

MINUTES OF A MEETING
OF THE
ALABAMA PUBLIC SERVICE COMMISSION
HELD TUESDAY, DECEMBER 3, 2024

The December 2024 meeting of the Alabama Public Service Commission was held on Tuesday, December 3, 2024, 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 V. Beeker, III, present. The following staff members were also present: John A. Garner, Chief Administrative Law Judge; Luke Bentley and Sullen Young; Administrative Law Judges; Chad Mason, Hearing Officer; John Free, Electricity Policy Division Director; Patricia Smith and Donald Powell, Public Utility Analyst Managers; Amanda Shehane, Utility Enforcement Division Director; Aquilla Spivey, Consumer Service Manager; Jeffery Johnston, Utility Services Division Director; Jonathan Kimbril, PSC Gas Pipeline Safety Division Director; Devon Beaty, PSC Transportation Regulatory Manager; Tanya Champion, Matthew Singleton and Tashenma Lawrence, Public Utility Analysts; William Partlow, Staff Accountant; Caleb Hicks, Communication and Public Relation Manager; Janey Whitney, Technical Assistant to Commissioner Cavanaugh; Debbie Williams, Executive Assistant to Commissioner Cavanaugh; Aisha Smith, Executive Assistant to Commissioner Oden; Mary Caitlyn Montgomery, Technical Assistant to Commissioner Beeker; Kaitlyn Rayborn, Executive Assistant to Commissioner Beeker; Kay Oswalt, Information Systems Manager; Chalandra Tolliver, IT Technician; Jerry Delancey, Administrative Assistant; 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 October 30, 2024.

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Commission Cavanaugh introduced Judge Chris McCool who opened the meeting with prayer and led the audience in the Pledge of Allegiance.

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Commissioner Cavanaugh then opened the floor for a motion to approve the minutes of the November 5, 2024, Commission Meeting.

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

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UTILITY SERVICES DIVISION

Mr. Johnston reported for the Utility Services Division on Consumer Service Complaint Inquiries for the period of November 2024 as follows: Alabama Power Company had thirteen residential inquiries, Spire Alabama had seven residential inquiries, and Spire Gulf had one residential inquire. There was a total of four telecommunication inquiries, consisting of one under Public Service Commission jurisdiction, three were referred back to the companies since the company's waived jurisdiction and zero were not under PSC jurisdiction.

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Mr. Johnston reported on Rate RSE for Spire Alabama Inc., based on preliminary figures as October 31, 2024, the projected RSE return on average common equity for the rate year ending September 30, 2025 was 9.76 percent. The authorized return on average common equity is 9.50 to 9.90 percent.

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Mr. Johnston reported on Rate RSE for Spire Gulf Inc., based on preliminary figures as of October 31, 2024, the projected RSE return on average common equity for the rate year ending September 30, 2025, was 9.69 percent. The authorized return on average common equity is 9.70 percent to 10.30 percent.

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Mr. Johnson reported on the following dockets from the Utility Service Agenda:

Informal Docket U-4330, Spire Alabama, Inc., Application for approval of an Amendment #4 to the Special Services Agreement with Alabama Power (formerly Tenaska Alabama II Partner, L.P.), and recommended granting approval of application.

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

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Mr. Johnston 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. Kimbril reported for the Gas Pipeline Safety (GPS) Division Agenda on the following inspections during the month of October.

Inspections

During the month of October, a total of forty-six (46) inspections were conducted utilizing one hundred thirty-four and a half (134.5) person-days. The inspections are as follows:

		STANDARD INSPECTION	CONSTRUCTION	OPERATOR QUALIFICATION	PUBLIC AWARENESS	IMP / DUMP	CONTROL ROOM MGMT	INCIDENT / ACCIDENT	SECTION 114	DRUG & ALCOHOL	FOLLOW-UP	
GAS PIPELINE SYSTEMS	PRIVATE	1	4								1	TOTAL
	MUNICIPAL	9	4			3					6	
	MASTER METER	1									2	
	LIQUID PROPANE (LP)											
	LIQUIFIED NATURAL GAS (LNG)											
	INTRASTATE TRANSMISSION	6				2					3	
	GAS GATHERING	1										
	OFFSHORE GAS	1										
LIQUID PIPELINE SYSTEMS	REFINED PETROLEUM PRODUCTS	1			1							
	CRUDE OIL											
	HVL FLAMMABLE / TOXIC											
	CARBON DIOXIDE											
	BIOFUEL											
TOTALS		20	8		1	5					12	46

Training

Four (4) operator/contractor training session on Polyethylene (PE) plastic fusion and zero (0) fire response training were conducted in October:

- 10/2/2024 Hartselle Utilities PE 13 Personnel Trained
- 10/15/2024 Leak City PE 44 Personnel Trained
- 10/16/2024 Huntsville Utilities PE 78 Personnel Trained
- 10/30/2024 Scottsboro Utilities PE 20 Personnel Trained

Enforcement Actions

From the forty-six (46) inspections shown above, five (5) enforcement letters of notification were issued noting nineteen (19) non-compliance issues. There were twenty (20) non-compliance items corrected during the month of October.

Incidents/Accidents

There was one (1) state reportable incident and one (1) federal incident reported during the month of October.

- 10/6/2024 Clarke-Mobile Counties Gas District - A house fire occurred, causing damage to the gas meter set due to heat exposure. It has been confirmed that natural gas was not a contributing factor to the fire.
- 10/15/2024 North Alabama Gas District - A pest control company struck a gas service line, resulting in the release of natural gas and subsequent ignition. The fire caused damage to a residential property. Initial repair cost estimates from the insurance company have been revised, and the total damage now exceeds the federal reporting threshold of \$145,400.

Miscellaneous

Gas Pipeline Safety (GPS) has nothing to note for the month of October.

UTILITY ENFORCEMENT DIVISION

Mrs. Shehane reported from the Utility Enforcement Division describing the major task, inspections and activities

accomplished by its staff during the month of October 2024.

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
5	21	46	0	229	64

The table below reflects track safety observations in which one non-compliant conditions was identified. Sixty-five roadway workers, bridge workers, and practices were observed.

Railroad Bridge Observations	Roadway Worker Protection	Roadway Maintenance Machines	Bridge Worker Safety
13	18	15	1

The data in the table below was collected from Motive Power & Equipment (MP&E) inspections 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
4	14	169	0	884

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

The National Response Center (NRC) reported five incidents in October:

1. A trespasser strike with unknown injuries in Montgomery on CSX.
2. A vehicle strike at a grade crossing with one fatality in Selma on NS.
3. An unoccupied vehicle strike at a grade crossing in Birmingham on NS.
4. A cement truck strike with a diesel and oil release in Chelsea on NS.

5.A vehicle strike at a grade crossing with one fatality and one serious injury involving a passenger train in Bessemer on NS.

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
14	10	0	1	9	7	60	44	21

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
305	18	6	0	9	34	108

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

UCR Applications		UCR Mailouts for 2024	UCR Audit Correspondence	UCR Inquiries	
Received	Returned			Phone	E-mail
11	2	787	0	48	11

As of October 31st, 9,439 Alabama carriers (94%) were registered for 2024 UCR with 647 remaining unregistered. The 2025 UCR registration began on October 1st. By the end of October, 2,514 Alabama carriers (29%) had registered, with 6,087 remaining unregistered.

MCS staff attended the UCR Board call, the UCR Finance Subcommittee call, and the UCR Education and Training Subcommittee call.

The staff also assisted motor carriers in making necessary

changes to their operating status with the Federal Motor Carrier Safety Administration (FMCSA). Three MCS-150 forms containing updates to the motor carriers' USDOT number data were processed.

There were 89 For Non-Profit (FNP) quarterly reports for the third quarter of 2024 sent to FNP carriers by mail and e-mail. There were 16 FNP quarterly reports received for the third quarter and two for the second quarter of 2024.

A show cause hearing was held for five carriers that failed to submit their 2023 annual reports as required for all household goods and passenger carriers. Three annual reports were received during the hearing.

The Alabama Trucking Association invited Mr. Beaty and Ms. Shehane to speak at their Safety & Maintenance Management Council meeting on October 3rd. Many representatives from trucking companies across Alabama were in attendance. Mr. Beaty and Ms. Shehane gave a short presentation highlighting the types of intrastate authority the Commission regulates, exemptions, and insurance requirements.

In October, one passenger tariff for Inspirational NEMT Services, LLC (C4160) was rejected due to formatting issues. Additionally, a passenger tariff for Checker & Deluxe Cab, Co., Inc. (C3891) and Enterprise Rescue, Inc. C4153) were accepted.

Staff participated in two passenger carrier hearings that were held during October for:

- Jefferson and Jefferson Express L.L.C.
- Cays Carriage LLC

Two desk audits were completed on the following household goods carriers:

- Lambert Transfer & Storage, Inc. (C604) - Three issues were found, and the carrier was advised to follow its current tariff or submit a new tariff/supplement.
- Eastern Shore Transfer, Inc. (C4037) - No issues were found.

Lyft, Inc. (Lyft) submitted a new vehicle inspection form to the Commission. The form was reviewed and approved by Commission staff. Lyft's annual records inspection review was closed on October 17th.

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ELECTRICITY POLICY DIVISION

Mrs. Smith reported for the Electricity Policy Division on Rate RSE for Alabama Power Company stating that the Weighted

Return on Average Retail Common Equity Forecast as of December 31, 2024, is 6.44 percent. Mrs. Smith also reported for the month of October 2024 energy cost applicable to Rate ECR was over-recovered by \$12,800,683. The authorized Weighted Retail Return on Average Common Equity Range is 5.75-6.15 percent.

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Commissioner Cavanaugh made a motion related to Alabama Power's Rate ECR was over-recovered by almost \$13 million for the month of October, which erased the under-recovered balance. It is my understanding that Alabama Power's fuel costs are expected to remain stable for the foreseeable future. I believe the numbers project that it is time for the current interim factor to be lowered for the immediate benefit of customers. Therefore, I propose a new interim factor of 26 mills, to be effective starting with January billings and continuing through the end of 2025. This will be done through a consent order that includes customary terms and conditions. As always, we will continue to monitor actual results under Rate ECR. Unless I'm overlooking some needed detail from a legal perspective, this is my motion. Upon a second by Commissioner Oden, the Commission unanimously voted to accept the motion.

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Mr. Free reported on Informal Dockets 18117 and 18416, On November 19, 2024, Alabama Power Company ("the Company") submitted calculations associated with its costs of complying with governmental mandates, as provided for under Rate CNP, Part C. The filing reflects a projected under-recovery of such costs that normally would be recoverable in the billing months of January 2025 through December 2025. At the request of the Commission, acting through its staff, the Company has determined that the current factors can remain in place for cost year 2025, subject to a consent order by the Commission, and the staff recommends the entry of a consent order, consistent with the company's filing, which leaves in place the current Rate CNP, Part C factors for cost year 2025.

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

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Commissioner Cavanaugh made a motion relating to the court of federal claims entered final judgements on damages associated with nuclear fuel disposal costs in two lawsuits filed by Alabama Power Company against the United States government has recently paid one of those judgements and payment for the other is expected. These lawsuits center on the partial breach by the Department of energy of its agreement to perform certain obligations related to its acceptance, transport and disposal of spent nuclear fuel at Plant Farley, which caused Alabama Power to incur costs that were recovered from customers. The retail portion of the two awards total approximately \$96 million, which is to be used for the benefit of customers. With regard to this money, I propose the Company use the refund factor mechanism in Rate RSE for customer-specific refunds based on billing data for the period October 2023 through September 2024. Each customer's refund would be made through bill credits for January, February and March 2025. Any minimal amount that remains undistributed following the bill credit process would be applied to the Natural Disaster Reserve for the benefit of customers and should be reported back to the PSC staff. The Company is expected to work with our staff to show the development of the bill credits and any other implementation details. Upon a second by Commissioner Oden, the Commission unanimously voted to accept the motion.

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LEGAL DIVISION

Hearing Officer Judge Young reported from Legal Division Agenda on the following Dockets:

Informal Dockets C-21060 and Formal Docket 31476, Petition of Tammie G. & Edward L. Chism d/b/a Crown Charter Services of Northport, Alabama for cancellation of motor carrier certificate CB115 (Docket 31476). Motor carrier certificate CB115 was revoked by Commission order dated October 1, 2024, due to Petitioner's failure to maintain proper proof of liability insurance coverage (Informal Docket C-21060), and recommended granting reinstatement of motor carrier certificate CB115 (Informal Docket C-21060) for the sole purpose of cancelling motor carrier certificate CB115 in good standing. Grant cancellation as requested (Docket 31476);

Formal Docket 33383, Motor carrier certificate 4153 and Permit 656 were issued to Non-Emergency Medical Carriers Transportation and Services LLC d/b/a Non-Emergency Medicarriers Transportation and Services ("Non-Emergency Medicarriers Transportation and Services") of Pleasant Grove, Alabama, by Commission order dated November 7, 2023. Said order also required Non-Emergency Medicarriers Transportation and Services to file its tariff and schedule of rates, obtain insurance and registration numbers and properly identify its vehicles. Non-Emergency Medicarriers Transportation and Services has failed to make the required filings, and recommended granting cancellation on 30 days' notice; and

Informal Docket C-21075 and Formal Docket 33186, Petition of JB Southern Trucking LLC of Clanton, Alabama, for cancellation of motor carrier certificate F3502 (Docket 33186). Motor carrier certificate F3502 was revoked by Commissioner order dated November 5, 2024, due to Petitioner's failure to maintain proper proof of liability and cargo insurance (Informal Docket C-21075), and recommended granting cancellation on 30 days' notice;

---Formal Docket 33520, Application of Mason Dixon Movers, LLC d/b/a Mason Dixon Moving & Storage of Gadsden, Alabama, for a certificate to transport household goods, and recommended granting certificate and approval of tariff; and

Formal Docket 33515, Unopposed common and contract carrier application of DTB of Alabama LLC, of Talladega, Alabama for authority to transport passengers. A hearing was held, at which time the applicant presented evidence to fulfill the statutory requirements for the authority sought to be granted. The applicant waived its right and Report and Recommended order at the hearing, and recommended granting approval of application; and

Formal Docket 33464, Motor carrier certificate 4160 was issued to inspirational NEMT Services, LLC, of Phenix City, Alabama by order dated May 8, 2024. Motor carrier certificate 4160 was revoked by order dated September 12, 2024 for failure to make the required filings. Inspirational NEMT Services, LLC has now met the requirements of the May 8, 2024 order, and recommended vacate September 12, 2024 order of Revocation and reinstatement of motor carrier certificate 4160.

Upon motion by Commissioner Cavanaugh and seconded by

Commissioner Oden, the Commissioners voted unanimously to accept these recommendations.

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

Informal Docket C-21051, Petition of Eddie Ray Transportation LLC of Greenville, Alabama for reinstatement of motor carrier certificates F5069 which was revoked due to Petitioner's failure to maintain proper proof of liability insurance coverage, and recommended granting reinstatement of petition;

Formal Docket 29334, Petition of Transhaul, Inc., Bessemer, Alabama for cancellation of motor carrier certificate F3070, and recommended granting cancellation as requested; and

Informal Docket C-291057, Petition of B & T Mineral, L.L.C., of Dora, Alabama for reinstatement of motor carrier certificate F2939 which was revoked due to Petitioner's failure to maintain proper proof of liability insurance coverage, and recommended granting reinstatement of petition.

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

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Judge Bentley then reported from the Legal Division on Formal Docket 32744, In re: Regulation of Transportation Network Companies Rule TNC-3 dictates the process for TNC permit applications and renewals. After several permit renewal cycles, Commission staff has recognized that the current rule may lead to timing issues during the permit renewal process and may not allow sufficient time for Staff review. Rule TNC-3 also describes a process for revocation of a TNC permit for failure to timely renew the permit. This revocation process is unnecessary because a TNC permit becomes invalid if not renewed before the expiration of the permit. Staff proposed amending Rule TNC-3(6) to extend the permit validity period from 12 months to 14 months and amending Rule TNC-3(8) to remove the unnecessary language regarding revocation. On August 8, 2024, to address Staff's proposed changes, the Commission initiated a rulemaking proceeding that included an opportunity for public comment. No comments were received, and recommended granting approval of the proposed changes to Rule TNC-3 regarding the TNC-3 regarding the TNC permit renewal and revocation processes.

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

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Hearing Officer Chad Mason reported from the Legal Division on the following dockets:

Formal Docket 33507, Petition of Elite Senior Solutions LLC, of Hoover, Alabama to withdraw its motor carrier application seeking authority to transport passengers, and recommended granting petition/dismiss application; and

Formal Docket 33390, Unopposed common and contract carrier application of WheelCare, L.L.C., of Mobile, Alabama, for authority to transport passengers. A hearing was held, at which time the applicant presented evidence to fulfill the statutory requirements for the authority sought to be granted. The applicant waived its right to a Report and Recommended order at the hearing, and recommended granting approval of application.

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

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Judge Garner recommended approval of the administrative items.

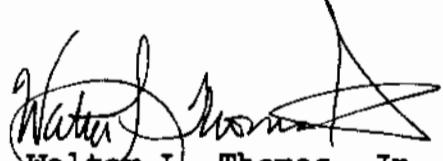
Upon motion by Commissioner Cavanaugh and seconded by Commissioner Beeker, the Commissioners voted unanimously to accept the recommendation.

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Commissioner Cavanaugh concluded with stating that the next Commission meeting is scheduled for Tuesday, January 7, 2025.

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There being no further business, Commissioner Cavanaugh adjourned the meeting at 10:32 a.m.


Walter L. Thomas, Jr.
Secretary