

MINUTES OF A MEETING
OF THE
ALABAMA PUBLIC SERVICE COMMISSION
HELD TUESDAY, JULY 12, 2022

The July 2022 meeting of the Alabama Public Service Commission was held on Tuesday, July 12, 2022, in the Carl L. Evans Chief Administrative Law Judge Hearing Room Complex, 100 North Union Street, Montgomery, Alabama. Commission President Twinkle Andress Cavanaugh called the meeting to order at 10:00 a.m. with Commissioner Jeremy H. Oden and Commissioner Chris "Chip" Beeker, Jr., present. The following staff members were also present: John A. Garner, Chief Administrative Law Judge; Luke Bentley and Suellen Young, Administrative Law Judges; Chad Mason, Attorney; Wallace Jones, Gas Pipeline Division Director; Jeff Johnston, Utility Services Division Director; John Free, Electricity Policy Division Director; Patricia Smith, Public Utility Analyst Manager; Aquilla Spivey, Consumer Service Manager; Amanda Shehane, Transportation Manager; Tanya Champion, Jennifer Lyle-Mattox, Ashia Rainey and Stacie Berry, Public Utility Analysts; William Partlow, Staff Accountant; Debbie Williams, Executive Assistant to Commissioner Cavanaugh; Mary Caitlyn Montgomery, Technical Assistant to Commissioner Beeker; Greg Poole Technical Assistant to Commissioner Oden; Kay Oswalt, Information Systems Manager; Chalandra Tolliver, IT Technician; Jerry Delancey and Tashenma Lawrence Administrative Assistants; Walter L. Thomas, Jr., Secretary of the Commission.

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Commissioner Cavanaugh noted that the public was informed of today's Commission meeting by notice dated June 8, 2022.

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Commissioner Cavanaugh introduced the Attorney General for the State of Alabama Steve Marshall, who opened the meeting with prayer and led the audience in the Pledge of Allegiance.

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Commissioner Cavanaugh then open the floor for a motion to approve the minutes of the June 14, 2022 Commission Meeting.

Upon being motioned by Commissioner Beeker and seconded*by Commissioner Oden, the Commissioners voted unanimously to approve the minutes.

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UTILITY SERVICES DIVISION

Mr. Johnston reported on the Utility Service Division on

Consumer Service Complaint Inquires for the period June 2022 was as follows: Alabama Power Company had nineteen residential inquires, Spire Alabama had ten residential and Spire Gulf had none. There were a total of seventeen telecommunication inquires consisting of three under Public Service Commission jurisdiction, twelve referred back to the companies since the companies waived jurisdiction and two which were not under PSC jurisdiction.

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Mr. Johnston reported on RSE for Spire Alabama Inc., based on preliminary figures as of May 31, 2022, the projected RSE return on average common equity for the rate year ending September 30, 2022, was 9.48 percent and this is below the authorized range. The authorized return on average common equity is 10.15 percent to 10.65 percent.

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Mr. Johnston reported on RSE for Spire Gulf Inc., based on preliminary figures as of May 31, 2022, the projected RSE return on average common equity for the rate year ending September 30, 2022, was 8.87 percent and this is below the authorized range. The authorized return on average common equity is 9.70 percent to 10.30 percent.

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Mr. Johnston reported on Informal Docket U-5188, Spire Alabama Inc., Application for approval of Amended and Restated Intercompany Revolving Credit Agreements with Spire Inc., and recommending granting approval.

Upon motion by Commissioner Cavanaugh and seconded by Commissioner Oden, the Commissioners voted unanimously to accept the recommendation.

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Mr. Johnston reported on Informal Docket U-5426, Spire Alabama, Inc., Approval of an agreement for Firm Transportation Capacity with BBT AlaTenn, LLC, and recommending granting approval of the agreement.

Upon motion by Commissioner Cavanaugh and seconded by Commissioner Beeker, the Commissioners voted unanimously to accept the recommendation.

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Mr. Johnston reported on Informal Docket U-5427, Spire Alabama

Inc., Application for approval of Base Contract for the Sale and Purchase of Natural Gas with Diversified Energy Marketing, LLC, and recommending granting approval of the application; and

Informal Docket U-5428, Spire Alabama Inc., Application for approval of Base Contract for the Sale and Purchase of Natural Gas with Scona LLC, and recommending granting approval of the application.

Upon motion by Commissioner Beeker and seconded by Commissioner Oden, the Commissioners voted unanimously to accept these recommendations.

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Mr. Johnston reported on Formal Docket 31803, Integrated Wastewater Management, Inc., Petition for approval to increase tariff rates for Integrated Wastewater Management, Inc., Staff has reviewed the filing and recommends that the filing be suspended for 180 days to and through January 28, 2023, and recommended suspension of the petition.

Upon motion by Commissioner Cavanaugh and seconded by Commissioner Oden, the Commissioners voted unanimously to accept the recommendation.

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Mr. Johnston then reported on Formal Docket 31803, Integrated Wastewater Management, Inc., for approval to renew Integrated Wastewater Management, Inc., Certificate of Financial Viability, and recommended granting approval of the renewal.

Upon motion by Commissioner Beeker and seconded by Commissioner Cavanaugh, the Commissioners voted unanimously to accept the recommendation.

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Mr. Johnston then reported on Formal Docket 32553, Community Utilities of Alabama Inc., Petition for approval to modify the existing Certificate of Financial Viability. Expands the service territory of Community Utilities of Alabama Inc., by building the wastewater collection and treatment facility for Buckhorn Subdivision Phase II located in the Jacksonville Community in Calhoun County AL, and recommended granting approval of the modification.

Upon motion by Commissioner Oden and seconded by Commissioner Cavanaugh, the Commissioners voted unanimously to accept the recommendation.

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Mr. Johnston then reported on the following dockets for approval of Amended Interconnection Agreements pursuant to Sections 251 and 252 of the Telecommunications Act of 1996, and recommended approval of the Agreements as follows:

Informal Docket U-3871, BellSouth Telecommunications, LLC d/b/a AT&T Alabama or AT&T Southeast and Micro-Comm, Inc.; and

Informal Docket U-5422, BellSouth Telecommunications, LLC d/b/a AT&T Alabama or AT&T Southeast and Teliix, Inc.

Upon motion by Commissioner Cavanaugh and seconded by Commissioner Beeker, the Commissioners voted unanimously to accept these recommendations.

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Mr. Johnson noted that the remaining item on the Telecommunications Agenda under "Summary of Other Filings" are for informational purpose only.

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GAS PIPELINE SAFETY DIVISION

Mr. Wallace Jones reported for the Gas Pipeline Safety (GPS) Division on major activities during the month of May 2022.

Standard Inspection	Construction	IMP/DIMP	Operator Qualification	Incident	Damage Prevention	Section 114	Control Room	Follow-Up	Total Inspections
16	18	4	4	1		8		8	59

From the fifty-nine (59) inspections shown above, four (4) enforcement letters of notification were issued, noting six (6) non-compliance issues. Thirteen (13) non-compliance items were corrected during the month of May.

Incidents/Accidents

Two (2) state-reportable incidents were reported during the month of May:

- 5/9/2022 - Riviera Utilities - Plumber dropped hot solder on plastic service line creating pin hole in pipe.
- 5/21/2022 - Boaz Gas Board - Fire Marshall investigating possible electrical problem caused fire which spread to gas piping.

Training

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

- 5/17/2022 - Leak City (Athens) 11 Personnel Qualified

Miscellaneous

Mr. Daniel Trapp, Pipeline Safety Investigations Supervisor, attended the "2022 Hurricane Drill" at the Alabama Emergency Management Agency in Clanton on May 10th. Mr. Trapp worked with other stakeholders from different areas of the state, as well as other state agencies, to determine the proper procedures to be followed during a natural disaster.

The final office segment of the annual audit by the Pipeline and Hazardous Materials Safety Administration (PHMSA) of the Gas Pipeline Safety (GPS) natural gas and hazardous liquid programs was conducted in the GPS offices during the week of May 9th. Mr. David Appelbaum, PHMSA State Evaluator, conducted the audit, which also included a financial audit of the GPS. The final letter from PHMSA was received on May 23 and GPS received a score of 90 out of a possible 100 points on the natural gas segment and a score of 95 out of a possible 96 on the hazardous liquid segment. No negative findings were received on the financial audit.

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UTILITY ENFORCEMENT DIVISION

Scott Morris reported from the Utility Enforcement Division on major activities during the month of May 2022.

Railway Safety

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

Rail Carriers Visited	Regular Track Inspections	Track Defects Identified	Violations Recommended	Track Miles Inspected	Track Turnouts Inspected
3	10	83	0	235	48

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

Railroad Bridge Observations	Roadway Worker Protection	Roadway Maintenance Machines	Bridge Worker Safety
54	8	10	0

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

Rail Carriers Visited	Regular Eqpt. Inspections	Defects Identified	Violations Recommended	Number of Units Inspected
6	18	243	0	927

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

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

There were three incidents reported by the National Response Center (NRC) in May:

1. A trespasser strike resulting in a fatality was reported in Tuscaloosa on NS
2. A trespasser strike resulting in a fatality was reported in Auburn on CSX
3. A trespasser strike resulting in a fatality was reported in Fort Deposit on CSX

Track inspection staff attended the FRA Track District 3 staff meeting in Birmingham. This was a three-day event in which regulatory compliance issues were presented and discussed. There were also team building exercises and training. The RWS Administrator gave a presentation on the afternoon of the first day where he discussed some unique railroad information for Alabama, recent inspection activity, and interesting finds concerning rail and bridge conditions.

Motor Carrier Services

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

Vehicle Registration Numbers	Intrastate Applications		NOL Processed/ Closed Intra Applications	Under Legal Division Review	New Authority Approved	Motor Carrier Authority Inquiries		
	Processed	Returned				Phone	E-mails	Others
17	13	1	1	13	10	62	64	13

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

Insurance Filings Received	Revocation Orders	Reinstatement Orders	Miscellaneous Actions	Letters Sent	Insurance Inquiries	
					Phone	E-mails
285	12	12	5	16	24	262

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

UCR Applications		UCR Mail outs for 2022	UCR Audit Correspondence	UCR Inquiries	
Received	Returned			Phone	E-mail
4	2	161	0	68	17

As of May 31, there were 9,742 Alabama carriers (78%) registered for 2022 UCR with 2,673 that remain unregistered. Our office received funds from the UCR Depository for April online payments processed through the National Registration System (NRS) that came from 392 carriers that were domiciled in Alabama and some that were in non-participating states.

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

MCS staff attended the UCR Board Education & Training Subcommittee call held in May.

The staff received two For Non-Profit (FNP) quarterly reports from FNP carriers for the first quarter of 2022, one for the 4th quarter of 2021 and one for the 3rd quarter of 2021.

At the beginning of May, there were 59 delinquent letters mailed to the household goods and passenger carriers that failed to meet the April 30th deadline. There were 45 annual reports for 2021 received in May.

There were two passenger tariffs for Johnny McDowell Sr. d/b/a Skinners Transportation Service (C4135) and Bryant's Limousine, LLC (C4134) that were accepted. One household goods tariff for Pink Zebra Moving, LLC (NEW) and two household goods supplements for Eastern Shore Transfer, Inc. (C4037) and Armstrong Relocation Company, Huntsville, LLC (C3859) were also accepted.

There was one passenger carrier hearing held in May for AL Transit, LLC

Staff completed two compliance audits for the following carriers:

- Coleman American Moving Services, Inc. (C457) - Carrier was advised to remit \$836.00 for incorrect charges to the shipper.
- Lambert Transfer & Storage Inc. (C604) - Carrier was advised to remit \$357.33 for incorrect charges to the shipper.

MCS staff with legal division staff and finance staff met with representatives from Lyft to discuss the Commission's request for a third-party auditor to audit two-quarters of local assessment fees submitted to the APSC.

Field Services

The Field Services Section (FSS) Staff inspected Alabama Wastewater Systems Inc. which provides wastewater treatment for 1,095 customers in the Pine Forest community of Pike Road. The system appeared in good condition with no discrepancies noted during this inspection.

Staff inspected Tishomingo County Water District located in Iuka, MS. Tishomingo provides potable water to 90 Alabama residents in the Bear Creek area. With the assistance of USDA grants and a loan, a bid was awarded to build a water treatment plant with an estimated completion date of October 1, 2022. All visible aspects of the company's infrastructure appeared functional with no defects noted at the time of this inspection.

Staff also inspected Asbury Water Works. Asbury discontinued the purchase of water from Guntersville Water Works and increased the amount purchased from Albertville Municipal at substantial savings. A new backup generator was installed at their Albertville pump house. All infrastructure appeared functional and in good repair with no defects noted during this inspection.

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ELECTRICITY POLICY DIVISION

Mrs. Smith reported for the Electricity Policy Division on RSE for Alabama Power Company stating that the Weighted Retail Return on Average Common Equity Forecast as of December 31, 2022, is 6.36 percent. The authorized Weighted Retail Return on Average Common Equity Range is 5.75-6.15 percent. Mrs. Smith also

reported for the month of April 2022 energy cost applicable to Rate ECR was under-recovered by \$30,083,681.

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Mr. Free reported on Informal Docket 18148, Alabama Public Service Commission vs. Alabama Power Company Investigation of Rate ECR (Energy Cost Recovery) By Consent Order dated December 7, 2021, the Alabama Public Service Commission ("the Commission") approved an interim energy cost recovery factor of 1.960 cents per kilowatt-hour for the billing months of January 2022 through December 2022. Absent a further order from the Commission, the ECR factor for billing months January 2023 and thereafter would be 5.910 cents per kilowatt-hour, and recommended based on the current and projected status of Rate ECR, the Staff recommends that the current interim energy cost recovery factor of 1.960 cents per kilowatt-hour be increased to 2.557 cents per kilowatt-hour for the billing months of August 2022 through December 2024, unless a further change is agreed to sooner as a result of monitoring of operations or until changed by Commission order pursuant to Rate ECR and applicable Rules and Regulations. Absent a further order from the Commission, the ECR factor for billing months January 2025 and thereafter will be 5.910 cents per kilowatt-hour.

Upon motion by Commissioner Cavanaugh and seconded by Commissioner Oden, the Commissioners voted unanimously to accept the recommendation.

Mrs. Smith reported on U-3556, On June 27, 2022, Alabama Power Company filed with the Alabama Public Service Commission a petition seeking to modify Rate Rider NDR (Natural Disaster Reserve). The Natural Disaster Reserve, which has been in place since 2005, facilitates the ability of Alabama Power to maintain an adequate balance in the reserve on an ongoing basis. The purpose of the revisions is to update the reserve's establishment and maintenance charges (which have not been changed since 2005) to reflect current cost considerations and better equip the Natural Disaster Reserve to respond to qualifying events and maintain financial stability, as intended. In addition, the proposal calls for updates to the rider's negative balance charge, including changes to the recovery calculation and a reduction of the maximum negative balance charge that can be collected in any month. The proposed revisions would be effective beginning with August 2022 billings, and recommended granting approval of the petition.

Upon motion by Commissioner Oden and seconded by

Commissioner Cavanaugh, the Commissioners voted unanimously to accept the recommendation.

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Mrs. Champion reported on Informal Docket U-5425, On June 27, 2022, Alabama Power Company filed a petition with the Alabama Public Service Commission to transition authority related to reliability expenditures currently in the Natural Disaster Reserve (Docket U-3556) to a new Reliability Reserve. The purpose is to help mitigate costs by enhancing the Company's ability to manage system reliability. The Company seeks effectiveness of the proposed reserve and corresponding authority effective with August 2022 billings, and recommended granting approval of petition.

Upon motion by Commissioner Beeker and seconded by Commissioner Cavanaugh, the Commissioners voted unanimously to accept the recommendation.

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LEGAL DIVISION

Judge Young reported from the Legal Division Agenda on Formal Docket 33256, Unopposed motor carrier application of Taylor's House of Camellias LLC d/b/a Taylor's House of Camellias Transportation of Mobile, Alabama, for a certificate to transport passengers and their baggage. The Applicant waived its right to a Report and Recommended Order, and recommended granting approval of the application.

Upon motion by Commissioner Cavanaugh and seconded by Commissioner Oden, the Commissioners voted unanimously to accept the recommendation.

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Judge Young then reported on the following dockets from the Legal Division Agenda:

Formal Docket 33257, Unopposed application to transfer Motor Carrier Certificates 3892 and F3768 FROM: Scott Childress d/b/a Childress Moving Company of Stapleton, Alabama, TO: Childress Moving Company Inc., of Stapleton, Alabama, and recommended granting approval of the application; and

Informal Docket C-20302, Petition of Western Express, Inc., of

Nashville, Tennessee for reinstatement of Motor Carrier Certificate F316 which was revoked due to Petitioner's failure to maintain proper proof of cargo insurance coverage, and recommended granting the reinstatement.

Upon motion by Commissioner Oden and seconded by Commissioner Beeker, the Commissioners voted unanimously to accept the recommendation.

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Judge Bentley reported on the following Dockets from the Legal Division Agenda:

Informal Docket C-20322, Petition of Thomas French d/b/a Moving It, of Huntsville, Alabama for approval of cargo self-insurance coverage, and recommended granting approval of the petition;

Informal Docket C-20301, Petition of TC's Service Repair, LLC of Fort Payne, Alabama for reinstatement of motor carrier certificate F3546 which was revoked due to Petitioner's failure to maintain proper proof of liability and cargo insurance coverage, and recommended granting reinstatement of the petition;

Formal Docket 31823, Petition of M & S Construction, LLC of Guntersville, Alabama for cancellation of motor carrier certificate F4579, and recommended granting the cancellation as requested;

Formal Dockets 32465 and C-18201, Motor carrier certificate 4322 held by ZMC Hauling, LLC of Loxley, Alabama was suspended by Commission order dated May 12, 2021, for a period of one year. ZMC Hauling has failed to notify the Commission of its intent to recommence operations or relinquish motor carrier certificates F4322 despite a request by Commission staff to do so. ZMC also has approval of cargo self-insurance authority in informal Docket C-18201 and recommended granting cancellation of the certificate and cargo self-insurance on 30-days' notice; and

Formal Docket 33231, APSC v. Delinquent Companies (that failed to timely pay inspection/supervision fees). Petition of LMK Communications, LLC for reinstatement, and recommended granting the reinstatement of LMK Communications, LLC certificate.

Upon motion by Commissioner Cavanaugh and seconded by Commissioner Oden, the Commissioners voted unanimously to accept these recommendations.

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Hearing Officer Mason reported from the Legal Division Agenda on Formal Docket 32780, Application of Lyft, Inc., for renewal of its permit to operate as a transportation network company ("TNC") in the state of Alabama, and recommended granting approval of the renewal application;

Hearing Officer Mason reported from the Legal Division Agenda on Formal Docket 32779, Application of Rasier, LLC (a.k.a. "Uber"), for renewal of its permit to operate as a transportation network company ("TNC") in the state of Alabama, and recommended granting approval of the renewal application;

Hearing Officer Mason reported from the Legal Division Agenda on Formal Docket 33197, Application of Seatus Technologies, LLC d/b/a Wyth, of Birmingham, Alabama for renewal of its permit to operate as a transportation network company ("TNC") in the state of Alabama, and recommended granting approval of the renewal application; and

Hearing Officer Mason reported from the Legal Division Agenda on Formal Docket 33063, Application of UZURV Holdings, Inc., d/b/a UZURV, of Richmond, Virginia, for renewal of its permit to operate as a transportation network company ("TNC") in the state of Alabama, and recommended granting approval of the renewal application.

Upon motion by Commissioner Beeker and seconded by Commissioner Cavanaugh, the Commissioners voted unanimously to accept these recommendations.

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Judge Garner then reported from the Legal Division on Formal Docket 33182, Petition of Alabama Power Company ("Alabama Power") for the issuance of a certificate of convenience and necessity for the acquisition of the generating plant and regulated facilities currently owned by Calhoun Power Company, LLC near Eastaboga, Alabama in Calhoun County. Petitions to intervene in this matter were timely filed by the office of the Attorney General of Alabama and Energy Alabama and GASP ("Energy Alabama/GASP"). Both Petitions to intervene were granted. A public hearing held in this matter on April 12, 2022. Alabama Power and Energy Alabama/GASP each presented witnesses at the hearing. On May 10, 2022, the parties submitted post-hearing briefs in the form of proposed orders, and recommended after extensive review of all of the pre-filed testimony, the discovery produced by the parties, the transcript of the hearing and the post hearing briefs in the form of proposed orders, the staff has determined that Alabama Power Company has demonstrated a need for

additional capacity and presented evidence demonstrating that the Calhoun Power Facility proposed by the Company represents a reasonable means by which the Company can meet this need in a reliable and economic manner. Accordingly, the Staff recommends the issuance of a certificate of convenience and necessity for the acquisition of the Calhoun Power plant and facilities located near Eastaboga in Calhoun County, Alabama.

Upon motion by Commissioner Cavanaugh and seconded by Commissioner Oden, the Commissioners voted unanimously to accept the recommendation.

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Judge Garner then reported on Off Agenda Item on Formal Docket 17545, Proposed revision to the Gas Pipeline Safety ("GPS") rules to incorporate a new GPS Rule 15 which would require operators to comply with standards for the calibration of their testing equipment, and recommended institution of a Rulemaking Proceeding and notification to all interested parties that the proposed new GPS Rule 15 is under consideration. The order establishing the Rulemaking Proceeding will also establish initial and reply comment cycles which allow interested parties to provide input on the proposed new GPS Rule 15.

Upon motion by Commissioner Cavanaugh and seconded by Commissioner Beeker, the Commissioners voted unanimously to accept the recommendation.

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Judge Garner recommended approval of the administrative items.

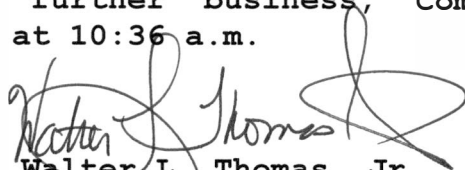
Upon motion by Commissioner Beeker and seconded by Commissioner Cavanaugh, the Commissioners voted unanimously to accept the recommendation.

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Commissioner Cavanaugh concluded with stating that the next Commission meeting is scheduled for Tuesday, August 2, 2022.

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There being no further business, Commissioner Cavanaugh adjourned the meeting at 10:36 a.m.


Walter L. Thomas, Jr.
Secretary