm in Houston County where her faith and simple rural upbringing helped shape the values she maintains today. She is married to Jim Smith, also a native of South Alabama. She has two children, Becky Nichols and Louis Baxley, and two grandchildren. Lucy and Jim are active members of Frazer Memorial United Methodist Church of Montgomery.



Twinkle Andress Cavanaugh

Commissioner Cavanaugh's Staff

- ◇ Sally R. Corley, Esq., Chief of Staff
- ◇ Debbie Williams, Executive Assistant
- ◇ Danyal Jones, Clerk

Commissioner Cavanaugh calls herself the working Commissioner because she comes to work each day and strives to keep Alabama's utility rates some of the lowest in the nation. She has a three pronged approach to regulating utilities. Commissioner Cavanaugh insists on reasonable rates for consumers and reliable utilities for consumers, which facilitates recruiting jobs to our Great State.

In her first year in office, she has taken the EPA to task on their over-reaching regulations, advocated for incentives for businesses in their electric rates, pushed for time of use rates that allow customers an additional way to achieve savings in their home utility bills, promoted ways to help Alabama's farmers keep their utility costs down, addressed the utility concerns of industries in Alabama, offered a helping hand to victims of the devastating storms in Alabama, pressed for transparency at every opportunity, and sponsored the strongest Ethics Policy at the Alabama Public Service Commission.

Commissioner Cavanaugh brings to the Public Service Commission a diverse background in public service, conservative policy-making, and small business.

Commissioner Cavanaugh has been active in public service for many years. She served in Governor Bob Riley's cabinet as Senior Advisor during his second term and as Deputy Chief of Staff during Governor Riley's first term in office. Commissioner Cavanaugh also developed extensive experience in dealing with national issues while working for former Congressman Sonny Callahan.

A deep-rooted commitment to conservative causes and policy is prevalent throughout Commissioner Cavanaugh's work experience. She worked at the Republican National Committee in Washington, D.C. She also served as Executive Director of the Alabama Republican Party. In 2005, she became the

COMMISSIONERS



COMMISSIONER TWINKLE ANDRESS CAVANAUGH'S STAFF

Commissioner Twinkle Andress Cavanaugh (second from left), shares a moment with staff, Danyal Jones (left), Debbie Williams and Sally Corley

first female chairman of a political party in the state when she was elected Chairman of the Alabama Republican Party.

Commissioner Cavanaugh also served as the State Director of Citizens for a Sound Economy (CSE), a national organization promoting lower taxes for American families. At CSE, she worked to push President George Bush's tax cuts through Congress. During her tenure at CSE, she also helped cities and towns across Alabama stop tax increases and fought for tougher tort reform laws.

Having owned several small businesses, Commissioner Cavanaugh understands the challenges facing small businesses and Alabama families. She is the former owner of a restaurant franchise. Currently, Commissioner Cavanaugh and her husband, Dr. Jeff Cavanaugh, own Cavanaugh Bradley Animal Hospital.

Commissioner Cavanaugh is a graduate of Auburn University. She and her husband have three children. They are active members of First Baptist Church in Montgomery, and they are involved in numerous community organizations.



Terry L. Dunn

Commissioner Dunn's Staff

- ◇ David Rountree, Chief of Staff
- ◇ Hope Curry, Executive Assistant
- ◇ Denise Harris, Executive Secretary
- ◇ Chandra Lewis, Student Aide

A native of Southside, Alabama, in Etowah County, Commissioner Dunn was elected to the Alabama Public Service Commission in November 2010, carrying 55% of the statewide vote. He is committed to serving the public interest by ensuring that financially sound electric, natural gas and telecommunications companies provide safe, reliable and quality utility services at reasonable rates for Alabamians.

Commissioner Dunn is married to the former Alicia Horne, and they have one daughter, Andrea. He is the owner of Dunn Development Corporation and Dunn Investment Group, and has held the state license in municipal utilities contracting for the past 25 years.

Having started his general contracting and development firm with only \$500, Commissioner Dunn knows what it means to navigate the highs and lows of owning a small business. That experience taught him to make prudent financial decisions and enabled him to reach his goal of early retirement at age 45. Today, at 52, he is fully committed to serving the public interest.

Among other volunteer activities, Commissioner Dunn is co-chairman of the Alabama Institute for Deaf and Blind Board of Trustees. He has long been active in the Republican Party, serving on both the State and Etowah County Republican Executive Committees. He was a delegate to the Republican National Convention in 2004 and 2008. During his campaign for the PSC, Commissioner Dunn was endorsed by Karl Rove, former chief of staff and longtime advisor to President George W. Bush.

Commissioner Dunn was especially proud to end his first year in office by announcing that Alabama Power Company rates would remain flat in 2012.

Since taking office in November 2010, Commissioner Dunn has successfully pushed through several initiatives, including the following:

COMMISSIONERS



COMMISSIONER TERRY L. DUNN'S STAFF

From left, Denise Harris, David Rountree, Chandra Lewis, Commissioner Terry L. Dunn and Hope Curry

- § *Created an incentive rate package with Alabama Power Company to encourage job growth for small, medium and large companies. The Commissioner crafted his proposal to ensure the incentive rate would also encourage job growth by limiting the special discounts to businesses opening new locations.*
- § *Restructured the PSC's Energy Division by establishing the Electricity Policy Division, with no additional hiring.*
- § *Pushed successfully for the appointment of a second assistant attorney general to represent utility customers before the Commission.*
- § *Created an internship program with Auburn University's College of Engineering to bring electrical engineering students to the PSC's Electricity Policy Division.*
- § *Voted to approve more stringent ethics rules for commission members and employees of the PSC.*

As 2011 drew to a close, Commissioner Dunn announced the successful conclusion of contract negotiations between Alabama Power Company and The Goodyear Tire and Rubber Company manufacturing plant in Gadsden. Under the contract, Alabama Power will provide steam to the Goodyear plant for the next five years. The signing of a new contract, which Commissioner Dunn began working toward the week he took office, reassures the people of northeast Alabama that Goodyear – a key employer for the region – plans to stick around.

While fighting potential rate increases caused by federal regulations, Commissioner Dunn has been supportive of the power company's pilot projects in the area of renewable energy, including biofuels and wind energy. The Commissioner supports only those renewable projects in which the price of the electricity to be produced is the same or less than the power generated at conventional plants.

COMMISSION STAFF



Executive Director Of The Commission/Legal Division

OFFICE OF THE EXECUTIVE

DIRECTOR OF THE COMMISSION

John A. Garner,
Chief Administrative Law Judge and
Executive Director of the Commission

Personnel Section

Dorinda Kepler,
Personnel Assistant III
Rozetta Parker,
Administrative Support Assistant III

Information Technology Section

Kay Oswald,
IT Systems Specialist Senior
Debra Jackson,
IT Systems Technician
Karen Gaston,
Programmer/Analyst Associate

State Legislative Affairs

Clarence Duncan,
PSC Rate Analyst

LEGAL DIVISION

John A. Garner,
Chief Administrative Law Judge and
Executive Director of the Commission

G. Scott Morris,
Administrative Law Judge

Suellen L. Young,
Attorney III

Eileen M. Lawrence,
Departmental Operations Specialist

Aisha Smith,
Administrative Support Assistant III

Motor Carrier Enforcement Section

Earl Reeves,
Transportation Enforcement Supervisor

John M. Brock,
Transportation Enforcement Area Supervisor
Terry Shirley,
Transportation Enforcement Area Supervisor
Leo Sauls, Jr.,
Transportation Enforcement Officer
Gary Shirley,
Transportation Enforcement Officer
Samuel B. Peacock,
Transportation Enforcement Officer
Michael L. Lawson,
Transportation Enforcement Officer
Wade Brinson,
Transportation Enforcement Officer
Carolyn Denham,
Administrative Support Assistant III
(retired 3/1/11)
Karen Rogers,
Administrative Support Assistant III

Administrative Division

Walter L. Thomas,
Commission Secretary
Sandy Haynes,
Clerk Steno III (Retired 8/1/2011)
Felisa Webster,
Administrative Support Assistant III
(Transferred 04/01/2011)
Tashenna Lawrence,
Administrative Support Assistant II
Reletta McGhee,
Administrative Support Assistant II

Consumer Services Section

Aquilla Spivey,
Consumer Services Manager

Wanda Lowery-Geiger,
Consumer Services Specialist
Stephanie Sweet,
Consumer Services Specialist
Kelly Mulero,
Executive Secretary
Liz Thompson,
Clerk Stenographer IV
Michelle Smith,
Administrative Support Assistant III

Finance

Miles Gagner,
Senior Accountant

Kimberly Holt,
Senior Accountant
Ernestine Huffman,
Accountant
Anthony Jackson,
Account Clerk
Motor Carrier Records Section
Valerie Hogan,
Administrative Support Assistant III
Amber Gladson,
Administrative Support Assistant II

Electricity Policy Division

John D. Free,
Director
Electricity Section
Patricia Smith,
Public Utility Analyst II
Linda Gardner,
Public Utility Analyst II

Sheila H. Ward,
Public Utility Analyst II
(retired 7/30/11)
George Brown,
Public Utility Analyst I *
Tanya Champion,
Public Utility Analyst I *
Blake Thomas,
Public Utility Analyst I *

Jerry Delancey,
Administrative Support Assistant I *

Federal Affairs Section

John D. Free

Public Affairs Section

Angier S. Johnson,
Public Information Manager

* Positions funded by the American Recovery and
Reinvestment Act Grant

COMMISSION STAFF



Energy Division

Janice M. Hamilton,
Director

Natural Gas Section

Robert E. Reed,
Public Utility Analyst Manager
Brenda P. Roberts,
Administrative Support Assistant III
Ira Joe Leverette,
Public Utility Analyst III
Donald C. Powell, CPA,
Public Utility Analyst III
Robert Taylor III,
Public Utility Analyst III
Marquita D. Lennon,
Public Utility Analyst I
Tonya L. Williams,
Accountant

Water and Wastewater Section

Stephen D. Bartelt,
Public Utility Analyst Manager
Jodie C. Byrd,
Administrative Support Assistant I
J. Rick Cleckler,
Public Utility Technical Specialist, Senior
Gas Pipeline Safety Section
Wallace R. Jones, Sr.,
Gas Pipeline Safety Administrator
Felisa A. Webster,
Administrative Support Assistant III
O. Harold Dunson,
Pipeline Safety Investigations Supervisor
John Paul Harris,
Pipeline Safety Investigations Supervisor

Thomas W. Lancaster,
Pipeline Safety Investigations Supervisor
Judy D. Ramsey,
Pipeline Safety Investigations Supervisor
Bryan C. Kichler,
Pipeline Safety Investigator, Senior
Gregory E. Meadows,
Pipeline Safety Investigator, Senior
Hosie E. Powell,
Pipeline Safety Investigator, Senior
E. Clark Brown,
Pipeline Safety Investigator
Daniel E. Trapp,
Pipeline Safety Investigator
Jannette S. Mitchell,
Clerk Stenographer III
(retired 5/1/11)

Telecommunications Division

Darrell Baker,
Director

Economic Compliance Section

Larry Smith,
Public Utility Analyst Manager
E. C. McArthur,
Public Utility Analyst III
Tom Jones,
Public Utility Analyst III
Laneeta Roberts,
Public Utility Analyst III

Bill Cook,
Public Utility Analyst III
Gilbert Carlisle,
Public Utility Field Technician
Janet Conway,
Public Utility Analyst II
Linda Jones,
Clerk Stenographer III
Deborah Thornton,
Administrative Support Assistant III
(retired 10/1/11)

Cynthia Allen,
Administrative Support Assistant I
Service Compliance Section
David Peeler,
Public Utility Analyst Manager
Terry Jackson,
Public Utility Field Technician, Senior
Bobby Mobley,
Public Utility Field Technician, Senior
Doug Dillard,
Public Utility Field Technician

Transportation Division

Britt Roberts,
Director
Rita Grantham,
Clerk Stenographer III
Rates and Services Section
Donald Williamson,
Transportation Regulatory Manager
Insurance and Registration Section
Ron Hicks,
Transportation Regulatory Manager

Amanda Shehane,
Staff Accountant
Tara Frazier,
Administrative Support Assistant II
Jennifer Morgan,
Account Clerk
Kathleen McPherson,
Account Clerk
Carolyn Gaylor,
Administrative Support Assistant II

Retha Bryant,
Administrative Support Assistant I
Railway Safety Section
John C. Longcrier,
Railway Safety Administrator
Danny Arledge,
Railway Safety Inspector
Larry Coleman,
Railway Safety Inspector

Executive Director To The Commission



John Garner, Executive Director

In December 2010, the Commission created the position of Executive Director of the agency in order to facilitate more efficient day-to-day operations. The Chief Administrative Law Judge was named as Executive Director and was delegated the responsibility for the overall management of the Commission's daily functions per the direction of the Commissioners. To that end, the Commission directed the Executive Director to report directly to the Commissioners with each division director within the Commission reporting to the Executive Director.

The Executive Director was particularly given responsibility for recommending courses of action to the Commission regarding all personnel matters brought before the Executive Director by the various divisions and was delegated the authority to act on all such personnel matters except matters involving the separation of employees from service through suspension or termination. This delegated responsibility regarding personnel matters is, however, subject to consultation with the Commissioners where non-routine matters are concerned.

The Executive Director was also delegated the responsibility of uniformly implementing and enforcing the administrative policies established in the Commission's Employee Guidelines and Procedures Manual as well as other policies recommended by the Commission. The Executive Director was further charged with recommending any policy changes appearing necessary for the betterment of the agency.

The Executive Director was also given the responsibility for managing the day-to-day administrative functions of the agency including the approval of purchases and/or travel requests subject to general guidelines established by the Commission. The Executive Director was further charged with overseeing all other duties assigned by the Commission on a case-by-case basis including the formulation of recommendations on regulatory issues when requested to do so.

In order to assist the Executive Director in the fulfillment of all assigned responsibilities, the agency employees with responsibility in the areas of personnel matters, information services and state legislative affairs were assigned to report directly to the Executive Director. The functions performed by these personnel complement the primary areas of responsibility of the Executive Director and involve all divisions of the agency.

Personnel Section

The Personnel Section is responsible for all actions affecting the employment status of Commission employees and maintaining all records of those actions. One of its primary functions is to identify and implement changes in payroll expenditures resulting from appointments, resignations, promotions, terminations, etc., through the use of the Government Human Resource System, an automated payroll/



PERSONNEL SECTION

Dorinda Kepler and Rozetta Parker

personnel system. Personnel oversees the in-processing and orientation of new employees and the out-processing of employees who separate from service at the Commission. As the source for state and departmental rules, regulations and benefits that apply to employees, Personnel provides information through the agency handbook, the State Personnel Procedures Manual, and various manuals provided by the State Personnel Training Division. Requests to fill vacancies in the Commission are processed by Personnel with the co-

Executive Director To The Commission



ordination of division directors.

The personnel manager also acts as the liaison with the State Personnel Department (SPD), checking to see that all personnel transactions are in line with state laws and SPD rules and regulations. Additionally, the personnel manager represents the Commission at meetings of the State Personnel Board and the Council of Personnel Administrators.

Personnel also develops, or assists in the development, and updates of job descriptions for Commission employees. This ensures appropriate classifications are selected for a particular job and may also be used as an indicator for change in classification and pay.



INFORMATION SYSTEMS SERVICES SECTION

Karen Gaston, Kay Oswald and Debra Jackson

Information Systems Services Section

The PSC's Information Systems Services section provides a variety of information technology services to the agency. The section operates a local area network which links the Commission's divisions electronically to facilitate the sharing of data and information. The department operates a bank of servers, including the primary file server where users store information in secure folders that are backed up daily. This section is also responsible for running virus protection software and following best practices procedures for information security and disaster preparedness.

There are several systems in place for consumer and users' needs. These include small-scale database applications tracking regulated motor carrier registrations, consumer complaints, information technology help desk requests, and some telecommunications data. The section also coordinates and oversees the maintenance of the agency's document imaging system with an outside vendor.

The Information Services staff establishes e-mail and network user accounts and provides help desk support for hardware and software issues experienced by end users. Custom applications are also designed, primarily using Microsoft Access. Information Systems created and updates the PSC's Web site which offers the functionality of allowing consumers to file complaints online. Commission orders and filings in PSC proceedings can also be accessed through the agency's site as can video footage of each month's public meeting of the Commission.



LEGISLATIVE AFFAIRS

Clarence Duncan

State Legislative Affairs

The Commission's state legislative affair's functions are performed by a Public Utility Analyst whose responsibilities include researching and recommending changes in law deemed necessary to enable the Commission to effectively perform its duties and functions. The state legislative affair's liaison is also responsible for monitoring all state legislative activity as it pertains to the Commission and keeping the Commission and its staff fully informed of the status of such matters in a timely fashion. The state legislative affair's liaison additionally produces and distributes documents that reflect the status of legislation pending before the Alabama Legislature and performs assignments regarding matters of interest to the Commission as directed by the Commission's Executive Director.

Legal Division



John Garner, Chief Administrative Law Judge



LEGAL DIVISION

Seated from left, Eileen Lawrence, Karen Rogers – Standing from left, Judge Scott Morris, Aisha Smith and Judge John Garner

The Legal Division consists of two Administrative Law Judges, including the Chief Administrative Law Judge, a Senior Staff Attorney, a Departmental Operations Specialist and an Administrative Support Assistant III. In addition, the Motor Carrier Enforcement Section operates as part of the Legal Division due to the significant volume of motor carrier functions the Legal Division performs on a day-to-day basis. The Motor Carrier Enforcement Section is comprised of the Transportation Enforcement Chief, two Area Enforcement Supervisors, five Enforcement Officers and an Administrative Support Assistant III.

The Administrative Law Judges of the Legal Division serve as hearing officers in all cases before the Commission. These hearings involve motor carrier cases, utility cases, and other matters. The Legal Division additionally provides legal advice to the Commissioners, the Commission staff and the public.

Although much of the advice provided by the Legal Division is verbal, the Legal Division also prepares opinions and memoranda on legal questions involving the Commission's jurisdiction when necessary. The Legal Division additionally prepares written reports and recommended orders, drafts many of the final orders of the Commission, and reviews orders prepared by other divisions within the Commission. The Legal Division also spends a considerable amount of time handling rulemaking proceedings which entail the promulgation of new rules and/or revisions to existing rules. The Legal Division also works with other divisions in drafting and reviewing legislation impacting the Commission and appears on behalf of the Commission in legislative hearings when necessary.

Many issues arise with telecommunications companies now that competition is active. The Legal Division has responsibilities with respect to mediations, arbitrations and other proceedings involving



ENFORCEMENT SUPERVISORS

From left, John M. Brock, Earl Reeves and Terry Shirley

disputes between telecommunications companies and the relationship between such carriers.

During the past fiscal year, the Legal Division conducted hearings involving approximately 54 matters and processed hundreds of applications not requiring a formal hearing. The length of hearings varies from 20 or 30 minutes to several days and involve matters ranging from certification hearings to formal investigations.

A tabulation of the total number and types of inquiries handled by the Division is not feasible. Such inquiries are numerous and cover subjects as broad as the Commission's jurisdiction and beyond. These inquiries come from the public in general, the Commissioners, staff members, attorneys, the Legislature of Alabama, federal agencies, agencies of Alabama and other states, and all types of businesses regulated by the Commission.

The attorneys of the Legal Division also represent the Commission and assist outside attorneys in cases involving the Commission before the courts of Alabama, federal courts, federal agencies and state agencies. The Legal Division additionally handles personnel proceedings which arise at the Commission from time-to-time and range from grievance hearings to pre-suspension/termination proceedings.

Motor Carrier Enforcement Section

The APSC's Motor Carrier Enforcement Section conducts and carries out investigative, monitoring, and enforcement activities of the Commission to assure and obtain compliance with the provisions of the Alabama Motor Carrier Act and associated rules and regulations.

When motor carriers are found to be operating without proper authority or are conducting their operation in violation of established rules and regulations, steps are taken to require compliance. If conditions warrant, violators are arrested and prosecuted in the courts with proper jurisdiction.

Enforcement officers also conduct investigations involving illegal operations and violations of rules and regulations, issuing citations and warning tickets when appropriate. These officers additionally conduct safety inspections of vehicles and have the authority to place vehicles and/or drivers out of service for safety/regulatory violations.



ENFORCEMENT OFFICERS

From left, Michael Lawson, Sam Peacock, Wade Brunson and Leo Sauls

Administrative Division



Walter L. Thomas, Jr., Secretary

The Commission Secretary receives all filings made to the Commission and distributes them to the appropriate divisions. He also assigns docket numbers to cases requiring public hearings and maintains an electronic file on cases so that information on the status of any case can be obtained quickly.

The Commission Secretary records and distributes the minutes of each monthly Commission meeting. He attests to and files orders of the Commission and certifies copies of orders and other documents of record in the official files of the Commission. The Secretary files Commission oaths of office, surety bonds covering each railway policeman appointed by the Governor, furnishing certification of the policeman's appointment along with the oath and bonding to the Secretary of State. The Secretary signs orders for the Commission to authorize transportation companies to place reduced rates into effect on less than statutory time, in order to meet an emergency. The Secretary receives public officials, attorneys, transportation and utility executives, and other interested people, providing them with information on the procedural practices of the Commission.

The Secretary is responsible for the retention of all records of the Commission. He coordinates the transfer of records to the Department of Archives and History as well as destruction of records. The Secretary acknowledges receipt of filings advising parties of the requirements of the *Rules of Practice* and statutes governing proceedings in which they are involved. He gives general procedural information and answers inquiries requiring research into Commission records. The Secretary is responsible for the coordination of the departmental telecommunications services. This task primarily entails ensuring that the telephone and data lines are working properly. A tabulation of the principal activities of the Secretary during FY-2011 is as follows:

<i>Commission orders issued</i>	1,083
<i>Public hearings held</i>	54
<i>Report and Recommended orders issued</i> ...	13

Finance Section

The Finance Section plans, coordinates and directs the fiscal functions of the Commission, overseeing such activities as accounts, budgets, purchases, equipment and custodial care. Its responsibilities include maintaining the general books, consolidating operating budget requirements, and preparing a budget request and operations plan.

This section also prepares budgetary performance reports; monitors the budget for possible problems and makes any necessary corrections; verifies and processes invoices and expense reports for payment; coordinates and maintains payroll records; bills utilities for inspection and supervision fees; maintains records of fees collected; notifies the Legal Division of any delinquent companies; and conducts special studies or assignments as requested by the Commission.

This section maintains office supplies for the Commission. It develops and administers internal accounting procedures and administers a centralized purchasing service for approved materials, supplies, and equipment.

Motor Carrier Records Section

The Motor Carrier Records Section is responsible for preserving the records of transportation companies. This includes maintaining a complex database and recordkeeping system on all motor carriers who are required to register with the Public Service Commission according to applicable state and federal laws and motor carrier rules and regulations of the Commission. Records retained by this section include, but are not limited to, motor carrier applications, vehicle identifications, transfers, name changes, transcripts, revocation and reinstatement orders, and insurance filings on both active and inactive motor carriers.



Consumer Services Section

The Consumer Services Section serves as the complaint resolution center of the Commission. This section helps consumers resolve disputes with the utility companies as well as answer general questions about regulated utilities. Staff in this section consult with the various utility service providers, the consumer and the various divisions within the Commission to resolve disputes, clarify action taken by the utility and respond to general and often complex inquiries made regarding a utility and the Commission's rules. The Consumer Services Section provides education to consumers.

Consumer Services is staffed by six professionals, the majority of whom have utility-related work experience. There are three Consumer Service Specialists who have the responsibility to gather information from the consumer, document the issue, research, and respond to the consumer. Each Specialist has knowledge of the Commission's rules, the utility-specific rules and industry practices necessary to address complaints and inquiries. Two support persons in this workgroup manage the day-to-day operations for the staff. These employees are responsible for screening incoming calls, processing mail, maintaining complaint files, managing the complaint database and responding to general requests for information. The group manager provides advice to staff on complex issues, develops talking points to address current issues, arranges training sessions and initiates rule changes as necessary. As the pulse of the Public Service Commission, this section handles in excess of 1,000 complaints and over 3,000 inquiries annually.

This workgroup is generally the first point of contact for consumers to the Commission. General inquiries and complaints are reported to the Commission by telephone, electronic filing, letters and fax transmission. This office also handles consumer issues referred from the Governor's Office, U.S. Congress, the Federal Communications Commission, Alabama Attorney General's Office and the Alabama State Legislature. The staff has the

responsibility of responding to general questions about a utility's practices or a Commission rule which is generally handled as an inquiry. A dispute involving a billing or a service-related matter is held as a complaint and requires information about the matter from the utility which is reviewed by the staff person who makes a determination about the validity of the utility's action and finally a decision is communicated to the consumer supporting the action taken or recommending a course of action to resolve the dispute. Consumer Services additionally serves as a sounding board to record consumers' opinions and observations in response to rate actions. Investigation of complex complaints often requires coordination between the utility, Commission staff and the consumer. Written records are created to document inquiries and complaints referred to the Consumer Services Section.

The written records created result in a series of reports each month that are used to track and monitor the utilities' activities and compliance. The written complaint and inquiry records that are created become summarized into a report that becomes an official record of the Commission. This report summarizes the complaints taken during the month by the utility's name and the nature of the complaint. It is also reviewed for trends and patterns which are discussed with the utilities in an effort to improve its service offerings and to suggest changes in its practices or policies. This information is also considered when a utility makes a request to expand its service offerings. Utilities also rely on this information to gauge customer billing and service issues. This report is a snapshot of issues the utilities and Consumer Services are experiencing in a given month. Another report that is created each month centers on a specific type of telecommunications complaint called slamming which is tracked by the Federal Communications Commission. This agency collects data about telephone service providers' that change a consumer's service without permission or authorization. This report details the company that made the unauthorized change and the number of

Administrative Division



Statement of Operations For the Fiscal Year Ending September 30, 2010 and 2011

	<u>PSC Operating Fund</u>	<u>Gas Pipeline Safety Fund</u>	<u>Total Sept. 30, 2011</u>	<u>Total Sept. 30, 2010</u>
Comptroller's Beg. Cash Balance (1):	\$ 5,706,851	\$ 1,153,596	\$ 6,860,447	\$ 5,365,644
Inspection & Supervision Fees -				
Utility/Water Companies	11,259,556	-	11,259,556	10,123,516
Telecommunications/Railroads	3,381,415	-	3,381,415	3,401,732
Motor Carrier Ins. & Reg. Fees	2,228,931	-	2,228,931	2,411,006
Gas Service Line Fees	-	527,564	527,564	527,886
Federal Dept. of Transportation	-	870,221	870,221	889,444
Alabama Dept. of Transportation	50,000	-	50,000	50,000
Miscellaneous Receipts	241,438	(284)	241,154	120,712
Total Receipts:	<u>17,161,340</u>	<u>1,397,501</u>	<u>18,558,841</u>	<u>17,524,296</u>
Total Cash Available:	<u>22,868,191</u>	<u>2,551,097</u>	<u>25,419,288</u>	<u>22,889,940</u>
Disbursement of Encumbrances:				
Personnel Costs	-	-	-	-
Employee Benefits	30	(30)	-	1,077
Travel- In State	3,611	5,002	8,613	14,764
Travel- Out of State	1,060	3,949	5,009	3,801
Repairs & Maintenance	86	-	86	784
Rentals & Leases	2,704	312	3,016	3,191
Utilities & Communications	24,753	2,147	26,900	28,562
Professional Services	10,469	2,044	12,513	10,526
Supplies & Operating Expenses	23,376	1,065	24,441	10,799
Transportation Equipment Operations	12,125	5,394	17,519	15,604
Grants and Benefits	-	-	-	-
Transportation Equipment Purchases	66,384	-	66,384	-
Other Equipment Purchases	4,229	-	4,229	-
Transfer to State General Fund 100	-	-	-	-
Total Encumbrances:	<u>148,827</u>	<u>19,883</u>	<u>168,710</u>	<u>89,108</u>
Disbursement of Operating Costs:				
Personnel Costs	5,819,825	688,670	6,508,495	6,657,721
Employee Benefits	1,986,340	245,734	2,232,074	2,210,967
Travel- In state	47,777	41,667	89,444	100,920
Travel- Out of State	14,724	30,007	44,731	61,206
Repairs & Maintenance	3,902	196	4,098	1,920
Rentals & Leases	1,078,808	46,425	1,125,233	1,073,344
Utilities & Communications	97,562	16,317	113,879	169,843
Professional Services	141,984	14,817	156,801	150,643
Supplies & Operating Expenses	260,611	34,761	295,372	318,029
Transportation Equipment Operations	71,627	28,719	100,346	86,297
Grants and Benefits	100	-	-	-
Transportation Equipment Purchases	17,843	-	17,843	76,342
Other Equipment Purchases	21,816	18,137	39,953	33,153
Total Operating Costs:	<u>9,562,919</u>	<u>1,165,450</u>	<u>10,728,269</u>	<u>10,940,385</u>
Transfer to General Fund	3,823,000	-	3,823,000	5,000,000
Transfer to General Fund: Prior year cash	-	-	-	-
Total Disbursements & Transfers:	<u>13,534,746</u>	<u>1,185,333</u>	<u>14,719,979</u>	<u>16,029,493</u>
Comptroller's Cash Balance, Ending:	9,333,445	1,365,764	10,699,209	6,860,447
Purchase Orders	28,917	8,920	37,837	96,676
Unencumbered Cash Balance, Ending	\$ 9,304,528	\$ 1,356,844	\$ 10,661,372	\$ 6,763,771

(1) PSC was authorized to carry over the unencumbered cash balances for both Fund 325 and 326 from FY-2009 into FY-2010 and from FY-2010 into FY-2011.

Administrative Division



**PSC ARRA Stimulus Fund
Statement of Operations
For the Fiscal Year Ending September 30, 2010 and 2011**

	<u>Total</u> <u>Sept. 30, 2011</u>	<u>Total</u> <u>Sept. 30, 2010</u>
Comptroller's Beg. Cash Balance (1):	\$ 2	\$ -
Federal Dept. of Energy	231,293	11,695
Miscellaneous Receipts	-	1
Total Receipts:	<u>231,293</u>	<u>11,696</u>
Total Cash Available:	<u>231,295</u>	<u>11,696</u>
 Disbursement of Operating Costs:		
Personnel Costs	124,552	-
Employee Benefits	61,364	-
Travel- In state	919	-
Travel- Out of State	3,292	1,221
Repairs & Maintenance	-	-
Rentals & Leases	18,237	-
Utilities & Communications	1,331	-
Professional Services	1,176	-
Supplies & Operating Expenses	3,854	2,689
Transportation Equipment Operations	894	-
Grants and Benefits	-	-
Transportation Equipment Purchases	-	-
Other Equipment Purchases	-	7,784
Total Operating Costs:	<u>215,619</u>	<u>11,694</u>
Transfer to General Fund	-	-
Transfer to General Fund: Prior year cash	-	-
Total Disbursements & Transfers:	<u>215,619</u>	<u>11,694</u>
Comptroller's Cash Balance, Ending:	15,676	2
Purchase Orders	-	-
Unencumbered Cash Balance, Ending	\$ 15,676	\$ 2

The Federal Department of Energy awarded the Alabama Public Service Commission the State Electricity Regulators Assistance grant through the American Recovery and Reinvestment Act of 2009.

ADMINISTRATIVE DIVISION, continued from page 17

incidences per company.

This section also fields Do Not Call queries. The Alabama State Legislature authorized the Commission to establish a Do Not Call Registry. This registry is now a collaborative effort between the Federal Communications Commission and the Commission. Consumers that contact the Commission receive advice on how to register their phone numbers. This data is maintained by the Federal Trade Commission, and complaints are registered through a federal collection site.

Electricity Policy Division



John D. Free, Director



ELECTRICITY POLICY DIVISION

From left, (standing), Jerry Delancey, John Free, Angier Johnson, George Brown, Blake Thomas, (seated) Linda Gardner, Patricia Smith and Tanya Champion

The Electricity Policy Division of the Commission was created in August of FY-2011. This division primarily oversees the regulation of investor-owned electric utilities in Alabama, while also monitoring and participating in federal policy issues affecting the electric industry. In addition, the Electricity Policy Division is responsible for all duties surrounding the Public Affairs function of the Commission. This division is organized into three sections, consisting of: 1) Electricity, 2) Federal Affairs and 3) Public Affairs. Additional details regarding the functions and activities of each section during FY-2011 are identified in the following pages.

Electricity Section

The Electricity Section is responsible for regulatory oversight of the rates and services of investor-owned electric utilities (“IOUs”), as prescribed in Title 37, Code of Alabama, 1975, as amended. In the state of Alabama, this jurisdiction is

limited to Alabama Power Company (“APCo” or “the Company”), the only electric IOU in the state. In the performance of its duties, the staff conducts financial analyses, economic evaluations, auditing, and statistical data assimilation. In addition, the staff performs management and technical inquiries to remain informed as to the manner and methods in which APCo’s business is conducted.

This section also evaluates certain aspects of Southern Electric Generating Company (SEGC), jointly owned by Alabama Power Company and Georgia Power Company, and the Alabama Municipal Electric Authority (AMEA).

ALABAMA POWER COMPANY

Rate Stabilization and Equalization (RSE)

Rate RSE, the rate approved by the Commission under docket numbers 18117 and 18416, was designed to lessen the impact, frequency and size of



retail rate increase requests by permitting the Company, through the operation of a rate that was filed and approved, to adjust its charges more readily to achieve the rate of return allowed by the rate order of the Commission. By provisions in the rate, the charges are increased if projections for the upcoming year show that the designated rate of return range will not be met and are decreased if such projections show that the designated rate of return range will be exceeded. Other provisions limit the impact of any one adjustment (as well as the impact of any consecutive increases), and also test whether actual results exceeded the equity return range.

Beginning December 1, 2006, and by December 1 of each year thereafter, the Company's rate of return on projected average common equity ("RRCE"), separated to retail electric service, shall be computed annually for the upcoming twelve-month period ending December 31 (such twelve-month period being the "rate year"). The RRCE shall be computed on the basis of cost estimates and budgets prepared by the Company in the ordinary course of its business and in a manner consistent with the Federal Energy Regulatory Commission's (FERC) Uniform System of Accounts. If the resulting RRCE is less than 13.0% or more than 14.5% (13.0% – 14.5% being "the equity return range"), then monthly bills under the respective rate schedules subject to Rate RSE shall be adjusted by amounts per kilowatt-hour (kWh) necessary, in total, to restore the RRCE to 13.75% (the "adjusting point" in the equity return range).

The Electricity Section examines Alabama Power's books and records on a monthly basis to determine the RRCE for the current 12-month period. The section's staff prepares a summary report of this information for presentation at each monthly Commission meeting. As of September 30, 2011, the re-projected Retail Return on Average Common Equity for the twelve-month period ending December 2011 was 13.15%.

Rate ECR (Energy Cost Recovery)

Rate ECR, the rate approved by the Commission under docket number 18148, is the mechanism used to recover retail customers' portion of energy costs. On October 8, 2008, the Commission approved an ECR factor of 59.10 mills per kWh. However, the Company is allowed to adjust the factor using an interim factor for temporary periods of time to reduce the over/under collections accumulated in the energy cost recovery account. The Electricity Section evaluates the monthly filings by Alabama Power and prepares a summary report for the monthly Commission meetings. The report identifies the status of the Company's energy costs recovery, the accumulated over/under collections, and the ECR projection for December 31 of the current year.

In April 2002, the Commission approved Rate Rider RDF (Rate Differential Factors). This rate rider is applicable to Rate ECR and adjusts the ECR billing factor to reflect the seasonal patterns of fuel costs. The billing factor is increased during the months of June through September and decreased for the billing months of October through May.

The approved factor for the billing months of January 2011 through March 2011 was 24.03 mills per kWh (2.403 cents/kWh) with an approved factor for the billing months of April 2011 through December 2011 of 26.81 mills per kWh (2.681 cents/kWh). As of September 30, 2011, Alabama Power's energy costs was \$38,745,742 under-collected.

Certificated New Plant (CNP)

Rate CNP – Part A, was originally approved in 1982 in conjunction with Rate RSE under docket numbers 18117 and 18416. The original rate provided for the certification of generating facilities and the recovery of the related capital cost for such facilities. During FY-2011, Alabama Power Company did not file for an application for a Certificate of Public Convenience and Necessity (CPCN) related to generating facilities.



Rate CNP was modified in April 2000, to include a second provision, Rate CNP - Part B, that would allow for the certification of Purchase Power Agreements (PPAs) and the recovery of the total costs (excluding fuel) associated with each agreement. Rate CNP - Part B is also referred to as Rate CNP-PPA. At this time, Alabama Power Company has four approved PPAs which are detailed as follows:

1. By Commission Order dated November 7, 2000, under docket number 27785, the Commission authorized Alabama Power, for a term to expire May 31, 2011, to acquire the rights and assume payment obligations under a PPA with Calhoun Power Company, LLC ("Calhoun"), involving 630 MW of combustion turbine capacity. The PPA was further extended in March 2009 for an additional eleven (11) years, continuing through December 31, 2022.
2. By Commission Order dated October 22, 2010, under docket number 31301, the Commission authorized Alabama Power, for a term of ten (10) calendar years, to acquire the rights and assume payment obligations under a PPA with Westervelt Renewable Energy, LLC ("Westervelt"), involving approximately 7.5 MW of electric capacity from a small-scale renewable energy ("biomass") generating facility operated by Westervelt.
3. By Commission Order dated July 12, 2011, under docket number 31301, the Commission authorized Alabama Power, for a term of five (5) calendar years, to acquire the rights and assume payment obligations under a PPA with AbiBow US Inc. ("AbiBow"), involving up to 15 MW of electric capacity and energy from a renewable energy ("black liquor") generating resource.
4. By Commission Order dated September 9, 2011, under docket number 31653, the Commission authorized Alabama Power, for a term of twenty (20) calendar years, to acquire the rights and assume payment obligations under a PPA with Chisholm View Wind Project, LLC ("Chisholm View"), involving 202 MW of wind energy supplied from a wind farm being developed by Chisholm View in Grant and Garfield Counties, Oklahoma.

Rate CNP was further modified in October 2004, to include a third provision, Rate CNP - Part C, that would provide a mechanism to recover compliance costs associated with "environmental mandates." Rate CNP - Part C is also referred to as Rate CNP-ECP (Environmental Compliance Plan). Beginning in December 2004, and each December thereafter, Alabama Power is required to file its annual Environmental Compliance Plan subject to Rate CNP - Part C. The first rate adjustment under the Part C provision went into effect in January 2005.

Flexible Contract Rate (FCR)

By Commission Order, dated April 1, 1996, the Commission approved the Company's petition for a new Flexible Contract Rate (Rate FCR). Rate FCR was designed to be applicable only to commercial and industrial customers who have a need for flexibility in rates and/or service and who have an account for no less than one-megawatt of electricity. For contracts with commercial and industrial customers utilizing this rate, an economic evaluation must be made in accordance with methods accepted by the Commission. The economic evaluation must demonstrate that the pricing under each contract will yield a positive benefit to all ratepayers over the term of the contract.



During FY-2011, the Commission staff evaluated ten (10) electric service contracts that were filed pursuant to Rate FCR.

Natural Disaster Reserve (NDR)

By Commission Order dated October 3, 1994, the Commission granted Alabama Power Company authority to establish a Natural Disaster Reserve ("NDR" or "the Reserve") of \$32 million against which extraordinary operation and maintenance expenses, resulting from natural disasters, would be charged. The Reserve was established to help mitigate the disruptive effects of significant natural disasters occurring in Alabama Power's service territory.

The Commission has, from time to time, made modifications to the establishment of the Reserve to deal with negative balances resulting from extraordinary disasters. In December 1995, the Commission authorized Alabama Power to make additional accruals, without further order by the Commission, above the normal monthly amount of \$250,000 whenever the balance in the Reserve declines below \$22.4 million. Accruals above normal monthly amounts could continue until the Reserve was restored.

By Commission Order dated December 6, 2005, under docket number U-3556, the Commission approved Rate Rider NDR, and increased the authorized disaster reserve balance from \$32 million to \$75 million, effective January 2006. Rate Rider NDR was designed to address the negative balance in the Natural Disaster Reserve and to re-establish a reserve balance sufficient to address potential costs associated with future natural disasters. In order to accomplish this, Rate Rider NDR added a small monthly charge to each account served under the Company's retail rate schedules. As a result of Rate Rider NDR, the negative balance in the reserve was fully recovered by June 30, 2007.

By Commission Order dated August 20, 2010, Alabama Power Company was authorized to make discretionary accruals to the Reserve above the existing authorized limit (\$75 million) and to include reliability related expenditures among the category of costs that can be charged against the Reserve.

On July 12, 2011, the Commission approved the elimination of Rate T, a tax-related (essentially a negative revenue adjustment) adjustment in the Company's rates, effective October 2011. Alabama Power projected that the elimination of this adjustment would result in additional revenues of approximately \$30 million in FY-2011. In accordance with the Commission's Order dated July 12, 2011, under docket number 18148, the Company will make additional accruals to the Reserve in the fourth quarter of 2011 in an amount equal to the additional 2011 revenues resulting from the elimination of the tax-related adjustment.

The NDR was impacted as a result of the \$38.6 million operations and maintenance expenses incurred in connection with the April 2011 severe storms that struck Alabama. In September 2011, the Company incurred additional operation and maintenance costs, as a result of damage from Tropical Storm Lee, that are expected to be in the range of \$14.0 - \$22.0 million. As of September 30, 2011, the Natural Disaster Reserve had a positive balance of \$75,342,182.

Other Activities: New and Revised Tariffs

By Commission Order dated April 5, 2011, under docket number U-5017, effective with May 2011 billings, the Commission approved a petition by Alabama Power to establish a new Rate Rider EDI (Economic Development Incentive). The new Rate Rider EDI provides a 24-month incentive for new or expanding customers that meet the specified criteria determined by the Alabama Department of Revenue for capital investments and job creation. In addition, the customer must meet the criteria of providing an additional incremental load of 1,000 kVa, as established by the Company. This Rate Rider is available to qualifying customers who enter into a Contract for Electric Service for service commencing prior to January 1, 2014. Under this new Rate Rider EDI, the customer receives a ten percent (10%) discount on estimated base rate charges related to the additional incremental load for the first year and receives a five percent (5%) discount on estimated base rate charges



related to the additional incremental load for the second year. The new Rate Rider EDI targets large commercial and industrial customers and promotes economic recovery, economic development, and job creation for the state of Alabama.

By Commission Order dated April 5, 2011, under docket number 24860, effective with June 2011 billings, the Commission approved a petition by Alabama Power to revise Rate LPS (Light and Power - Small). The revision raised the maximum metered monthly demand requirement from 15 kW to 20 kW and the maximum energy usage from 18,000 kWh per year to 24,000 kWh per year, which allows the customer more flexibility throughout the year. The revision broadened the eligibility requirements for this rate and offers more customers the ability to receive electric service under this rate.

By Commission Order dated April 5, 2011, under docket number U-5016, effective with July 2011 billings, the Commission approved a petition by Alabama Power to establish a new Rate Rider CRI (Community Redevelopment Incentive). The new Rate Rider CRI provides a 12-month incentive for customers who establish a new account in an existing building with Heating, Ventilation and Air Conditioning (HVAC) that has been unoccupied for at least six (6) months. Under this new Rate Rider CRI, the customer will receive a fifteen percent (15%) discount on monthly base rate charges for a period of twelve (12) consecutive months. This Rate Rider is available to qualifying customers who enter into a Customer Service Agreement for service commencing prior to January 1, 2013. The new Rate Rider CRI targets small to medium commercial customers and promotes economic recovery, economic development, and job creation for the state of Alabama.

By Commission Order dated May 3, 2011, under docket number 18005, the Commission approved the 32nd revision to Rate PAE (Purchase of Alternate Energy). The charges and payments under this rate were revised to reflect updated costs and

avoided costs for the Company and are based on 2010 actual data and 2011 forecasted data.

By Commission Order dated July 12, 2011, under docket number 18148, the Commission approved the Alabama Power's proposal to revise the current Income Tax Adjustment (ITA) mechanism applicable to Rate T (Tax), to be effective for October, 2011 billings and thereafter. The revision will better align Rate T with the way taxes are handled under the forward-looking construct of Rate RSE (Rate Stabilization and Equalization). Specifically, the revision eliminates the billing adjustment contained in the current ITA mechanism. The revised ITA mechanism will provide for a billing adjustment only in the event that an unexpected change in federal or state tax rates takes effect intra-year and was not reflected in the calculations under Rate RSE for that year.

Alabama Power anticipates the elimination of this adjustment will result in additional revenues of approximately \$30 million in 2011 and \$150 million annually beginning in 2012. Alabama Power expects that the additional revenues will preclude the need for a rate adjustment under the Rate RSE mechanism, and the company agreed to a moratorium on any RSE increase in 2012.

By Commission Order dated July 14, 2011, under docket number U-5024, the Commission approved four new optional Time-of-Use (TOU) Rates: Rate RTA (Residential Time Advantage); Rate RTA – Energy Only (Residential Time Advantage – Energy Only); Rate BTA (Business Time Advantage); and Rate BTA – Large (Business Time Advantage - Large). These four TOU rates provide pricing signals by time period and are intended to encourage customers to use energy more efficiently in order to achieve cost savings.



Financing

The Electricity Section staff reviewed all financing petitions filed by Alabama Power Company and Southern Electric Generating Company (SEGCo) during FY-2011. SEGCo is a corporation owned, in equal shares, by Alabama Power Company and Georgia Power Company. SEGCo has electric generating facilities located in Wilsonville, Alabama. These financing petitions are generally filed with the Commission to request approval to engage in the issuance of securities or to assume obligations pursuant to other types of debt instruments. Upon analysis and evaluation, the staff makes recommendations to the Commission pertaining to these types of petitions.

By Commission Order dated August 02, 2011, under docket number U-5029, the Commission granted Alabama Power Company the authority (i) to issue and sell preferred stock, preference stock, and promissory notes, subordinated debentures, and other debt instruments and incur obligations in connection with the issuance of industrial development revenue bonds with an aggregate principal amount or stated value of such preferred stock, preference stock, industrial development revenue bonds, and subordinated debentures, promissory notes, and other debt instruments not exceeding \$2,000,000,000 (long-term borrowing) at times and in amounts deemed by it to be appropriate; and (ii) to borrow upon the issuance of promissory notes and to issue and sell commercial paper notes from time to time and to be renewed from time to time in an aggregate principal amount not to exceed \$2,250,000,000 (short-term borrowing) at any one time outstanding and having maturity dates of not more than ten years after the date of issue and prior to December 31, 2013.

By Commission Order dated August 02, 2011, under docket number U-5030, the Commission granted SEGCo the authority through December 31, 2013 (i) to issue and sell and incur obligations in connection with the issuance of not more than \$100,000,000 in aggregate principal amount of promissory notes, subordinated debentures and

other debt instruments and industrial development revenue bonds, (ii) to borrow upon the issuance of promissory notes and to issue and sell commercial paper notes to third-party lenders and to Alabama Power and Georgia Power Company from time to time and to be renewed from time to time in aggregate principal amount not to exceed \$80,000,000 at any one time outstanding and (iii) to assume obligations in connection with the issuance of promissory notes, subordinated debentures and other debt instruments.

Auditing

The Electricity Section's analysts conduct monthly analytical reviews and/or audits to test the completeness and accuracy of financial statements, economic models and other data submitted by Alabama Power Company. For this activity, the staff's monthly fuel audit is particularly important because the Company's energy costs are a major portion of total operation and maintenance (O&M) expense. During the monthly fuel audits, the accounting records for fuel purchases and burns are reviewed at the corporate office and at the respective generating facilities. Site audits for each generating facility are performed on a rotating basis.

In addition to the fuel audit, the staff also engages in a detailed review of Alabama Power's Environmental Compliance Plan, which, pursuant to Commission Order, is filed with the Commission on December 1 of each year. This summary identifies the previous year's environmental expenses incurred and projected expenses for upcoming years. This information is reviewed thoroughly during the review and audit process. During FY-2011, the staff performed two separate reviews/audits of this filing. The first review/audit included a complete analytical review of the environmental factor filed for the upcoming rate year. The second review/audit entailed a detailed review of the environmental compliance plan. During the review/audits, the staff: 1) reviewed and verified the accuracy of amounts reported in the filing, 2) ensured that the filing is in accordance with Rate CNP Part C, 3)

compared and researched significant budget variances, 4) determined that reported expenses were qualifying environmental expenses, and 5) requested and reviewed additional information, as needed, for a complete and thorough analysis of the filing.

In addition, the staff performed annual compliance audits of the Rate CNP Part B (Purchase Power Agreement) filing. Other auditing responsibilities included testing of various accounts and activities to trace and verify reported revenues and expenses, to review APCo's compliance with the FERC Uniform System of Accounts, and to investigate significant variances identified during monthly monitoring and analytical processes.

Also, the staff performed random billing audits to test the Company's compliance with approved tariffs. No exceptions were noted in the billing audit for the June 2011 billing cycle.



ARRA
American Recovery and
Reinvestment Act of 2009

American Recovery and Reinvestment Act (ARRA) of 2009

As part of the ARRA, the Department of Energy (DOE) presented funding opportunities through the State Electricity Regulators Assistance initiative. The objectives of this program are to: 1) increase the capacity of the state public utility commissions (PUCs) to manage a significant increase in dockets and other regulatory actions resulting from ARRA electricity-related topics, 2) facilitate timely consideration by PUCs of regulatory actions pertaining to ARRA electricity-related topical areas, and 3) create jobs. The initiative is focused on building state PUC

capacity to ensure timely consideration by appropriate regulatory processes for ARRA electricity-related topical areas. Electricity-related ARRA topical areas include, but are not necessarily limited to: energy efficiency, electricity-based renewable energy, energy storage, smart grid, electric and hybrid-electric vehicles, and demand response equipment, coal with carbon capture and storage, and transmission.

The Alabama Public Service Commission was awarded an \$868,824 grant in April 2010 to be expensed over a two-year period to support efforts to promote a number of electricity-related initiatives and to enhance its regulatory capacity to be more proactive and productive. After receiving the grant, the Commission proceeded to outline the details of specific tasks and outcomes for job descriptions, as well as goals and tracking mechanisms. To meet the goals and objectives cited above, the Commission proceeded to hire and train four public utility analysts and one administrative support assistant. One analyst has been converted to a state merit position with the Commission and is no longer financed through ARRA funds. The three remaining analysts are participating in educational opportunities and conducting research in many areas such as new efficiency and demand-response programs, smart grid, carbon capture and renewable energy technologies. In some cases, the team's research projects will also require them to study the status of these same topics for other states. In addition, the grant is providing training to ARRA staff on a variety of other regulatory issues that support the normal operational activities of the Electricity Policy Division.

These employees are supervised by a project manager who is a state merit system employee on the Commission's staff. The first milestone of the Project Management Plan - Electric Utility Policy Review has been submitted to management and is undergoing final revisions. The research and compilation of this document served as training exercise for the ARRA team but can also be used as a resource document for other Commission staff.



During FY-2011, the ARRA team actively participated in the economic evaluations, financial calculations, and cost-benefit analyses necessary to evaluate two complex petitions, filed by Alabama Power Company, for approval of Purchase Power Agreements for the capacity and energy from a renewable energy resource. After an exhaustive review and analysis, a new docket was opened and an Order was issued to approve both petitions.

In addition, the ARRA team participated in the economic evaluations, financial calculations, and cost-benefit analyses of a petition filed by Alabama Power Company to offer four new optional time-of-use rates. The new TOU rates are considered a demand-side option and will utilize Alabama Power's newly installed Advanced Metering Infrastructure (AMI) technology. This petition also resulted in a new docket being opened and an Order issued to approve the petition.

Also during FY-2011, the ARRA team participated in an Energy Efficiency workshop hosted by the Commission. Richard Sedano, Principal and US Programs Director of the Regulatory Assistance Project (RAP) facilitated this workshop. RAP is a global, non-profit team of experts that focuses on the long-term economic and environmental sustainability of the power and natural gas sectors, providing technical and policy assistance to government officials on a broad range of energy and environmental issues.

ALABAMA MUNICIPAL ELECTRIC AUTHORITY

Pursuant to the provisions of Section 11-50A-25, *Code of Alabama* 1975, as amended, the Commission reviews and approves certain activities of the Alabama Municipal Electric Authority ("AMEA" or "the Authority"). Although there were no filings for AMEA during FY-2011, the Commission did act on a matter for AMEA in 2010 that will become effective in 2011, as follows:

On April 6, 2010, the Commission issued Informal Docket U-3013 approving Amendment No. 3 to the Power Supply Agreement ("PSA") between AMEA and Alabama Power Company ("APCo").

The PSA Amendment, dated March 1, 2010, modifies certain provisions of the Power Supply Agreement between Alabama Power Company and the Authority, dated as of December 20, 2001 and terminates the Agreement for the Supply of Supplemental Capacity and Energy between Alabama Power Company and the Authority, dated as of February 15, 2008 ("Agreement for Supplemental Supply").

APCo and AMEA entered into Amendment No. 3 to the PSA which modified four material provisions: 1) the supply of additional electric capacity and energy commencing in 2011, 2) the manner in which the "Availability Percentage for Alternate Resources" is calculated, 3) the date by which APCo must provide certain information pertaining to changes in generation costs, and 4) the notice of information for APCo under the PSA.

Federal Affairs

The Federal Affairs section monitors the activities of various federal agencies and other industry groups such as: the Federal Energy Regulatory Commission (FERC), the Environmental Protection Agency (EPA), the Nuclear Regulatory Commission (NRC) and the Department of Energy (DOE).

Federal Affairs also reviews federal court appeals and decisions on electric utility issues and, if appropriate, makes recommendations to the Commission regarding appropriate actions to be taken. In addition, this section reviews proposed federal legislation affecting the electric industry and Alabama electric consumers and prepares summary documentation for the Commission's review as needed. The Federal Affairs Section also monitors and reports to the Commission the various positions taken by other state commissions, and NARUC, on issues affecting electric utility regulation in Alabama.

In an effort to remain informed of these matters, the Federal Affairs staff conducts research, monitors news briefings, participates in conference calls and attends various industry conferences/meetings such as the National Association of Regulatory Utility Commissions (NARUC) meetings.

During this past year, the Federal Affairs staff has monitored numerous energy/electricity matters and assisted with the development of appropriate Commission action as needed. In some cases, the appropriate action involved filing comments, on behalf of the Commission, in a particular federal proceeding. Some of the more important issues from this past year are summarized as follows:

- FERC's Notice of Proposed Rulemaking issued on June 17, 2010, regarding Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities in Docket No. RM 10-23-000. The Commission filed comments on September 21, 2010. The Commission also submitted a Request for Rehearing on August 22, 2011.
- Energy Independence and Security Act of 2007's directive to the National Institute of Standards and Technology (NIST) to coordinate the development of a framework, including protocols and standards, to achieve Smart Grid deployment and interoperability and, after consensus, submit such standards to FERC to institute a rule making proceeding to adapt such standards and protocols.
- The U.S. Environmental Protection Agency's (EPA) Proposed Rule issued on June 21, 2010, concerning the regulation of coal combustion byproducts (CCBs), particularly coal ash and gypsum, as either hazardous waste under Resource Conservation and Recovery Act (RCRA) Subtitle C or non-hazardous waste under RCRA



Subtitle D, under Docket No. EPA-HQ-RCRA-2009-0640. The Commission filed comments on November 19, 2010.

- The U.S. Environmental Protection Agency's proposed rule, issued on March 16, 2011, concerning national emissions standards for hazardous air pollutants from coal-and oil-fired electric generating units and standards of performance for fossil-fuel-fired electric utility, industrial-commercial-institutional, and small industrial-commercial-institutional steam generating units (Air Toxics Rule). The Commission filed comments on August 3, 2011.
- The U.S. Environmental Protection Agency's proposed rule, issued on April 20, 2011, concerning the regulation of cooling water intake structures at existing facilities and Phase I facilities. The Commission filed comments on August 18, 2011.
- Federal legislation concerning climate policy, particularly attempts to mandate renewable portfolio standards, clean energy standards and carbon cap and trade programs.
- Federal legislation concerning financial reform and the effect of such reform on utility hedge programs.

Public Affairs

The Public Affairs Section is responsible for the public information duties of the Commission. This entails distributing information to the news media, the public and other state, governmental and regulatory agencies.

The Public Affairs section also produces informational materials such as the PSC's Annual Report, brochures, presentation aids and other graphic design materials. This section also provides information to be posted to the PSC's web site, attends Commission hearings and meetings and monitors media coverage of the PSC.

Janice M. Hamilton, Director

The Energy Division oversees the operations of natural gas and water utilities and wastewater management entities serving consumers within the state of Alabama. This responsibility includes monitoring the rate stabilization and equalization (RSE) programs used by the Alabama Public Service Commission (“the Commission”) to regulate Alabama Gas Corporation (Alagasco) and Mobile Gas Service Corporation (Mobile Gas). The safety of all natural gas and hazardous liquid pipeline systems in Alabama is included within the Energy Division’s scope of responsibility under the Gas Pipeline Safety section’s purview.

The subsequent paragraphs discuss each section’s significant regulatory policies, responsibilities, and major activities that occurred during fiscal year 2011.

Natural Gas Section

The Natural Gas Section is responsible for the regulation of all publicly owned natural gas distribution, transportation, storage, and intrastate natural gas and oil pipelines in Alabama, and the monitoring of the Rate Stabilization and Equalization and related programs for Alabama Gas Corporation and Mobile Gas Service Corporation.

RATE STABILIZATION AND EQUALIZATION

The Commission regulates the rates for the two largest gas utilities in the state under a Rate Stabilization and Equalization (RSE) plan. RSE has been in use for more than 25 years as a method of keeping rates as low as possible while assuring quality service.



ENERGY DIVISION STAFF

From left, Rick Cleckler, Robert Taylor, III, Jodie Byrd, Marquita Lennon, Joe Leverette, Bob Reed, Brenda Roberts, Donald Powell and Tonya Williams.



Alabama Gas Corporation

Each month, this section examines the books and records of Alabama Gas Corporation (Alagasco), determines the return on average common equity for the preceding 12-month period, and reports the financial and operational results of the previous month, including the return on average common equity, to the Commission. It also graphically summarizes Alagasco’s recent operating history. Under the RSE plan, the only time Alagasco can increase its base rates is December 1. If the projected return, based on the budget approved by the utility’s board of directors, is less than 13.15 percent, rates are increased December 1 to bring the return at the end of the rate year to 13.4 percent. If the projected return is more than 13.65 percent, rates are decreased to bring the return to 13.4 percent. If the projected return is between 13.15 and 13.65 percent, inclusive, no adjustment is made. Subsequent points of test, based on the projected return at September 30, can yield only decreases or no change, effective April 1, July 1, and October 1. The Natu-

ral Gas Section evaluated four RSE filings by Alagasco during FY-11.

Effective Date	Increase (Decrease)
December 1, 2010	(\$1,283,532)
April 1, 2011	(\$4,382,790)
July 1, 2011	(\$2,591,369)
October 1, 2011	(\$6,458,898)

Alagasco also has an incentive program, the Cost Control Measure, under which it must keep growth in operation and maintenance expenses below a specified range, or face penalties. The utility has a temperature adjustment that tracks the effect of abnormally high or low temperatures on the recovery of non-gas costs. The section monitors both of these programs to ensure that they are conducted in accordance with the approved tariff.

Mobile Gas Service Corporation

Each month this section examines the books and records of Mobile Gas Service Corporation (Mobile Gas), determines the return on average common equity for the preceding 12-month period, and reports the financial and operational results of the previous month, including the return on average common equity, to the Commission.

Under the RSE plan, the only time Mobile Gas can increase its base rates is December 1. If the projected return, based on the budget approved by the utility’s board of directors, is less than 13.35 percent, rates are increased December 1 to bring the return at the end of the rate year to 13.6 percent. If the projected return is more than 13.85 percent, rates are decreased to bring the return to 13.6 percent. If the projected return is between 13.35 and 13.85 percent, inclusive, no adjustment is made. Subsequent points of test, based on the projected return at September 30, the end of Mobile Gas’ rate year, can yield only decreases or no change, effective April 1, July 1, and October 1. The Natural Gas Section



The Commission Commends – From left, Tommy Swindle, Alagasco Service Technician, receives a resolution from the Commission, for his bravery and assistance during a domestic violence incident in Selma. Bob Reed presents the award.



evaluated four RSE filings by Mobile Gas during FY -11.

Effective Date	Increase (Decrease)
December 1, 2010	\$1,966,427
April 1, 2011	\$0
July 1, 2011	\$0
October 1, 2011	\$0

Mobile Gas also has an incentive program, the Cost Control Measure, under which it must keep growth in operation and maintenance expenses below a specified range, or face penalties. The utility has a temperature adjustment that tracks the effects of abnormally high or low temperatures on the recovery of non-gas costs. The section monitors both of these programs to ensure that they are conducted in accordance with the approved tariff.

LOCAL DISTRIBUTION COMPANIES

Another function of the Natural Gas Section is to maintain statistical data and keep the Commission informed on all facets of the gas utilities' operations. Under that function, the following reports are prepared regularly:

- § Revenue and Expense Analysis
- § Competitive Fuel Clause
- § Gas Supply/Purchased Gas Adjustment
- § Return on Average Common Equity

During FY-11, the Natural Gas Section was responsible for evaluating and making recommendations to the Commission on all matters pertaining to the following local distribution companies:

Alabama Gas Corporation

Mobile Gas Service Corporation

Wheeler Basin Natural Gas Company

The section conducts its own investigations requiring examination of work papers, financial reports and other records. The findings are docu-

mented and evaluated in written reports, and, when appropriate, meetings with officials of the respective gas companies are held to discuss the results. For matters requiring Commission approval, the section presents them to the Commission with a recommendation.

Alabama Gas Corporation

Regarding Alabama Gas Corporation, the section:

- Monitored the company's gas purchases, hedging, and storage activities;
- Conducted a midterm meeting of all parties to the RSE negotiation;
- Worked extensively with the company regarding a request to issue long-term debt;
- Evaluated Gas Supply Adjustment filings;
 - ◊ Worked with the Commission's Consumer Services Section to review changes in the company's policies regarding disconnects, reconnects, and collecting arrearages;
 - ◊ Evaluated a revision to the GSA Tariff;
- Worked with the Commission's Consumer Services Section to address consumer complaints resulting from bad meter readings made by contractors hired by the company;
- Met with the Commission's Legal Division regarding the Order implementing revised depreciation accrual rates and modifying provisions of the company's Enhanced Stability Reserve;
- Reviewed a gas procurement and transportation agreement between Food Ingredients Technology Company and the utility;
- Reviewed a transportation agreement between Alertis Specification Alloys, Inc. and the company;
- Reviewed a gas procurement and transportation agreement between Hunt Refining Company and the company;



- Reviewed a base contract and transaction confirmation between Walter Black Warrior Basin, LLC, and the company;
- Analyzed a change in the depreciation rate applicable to certain computer software;
- Met with the company regarding revisions to its transportation rate tariff; and
- Reviewed the company's annual report and requested and received clarification of certain portions of the reports.

Mobile Gas Service Corporation

Regarding Mobile Gas Service Corporation, the section:

- Monitored the company's gas purchases, hedging, and storage activities;
- Worked extensively with the company regarding a request to issue long-term debt;
- Evaluated a Cast Iron Replacement Factor filing, a Cost Control Measurement Filing, a Weather Impact Normalization filing and Purchased Gas Adjustment filings;
- Evaluated a base contract between Texla Energy Management and the company;
- Evaluated a no-notice service agreement between Gulf South Pipeline Company and the utility;
- Reviewed revisions to the company's Competitive Fuel Clause;
- Analyzed an amendment to the credit agreement with Sempra; and
- Reviewed the company's annual report.

Wheeler Basin Natural Gas Company

Regarding Wheeler Basin Natural Gas Company, the section:

- Evaluated a proposed change in base rates;
- Researched several old contracts; and

- Reviewed the company's annual report and requested clarification of certain portions of the report.

INTRASTATE STORAGE AND PIPELINE COMPANIES

During FY-11, the Natural Gas Section was responsible for evaluating and making recommendations to the Commission on matters pertaining to the following intrastate pipeline and storage companies:

- American Midstream (Alabama Gathering) LLC
formerly Enbridge Pipelines (Alabama Gathering) LLC
- American Midstream (Alabama Intrastate) LLC
formerly Enbridge Pipelines (Alabama Intrastate) LLC
- American Midstream (Bamagas Intrastate) LLC
formerly Enbridge Pipelines (Bamagas Intrastate) LLC
- American Midstream (Tennessee River) LLC
formerly Enbridge Pipelines (Tennessee River) LLC
- Arapaho Communications, L.P.
- Bay Gas Storage Company, Ltd.
- Genesis Pipeline, LLC
- Pine Energies, Inc.
- Southcross Alabama Gathering System, L.P.
formerly Crosstex Alabama Gathering System, L.P.
- Southcross Alabama Pipeline LLC
formerly Enterprise Alabama Intrastate LLC Southern Gas Transmission Company



Arapaho Communications, LP

The section:

- Evaluated the company's planned pipeline in Aliceville, AL which will serve the new Aliceville medium security women's prison operated by the Federal Bureau of Prisons; and
- Met with the company's personnel to discuss progress.

Bay Gas Storage Company, Ltd.

The section:

- Analyzed an amended and restated agreement with Sempra Energy;
- Evaluated the company's annual report format and determined that its operations had progressed to the point that it met the threshold for a different format; and
- Reviewed the company's annual report.

Enterprise Alabama Intrastate LLC

The section:

- Reviewed the company's annual report;
- Researched a question of jurisdiction over a particular contract and determined that it fell under the jurisdiction of Federal Energy Regulatory Commission; and
- Reviewed the name change and change of control from Enterprise Alabama Intrastate LLC to Southcross Alabama Pipeline LLC.

Southcross Alabama Gathering, LP

The section:

- Evaluated a gas sales agreement between Interconn Resource, Inc. and the company;
- Evaluated a gas gathering agreement between Chevron U.S.A. and the company;
- Evaluated a gas gathering agreement between Walter Black Warrior Basin, LLC, and the company; and

- Reviewed the company's annual report.

Southcross Alabama Pipeline LLC

The section:

- Reviewed the name change and change of control from Enterprise Alabama Intrastate LLC to Southcross Alabama Pipeline LLC.

SUPPORT OF COMMISSION OFFICES

The section:

- Briefed Commissioners on several issues;
- Prepared a comprehensive history of RSE for Alabama Gas and Mobile Gas along with a detailed discussion of how RSE works for both companies;
- Prepared letter responses and documents concerning natural gas issues;
- Assisted the Consumer Services section with various complaints.

INTERAGENCY ACTIVITIES

Various section members:

- Served as Vice Chair and then Chair of the National Association of Regulatory Utility Commissioners' Staff Subcommittee on Gas presiding over meetings in Washington, DC, Atlanta, GA, and Los Angeles, CA;
- Served as Vice Chairman of the Alabama Liquefied Petroleum Gas Board as President Baxley's designee;
- Chaired NARUC Natural Gas Staff Subcommittee's monthly conference calls;
- Participated in the monthly conference calls to discuss the FERC Southeastern Snapshot Report and other energy items of interest;
- Prepared documentation for the Examiners of Public Accounts related to the Legal Compliance Audit of the SMART Quarterly Performance Reports for fiscal years 2009 & 2010;



Gas Pipeline Safety staff conduct Fire School training

- Met with the Legal Division, Gas Pipeline Safety, and the State Fire Marshal to discuss the safety issues and other issues relating to filling stations for compressed natural gas, and the possibility of overlapping regulations; and
- Participated in the NARUC Critical Infrastructure conference calls.

TRAINING ACTIVITIES

Section representatives:

- Received training in Leak Investigation and participated in a Safety Roundtable conducted by the Alabama Natural Gas Association;
- Attended a Call Before You Dig presentation by Alabama OneCall;
- Attended a Damage Prevention Seminar conducted by Gas Pipeline Safety;



- Attended an Energy Efficiency Workshop conducted by the Regulatory Assistance Project; and
- Attended the Gas Pipeline Safety Seminar;

MISCELLANEOUS

The section:

- Met with Gas Pipeline Safety and the Legal Division to review the operations of Black Belt Energy to determine if it would be subject to the jurisdiction of the Commission;
- Participated in a meeting with the Legal Division and a representative of Corridor Clean Fuels, LLC, to discuss the Commission's regulation of natural gas fueling stations;
- Evaluated over 50 FERC filings pertaining to Alabama entities to determine their relevance to this Commission; and
- Investigated requests for gas service, and responded to a significant number of requests by the general public for rate information, financial data, tariff sheets, and other information.



Gas Pipeline Safety Inspectors, Daniel Trapp and Clark Brown coordinate on hazard regulations

Gas Pipeline Safety Section

The Gas Pipeline Safety section conducts and carries out the inspection and monitoring activities of all gas and hazardous liquid pipeline systems operating in Alabama, including offshore in state waters. The responsibility was given to the Commission by the Alabama Legislature to assure and obtain compliance with the Minimum Federal Gas Pipeline Safety Standards adopted by the United States Department of Transportation pursuant to the Natural Gas Pipeline Safety Act of 1968.

The personnel charged with this responsibility must meet all the training requirements set forth by the Pipeline and Hazardous Materials Safety Administration (PHMSA). Over the course of the last year, the investigators and the administrator attended 30 resident courses and completed 39 Web-Based

Training (WBT) courses in an effort to become and remain qualified to conduct gas and hazardous liquid system inspections. Several of the investigators attended refresher and other courses to maintain their qualifications. With the incorporation of Distribution Integrity Management Programs (DIMP) and Control Room Management (CRM) into the inspection process, additional classes will be required of the investigators over the course of the next several years.

At the end of FY-2011, the Commission regulated, for safety matters, 94 intrastate gas systems, three offshore gas systems, 34 master meters, six on-shore hazardous liquid systems, one off-shore hazardous liquid system, one liquefied petroleum system, and four liquefied natural gas systems.

The Gas Pipeline Safety section developed and presented programs to promote safe operations by natural gas transmission and distribution systems.



GAS PIPELINE SAFETY SECTION

Seated from left, Judy Ramsey, Felisa Webster (standing from left), Thomas Lancaster, Bryan Kichler, Hosie Powell, John Paul Harris, Harold Dunson, Clark Brown, Wallace Jones, Daniel Trapp and Greg Meadows.

When a system was in noncompliance, immediate, corrective action was taken.

An important function of this section is accident prevention. The section conducted safety seminars around the state, as well as fire schools and plastic pipe qualification classes. A tabulation of the section's activities in FY-2011 is listed below:

Gas Pipeline Safety Inspections

Gas Pipeline Safety	864*
Enforcement Actions	15
Non-compliances	39
Non-compliances Corrected	129
Construction Projects	157*
Safety Education Programs	69.5*
Investigator Education	237*
Pipeline Safety Investigations	6**

*These figures represent "person-days" that were expended in the inspection/education processes.

**Three were reportable only under state guidelines. Another three met the criteria for federal notification.

Water and Wastewater Section

The Water and Wastewater Section is responsible for regulating four investor-owned water utilities plus four out-of-state companies that have authority to operate in Alabama. The eight jurisdictional water utilities are:

- *Central Water Works, Inc. (FL)*
- *East Lowndes Water Association (MS)*
- *Hiwannee Water Association, Inc. (MS)*
- *Integra Water Creola, LLC*
- *Parker Creek Water Company, LLC*
- *Plantation Water System*
- *Tishomingo County Water District (MS)*
- *Water Works, Inc.*

During FY-11, the Special Projects Section was combined with the Water Section to form the Water and Wastewater Section. The seven jurisdictional Wastewater Management Entities (MEs) are:



- *Alabama Wastewater Systems, Inc.*
- *Bio-Flow, Inc.*
- *Canaan Systems, Inc.*
- *Integra Watersound, LLC*
- *O'Brien Environmental Services, LLC*
- *Southwest Water Alabama-Onsite System Services, LLC*
- *Utility Management, LLC*

These MEs operate de-centralized wastewater systems throughout Alabama, mostly serving new residential subdivisions. The duties of the Water and Wastewater Section include inspecting the facilities, reviewing company books and records, working with the Alabama Department of Environmental Management's staff, assisting the PSC's Consumer Services section in handling customer complaints, preparing reports as a result of inspections and visits, and conducting compliance and accounting audits.

The section reviews and evaluates new water utilities and wastewater management entities seeking authority to operate under the jurisdiction of the Commission. During FY-11, one such evaluation took place which resulted in O'Brien Environmental Services, LLC, receiving a Certificate of Financial Viability in Docket 31555, bringing the total number of Alabama Wastewater Management Entities to seven.

Telecommunications Division



Darrell Baker, Director



David Peeler
Service Compliance

Larry Smith
Economic Compliance

Darrell Baker
Director

The Telecommunications Division maintains limited jurisdiction over the regulation of telephone service providers in the State of Alabama. Utilities that fall under the Commission's jurisdiction include; Incumbent Local Exchange Carriers (ILECs) - the traditional providers of local telephone service; Competitive Local Exchange Carriers (CLECs); Interexchange Carriers (IXCs); Long Distance Service Resellers (Toll); Payphone Service Providers (PSPs); and Shared Tenant Telephone Service (STS) providers.

The Alabama Legislature's Communications Reform Act of 2005 ('Act') curtailed the Commission's authority over pricing for most retail telecommunication services. For those providers electing regulation under the Act, the Commission's pricing jurisdiction for bundled service offerings, services offered under contract, broadband internet services and broadband enabled services, and for most retail telecommunications services was eliminated. The Commission retained pricing jurisdiction for stand-alone basic service, optional telephone features,

emergency telephone (911) services, Lifeline Link Up service, and all wholesale services. As of September 30, 2011, nine (9) independent telephone companies in Alabama have not opted for regulation under the Act and remain fully under the Commission's price regulation authority.

In 2009, the Alabama Legislature amended the Communications Reform Act to eliminate the Commission's pricing jurisdiction over stand-alone basic service and optional telephone features for BellSouth, CenturyLink, and any rural telephone company agreeing to surrender their rural exemption from competition. As of September 30, 2011, only Windstream Communications, and Frontier Telephone Company have agreed to end their rural exemption claim while twenty-five (25) incumbent telephone companies remain regulated under either the 2005 Act or the Commission's price regulation plan that existed prior to its passage.

Because they fail to meet the Federal Communications Commission's (FCC) definition of telecommunications "carrier" and because the Act applies only to telecommunication carriers, the Com-



mission's regulatory authority over payphone service providers and inmate telecommunication service was unaffected.

The 2009 amendments to the Communication Reform Act provided the Commission with additional obligations regarding Lifeline Services. Lifeline Services provide financial discounts for low income consumers. The Commission implemented procedures with the Alabama Medicaid Agency, the Alabama Department of Community and Economic Development, the Alabama Department of Human Resources, and the Office of Attorney General for routine data transfers of information extracted from the applications of those enrolling in Lifeline qualifying public assistance programs. The data will be used to streamline the process for enrolling eligible participants in the federally subsidized Lifeline and Link Up discounted telephone service program. Additionally, the Commission provides the Department of Revenue with Lifeline and Link Up information contained in Alabama Individual Income Tax publications.



Charges other than those from the consumer's local and long distance providers or their affiliates (such as wireless or internet service affiliates) may be added to a consumer's monthly telephone bill. These are known as third-party charges and the provider of the goods or services are referred to as third-party providers. Typically, these providers contract with an intermediary that aggregates charges from numerous third-party providers. The intermediaries, also known as billing aggregators, have contracts with local telephone companies to include their client's charges on consumer telephone bills. A toll-free number for billing aggregator's customer service is shown with the third-party

charge for any charges questioned or disputed by the consumer. Billing aggregators must then investigate consumer inquiries with their third-party clients. This process can be time intensive and intimidating for telephone subscribers. Previously, there was no verification of the third-party provider's service offerings and subscription procedures to ensure that consumers were not being subject to deceptive marketing. Consequently, the Telecommunications Division requires all third-party providers to register with the Commission before telephone companies may allow their charges on consumer telephone bills. The staff monitors the marketing practices of the third-party providers, maintains a database of all providers and their contact information, and assists any Alabama consumer with inquiries about and/or disputes over charges. The Commission approves, investigates, or deletes third-party providers under Docket 30934.

The Telecommunication staff's other duties include: participation in certification hearings for new telecommunications service providers; review and analyze tariffs and intercompany wholesale agreements for which we retain jurisdiction; review of service quality performance; numbering resources management; and recommending actions regarding telecommunication policy and rules to the Commission. The Commission does not have jurisdiction over cable television, Internet service, Voice-Over-Internet-Protocol phone service (VOIP), or cellular telephone service.

The Division is comprised of two primary sections: the Economic Compliance Section and the Service Compliance Section.

Economic Compliance Section

The Economic Compliance Section of the Telecommunications Division reviews financial and rate information filed by telecommunication companies with the Commission and provides telecommunication policy and rule recommendations to the Commission.

This section is composed of analysts that review federal and state policies/rules, tariff rates, applications for authority to operate in the state of Alabama, intercompany wholesale agreements, oversee Lifeline and Link Up enrollment procedures, federal Universal Service Fund administration, and third-party billing compliance. Analysts are extensively involved in resolving consumer inquiries and complaints and participate in hearings and workshops regarding various telecommunications issues before the Commission to include provider certification.



During FY 2011:

1. Staff continues to monitor telephone company filings regarding the Communications Reform Act of 2005 and subsequent amendment to the Act in 2009. The Division has worked extensively with the Legal Division in the interpretation of the Act in order to comply with requirements of the Act.
2. The section implemented rules, procedures and Memorandums of Understanding with other State agencies regarding the expansion of Lifeline Link Up services and automatic enrollment.
3. Staff continues to monitor rules regarding Truth In Billing Policy issues. The rules require companies to provide full disclosure of actual and estimated charges which a customer can expect to pay on an average monthly bill when quoting prices for services.
4. The section reviewed 54 interconnection, resale, and collocation agreements between CLECs, wireless providers, and ILECs.
5. The staff processed 18 applications for toll resale and competitive local exchange service in Alabama.
6. Staff participated in the mediations/arbitrations of four (4) interconnection contracts between various telephone companies.
7. Staff continues to review the Transition Service Fund in accordance with Dockets 24499, 24472, 24030, and 24865.
8. The section maintains websites in compliance with the *Code of Alabama* 1975, Section 11-98-5.1 regarding emergency telephone service charges (E911).
9. Staff ensures compliance with the *Code of Alabama* 1975, Sections 37-2A-4 and 30-6-1 regarding Family Violence procedures and the associated Alabama Public Service Commission Docket 29878 which aids in the protection of individuals in Family Shelters.
10. Staff participated extensively in Docket 25980, which provides for implementation of Universal Service requirements of Section 254 of the Telecommunications Act of 1996 and Federal Communications Commission rules and regulations regarding Universal Service. The review included analysis of BellSouth, CenturyTel, Rural ILEC and Competitive LECs' plans for utilization of rural and non-rural Federal Universal Service high cost fund allocations.
11. Staff maintains a database for Third Party Providers. The database contains approximately 558 companies. Staff processed 67 Third Party Providers during the year.
12. Staff routinely assists the Commissioners, consumers, and telecommunications companies in matters relating to rates, tariffs, and filings with the FCC.
13. Staff assisted in resolving 575 inquiries and complaints from telecommunications industry personnel, consumers, and other governmental agencies.

Service Compliance Section

The Service Compliance Section monitors the quality of service for incumbent and competitive local exchange telephone companies certificated in Alabama and, in coordination with the North American Numbering Plan Administrator (NANPA), is responsible for telephone numbering resources management. Staff conducts inspections to compare existing levels of service with required APSC rules, industry standards and electrical and safety codes. Staff also monitors construction projects involving plant upgrades and additions plus

reviews construction projects funded by the federal Universal Service Fund.

The Service Compliance Section monitors the quality of service and rates charged by Customer-Owned Coin-Operated Telephone Services (COCOTS) providers, Inmate Phone Service (IPS), Local Exchange Carrier (LEC) pay telephone service

providers, Shared Tenant Service (STS) providers, and Hotels/Motels to ensure compliance with Commission rules and regulations.

During FY 2011:

Service Compliance inspections were performed on the following utilities:

1. Ragland Telephone Company
2. Oakman Telephone Company
3. Frontier Communications of Alabama, LLC
4. Frontier Communications of the South, LLC
5. Roanoke Telephone Company
6. Mon-Cre Telephone Cooperative, Inc.
7. Farmers Telephone Cooperative, Inc.

Service Compliance follow-up inspections were performed on the following utilities:

1. Frontier Communications of the South, LLC
2. Mon-Cre Telephone Cooperative of the South

In-depth reviews were performed on AT&T Alabama and CenturyLink USF (Universal Service Funds) high cost allocation construction proposals. On-site inspections were performed within the following service districts to ensure that construction projects complied with those approved by the Commission:

Company/District

1. AT&T-Gulf
2. AT&T-North Alabama
3. CenturyLink-Southern
4. CenturyLink-Northern

Numbering assignments from current inventories have decreased due to factors such as the economic downturn, more aggressive numbering conservation methods and reclamation of unused numbering resources. The latest Numbering Resource Utilization Forecast (NRUF) indicates positive results for Alabama due to increased monitoring and effective management of these finite resources. Service Compliance Section staff will continue to monitor numbering assignments and promote numbering conservation efforts in order to forestall premature exhaust of numbering resources.

The following is a summary of the Service Compliance Section IPS activities for FY 2011:

1. Consumer Complaint Investigations – 6
2. One (1) special services provider was certified with a certificate to include IPS authority.
3. Conducted twelve (12) Inmate Phone Services Investigations.

Transportation Division



Britt Roberts, Director



TRANSPORTATION DIVISION

Front row from left - Kathleen McPherson, Tara Frazier, Rita Grantham, Carolyn Gaylor, Jennifer Morgan, Back row from left - Danny Arledge, Chris Longcrier, Amanda Shehane, Britt Roberts, Retha Byrant, Ron Hicks, Donald Williamson

The Transportation Division consists of three sections: Insurance and Registration, Railway Safety, and Rates and Services. As provided by law, the Transportation Division is responsible for the supervision and regulation of air, motor, and rail carriers.

Insurance and Registration Section

The Insurance and Registration Section performs three separate but interrelated functions. First, it registers for-hire transportation companies that are not exempted by law. It also registers commercial motor carriers, motor private carriers, freight forwarders, and brokers from the United States, Canada, and Mexico under the Unified Carrier Registration Act.

Secondly, it requires intrastate motor and air carriers of passengers or property to file and maintain proof of financial responsibility. Such carriers file forms of liability insurance, cargo insurance, bonds, self-insurance, and bonds for handling of collect-on-delivery shipments.

Thirdly, it issues intrastate motor carrier vehicle identification decals, numbers, and Unified Carrier Registration receipts. It also collects, accounts for, and deposits the monies collected from applications, transfers, and motor carrier identification fees into the State Treasury and federal depository. It is responsible for maintaining journals, ledgers, receipts, and various other records and reports of monies received and deposited. This section receives, processes, and approves applications for the registration of such carriers



operating in interstate commerce in Alabama. This includes the issuance of Commission orders of registration when, after review, it is found that all the requirements of law are met. It also revokes or reinstates such carrier's authority, when applicable, according to provisions set out in statutes, rules, and regulations. It works with other state and federal agencies that also regulate motor carriers. This section makes sure

that all intrastate motor carriers have insurance on file before credentials to operate are issued. It also issues orders of revocation for failure to maintain proof of financial responsibility and orders of reinstatement after proof has been received as prescribed by law.

Subsequent to the above-mentioned regulations of motor carriers, this section is called upon to provide information to the general public, permitting services, lawyers, insurance companies, transportation companies, and other state and federal agencies. A tabulation of the section's activities are reflected in the table on the left.

Insurance Filings	
Self-Insurance, bonds for liability and cargo, certificates for liability and cargo, bonds for brokers	7,313
Letters of correspondence	1,076
Registration of Authority	
Intrastate registered	508
Motor Carrier Vehicle Identification	
UCR Registrations	3,682
UCR Audits	837
Applications processed	608
Numbers and decals issued	936
Letters of correspondence	538
Revocations and Reinstatement of Authority	
Revoked for no insurance	311
Reinstated after compliance	167

Railway Safety

The Railway Safety Section conducts safety compliance inspections on all railroad common carriers' track and equipment in Alabama in accordance with state and federal standards. Inspections also monitor compliance with regulations for Railroad Workplace Safety.

This section investigates railroad accidents and derailments to determine causes and to recommend action to prevent recurrence. Federally certified inspectors are called upon by the Federal Railway Administration (FRA) and the National Transportation Safety Board (NTSB) to assist in major accident investigations. This section also handles complaints from railroads, railroad employees, labor unions, other governmental agencies, and the general public in all matters pertaining to railway safety.

Inspections are also conducted on railroad rehabilitative projects administered by the Alabama Department of Transportation. Agreements between the railroads and ALDOT typically specify adherence to FRA Class II standards and encompass a 10-year time frame.

Members of the Railway Safety Section participate in Operation Lifesaver as fully certified program presenters. Operation Lifesaver is a national public education and awareness program that seeks to reduce the number of crashes at highway-rail grade crossings. Target groups include school bus drivers, driver's education students, professional drivers, emergency response personnel (police, ambulance, and fire), as well as the general public. The following is a breakdown of the activities of the Railway Safety Section during the period covering October 2010 through September 2011:



Total Miles of Railway Track Inspected	1,387
Total Railway Accidents	8
Total Units of Rolling Stock Inspected (Railway cars)	6,636
Total Locomotives Inspected	142
Total Railroad Records Inspected	493
Total Complaints Investigated	10

Rates and Services Section

The Rates and Services Section advises the Commission on matters pertaining to the rates, fares, charges, services, and facilities of all regulated modes of intrastate transportation.

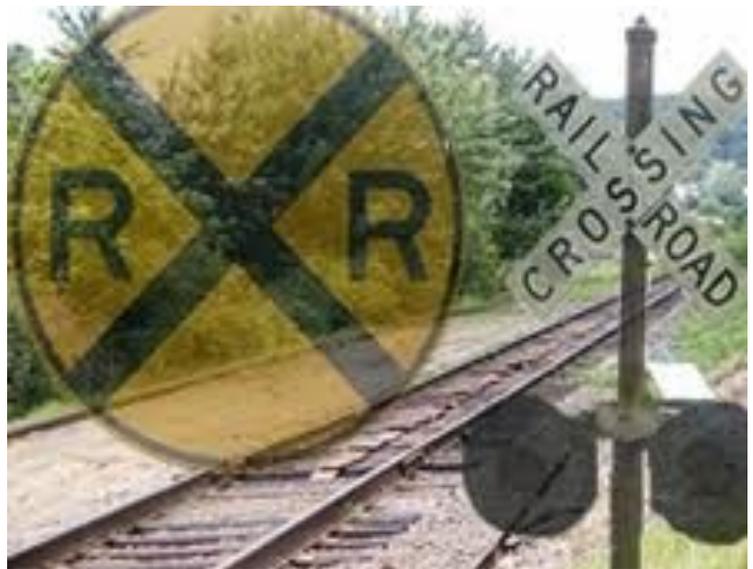
This section maintains a file of all tariffs setting forth rates, fares, charges, classification, rules and regulations for intrastate transportation companies. Staff members check issued, re-issued and supplements filed to ensure compliance with Commission rules and regulations. They also analyze tariff changes to determine the effected outcome to the public.

The revised tariffs and supplements are either permitted to become effective on the proposed effective date or they are suspended and investigated by the Commission

When the Commission institutes a formal investigation, a public hearing is held. When the record is complete, the examiner and other members of the staff study and analyze the evidence of record and make recommendations to the Commission. After a Commission decision is made, an order of the Commission is prepared for signatures.

The Rates and Services Section receives and maintains motor and rail carrier annual reports that are required to be filed by April 30 of each year covering the previous calendar year of operation. This data enables the Commission to track the overall financial condition of the industry under the jurisdiction of the Commission.

The section also handles requests for verification of rates, fares, and charges of passengers and household goods. It also verifies rates and services provided by motor carriers through field audits of carriers' facilities and records. This section handles and resolves transportation complaints filed by the public and industry.





The Alabama Public Service Commission was designated as such in 1915 by the Alabama Legislature. The Commission evolved from the Railroad Commission of Alabama, which was created in 1881 to regulate railroads. The Commission has always been composed of three elected members: a president and two associate commissioners.

Between 1881 and 1915, the Legislature extended the Railroad Commission's jurisdiction to include express companies, sleeping car companies, railroad depots and terminal stations. In addition, the Commission's jurisdiction was broadened to include the regulation of telephone and telegraph companies, transportation companies operating as common carriers over water and operators of toll bridges, toll ferries, and toll roads. The Commission was also charged with the regulation of utilities providing electricity, gas, water, and steam, companies operating streets or inter-urban railways, as well as rail and communication companies already subject to regulation by the former Railroad Commission. The newly constituted agency thus became known as the Alabama Public Service Commission. The Commission's authority was extended to approving the sale or lease of utility property or franchises and was broadened again in 1920 when the Legislature made the Commission responsible for regulating utility rates.

As Alabama's highway system developed in the late 1920s, the operation of trucks and buses as common carriers increased. In 1927, the Legislature placed all motor transportation companies operating as common carriers of freight and/or passengers over regular routes on Alabama highways under the Commission's regulatory authority. The Legislature broadened the Commission's authority over transportation companies in 1931 and 1932 by including motor carriers not operating over regular routes. Intrastate air carriers were made subject to the Commission's jurisdiction in 1945.

Natural gas transmission and distribution systems were placed under the Commission's jurisdiction for safety purposes in 1968. Additionally the Minimum Safety Standards outlined in the Natural Gas Pipeline Safety Act were adopted.

In 1971, the Commission's authority over motor carriers was broadened yet again as transportation enforcement officers were empowered to enforce the rules and regulations of the Commission. Similarly, the Commission's safety jurisdiction was extended to include railroad tracks and equipment in 1976 under the State Participation Program of the Federal Railroad Safety Act of 1970.

In 1977, the Legislature recognized the need to have an advocate charged exclusively with representing utility consumers before the Commission. The Legislature accordingly empowered the office of the Attorney General of Alabama to represent consumers and the state in proceedings before the Commission during the 1977 legislative session.

In recent years, sweeping federal and state statutory changes have significantly altered the Commission's jurisdiction and authority over transportation and telecommunications utilities. Title IV in the Federal Aviation Administration Act of 1994 provides for federal preemption of the states in matters of motor carrier pricing, routes, and services for all but household goods carriers. As a result, Commission certification and tariff approval is no longer required for those motor carriers who state Commissions are federally preempted from regulating beyond minimal initial requirements. The Commission continues to regulate carriers of passengers and household goods, ensures all motor carriers maintain appropriate cargo and liability insurance, and ensures that all regulated carriers comply with applicable safety standards.

With the passage of the Telecommunications Act of 1996, Congress opened up the local exchange telephone markets to competition. Large incumbent local exchange companies (ILECs) such as BellSouth and CenturyTel, who previously oper-



ated as the only local carrier within their Commission certified service areas, must now make their services available for resale and lease components of their embedded network to new entrants. New entrants into the local telephone market may also petition the Commission to open independent telephone company local service areas to competition. The introduction of local competition forced the Commission to set utility prices for retail telecommunication services using market based rather than cost based methodology. In 2005, the Alabama Legislature passed the Communications Reform Act. That Act, citing the competition that exists in the local telephone market, eliminated much of the Commission's authority over retail telecommunication services. Additionally, Commission jurisdiction was eliminated for all broadband services used for Internet delivery. The Commission did, however, retain full jurisdiction over wholesale telecommunications services, most consumer telecommunications complaints and matters concerning Universal Service.



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Past and Present Commissioners



PRESIDENT

Walter L. Bragg:
February 1881 – February 1885
Henry R. Shorter:
February 1885 – February 1897
James Crook:
February 1897 – February 1901
*John V. Smith:
March 1901 – March 1905
B.B. Comer:
March 1905 – January 1907
Charles Henderson:
January 1907 – January 1915
Samuel P. Kennedy:
June 1915 – January 1923
*A.G. Patterson:
January 1923 – January 1927
Hugh White:
January 1927 – January 1945
Gordon Persons:
January 1945 – January 1951
C.C. (Jack) Owen:
January 1951 – January 1965
Eugene (Bull) Conner:
January 1965 – January 1973
Kenneth A. Hammond:
January 1973 – December 1975
C.C. Whatley:
December 1975 – January 1977
Juanita W. McDaniel:
January 1977 – February 1980
William J. Samford, Jr.:
February 1980 – January 1981
Billy Joe Camp:
January 1981 – January 1983
*Jim Sullivan:
February 1983 – November 2008

Lucy Baxley:

November 2008 – Present

COMMISSIONER, Place 1

James Crook:
February 1881 – January 1885
Levi W. Lawler:
February 1885 – September 1892
Gen. James T. Holtzclaw
February 1893 – July 1983
Willis G. Clark:
August 1893 – February 1899
A.E. Cafee:
February 1899 – February 1903
William T. Sanders:
April 1903 – January 1907
Charles Sanders:
January 1907 – February 1907
W. D. Nesbit:
March 1907 – January 1911
Leon McCord:
January 1911 – January 1915
B. H. Cooper:
January 1915 – January 1923
Fitzhugh Lee:
January 1923 – January 1943
Gordon Persons:
January 1943 – January 1945
James Perdue
May 1945 – January 1947
James Hitchcock:
January 1947 – June 1959
Ralph Smith, Jr.:
August 1959 – August 1960
Joe Foster:
August 1960 – January 1963
Ed Pepper:
January 1963 – January 1967
C.C. (Jack) Owen:
January 1967 – January 1975
Jim Zeigler:
January 1975 – January 1979
Pete Matthews:
January 1979 – March 1981
Lynn Greer:
March 1981 – November 1990
Jan Cook:
November 1990 – November 2010
Twinkle Andress Cavanaugh:
November 2010 – Present

COMMISSIONER, Place 2

Colonel Charles P. Ball:
February 1881 – February 1885
Wiley C. Tunstall:
February 1885 – February 1895
Ross C. Smith:
February 1895 – February 1899
Osceola Kyle:
February 1899 – December 1900
Wiley C. Tunstall:
December 1900 – January 1907
John G. Harris
January 1907 – July 1908
John A. Lusk:
August 1908 – January 1911
Frank N. Julian:
January 1911 – January 1915
S.P. Gaillard:
January 1915 – January 1923
*Frank P. Morgan:
January 1923 – May 1936
W.C. Harrison:
June 1936 – January 1947
C.C. (Jack) Owen:
January 1947 – January 1951
T.O. Walker:
January 1951 – January 1955
Sibyl Pool:
January 1955 – January 1971
Juanita McDaniel:
January 1971 – January 1977
C.C. Whatley:
January 1977 – January 1979
Jim Folsom, Jr.:
January 1979 – November 1986
Charles B. Martin:
November 1986 – November 1998
George C. Wallace, Jr.:
November 1998 – November 2006
**Susan D. Parker, PhD.:
November 2006 – November 2010
Terry L. Dunn:
November 2010 – Present

**Also served as President of the National Association of Regulatory Utility Commissioners (NARUC)*

***Also served as President of the Southeastern Association of Regulatory Utility Commissioners, and Second Vice-President of NARUC*

Alabama



PUBLIC SERVICE COMMISSION

P.O. Box 304260 ~ Montgomery, AL 36130

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