

MINUTES OF A MEETING
OF THE
ALABAMA PUBLIC SERVICE COMMISSION
HELD TUESDAY, FEBRUARY 5, 2019

The February 2019 meeting of the Alabama Public Service Commission was held on Tuesday, February 5, 2019, 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 and Executive Director; Scott Morris, Administrative Law Judge; Darrell Baker, Utility Services Division Director; Janice Hamilton, Utility Enforcement Division Director; John Free, Electricity Policy Division Director; Wallace Jones, Gas Pipeline Safety Division Director; Suellen Young, Hearing Officer; Luke Bentley; Patricia Smith, Laneeta Roberts and Donald Powell, Public Utility Analyst Managers; Angier Johnson, Public Information Manager; Aquilla Spivey, Consumer Services Manager; Marquita Lennon, Public Utility Analysts; Amanda Shehane, Senior Accountant; Tonya Williams, Accountant; Debbie Williams, Executive Assistant to Commissioner Cavanaugh; Jeffrey Johnston, Technical Assistant to Commissioner Cavanaugh; Mary Caitlyn Montgomery Executive Assistant to Commissioner Beeker, Spears Griffin, Technical Assistant to Commissioner Oden; Kay Oswalt, Information Systems Manager; Jerry Delancey, Tashenna Lawrence and Logan Bone, Administrative Assistants; and 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 January 2, 2019.

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Commissioner Beeker introduced Lieutenant Governor Will Ainsworth, whom open the meeting with prayer and led the audience in the Pledge of Allegiance.

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Commissioner Cavanaugh open the floor for a motion to approve the minutes of the January 8, 2019 Commission meeting.

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

UTILITY SERVICES DIVISION

Mr. Baker stated that the Consumer Service Complaint Inquires for the period January 2019 was as follows: Alabama Power Company had twenty residential and two business inquires, Spire Alabama had nine residential inquire while Spire Gulf had three residential inquiries. There was a total of twenty-three telecommunication inquires consisting of two under Public Service Commission jurisdiction, fourteen referred back to the companies since the companies waived jurisdiction and seven which were not under PSC jurisdiction.

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Mr. Baker reported on RSE for Spire Alabama Inc., stating that as of December 31, 2018, the projected RSE return on average common equity for the rate year ending September 30, 2019, was 10.93 percent. The authorized return on average common equity is 10.15 percent to 10.65 percent.

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Mr. Baker reported on RSE for Spire Gulf Inc., stating that as of December 31, 2018, the projected RSE return on average common equity for the rate year ending September 30, 2019, was 11.05 percent. The authorized return on average common equity is 10.45 percent to 10.95 percent.

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Mr. Baker reported from the Utility Service Division Agenda on Informal Docket U-5283, Spire Alabama Inc., approval of a special service agreement between Spire Alabama Inc., and James Hardie Building Products, Inc., and recommended granting approval of agreement.

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

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Mr. Baker reported on Formal Docket 32698, River Bend Marina LLC, approval of proposed tariff which increased residential rates and add rates for commercial customers and vacant lots, and recommended granting up to 180 days suspension.

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

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Mr. Baker reported on Informal Docket U-5284, Communications Venture Corporation d/b/a Indigital and Frontier Communications of the South, LLC approval of an Interconnection Agreement between Frontier Communications of the South, LLC and Communications Venture Corporation d/b/a Indigital pursuant to Sections 251 and 252 of the Telecommunications Act of 1996, and recommended granting approval of Agreement.

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

Informal Docket U-4278, BellSouth Telecommunications, LLC d/b/a AT&T Alabama or AT&T Southeast and Matrix Telecom, LLC d/b/a Excel Telecommunications and Matrix Telecom, LLC d/b/a Trinsic Communications and Matrix Telecom, LLC d/b/a Vartec Telecom;

Informal Docket U-4843, Centurytel of Alabama, LLC d/b/a Centurylink and Charter Fiberlink-Alabama, LLC; and

Informal Docket U-5071, BellSouth Telecommunications, LLC d/b/a AT&T Alabama or AT&T Southeast and Dovetel Communications, LLC d/b/a Synctglobal.

Mr. Baker then reported on Informal Docket U-5279, BellSouth Telecommunications, LLC d/b/a AT&T Alabama or AT&T Southeast, rules of the North America Numbering Plan Administrator ("NANPA") grant the Commission discretion to override NANPA's denial of requested numbering resources in Alabama. BellSouth Telecommunications, LLC d/b/a AT&T Alabama or AT&T Southeast seeks Commission concurrence with its numbering resources request and asks the Commission to override NANPA's denial of the numbering resources sought by the Petitioner, and recommended granting approval of petition.

Mr. Baker reported on the following dockets for approval of Cancellations/Withdrawals of Certificates of Public Convenience and Necessity and withdrawal of their tariffs as follows:

Formal Docket 30806, Access Fiber Group, Inc., cancels Certificate of Public Convenience and Necessity and withdraws tariff. Certificate granted under this docket on August 14, 2008 to provide Competitive Local Exchange Telecommunications service. By letter received January 22, 2019, notice was given that a *Pro Forma* consolidation occurred on December 31, 2018, whereas all the company's Alabama operations and assets have merged into and

ownership changed to Crown Castle Fiber LLC. Due to the consolidation, the company ceased providing telecommunications services to customers in the state of Alabama; therefore, no customers are directly affected by the cancellation, and recommended granting approval of cancellation; and

Mr. Baker stated the docket number listed on the agenda is not correct and the corrected docket number is Formal Docket 32087, Crown Castle NG East LLC, cancels Certificate of Public Convenience and Necessity. Certificate granted under this docket on December 12, 2013 to provide Facilities-Based and Resold Interexchange service and carrier's carrier telecommunications service. By letter received January 22, 2019, notice was given that a *Pro Forma* consolidation occurred on December 31, 2018, whereas all the company's Alabama operations and assets have merged into and ownership changed to Crown Castle Fiber LLC. Due to the consolidation, the company ceased providing telecommunications services to customers in the state of Alabama; therefore, no customers are directly affected by the cancellation, and recommended granting approval of cancellation.

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

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

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GAS PIPELINE SAFETY DIVISION

Mr. Jones reported for the Gas Pipeline Safety (GPS) Division on major activities during the month of December 2018.

Standard Inspection	Construction	IMP/DIMP	Operator Qualification	Incident	Damage Prevention	Follow-Up	TOTAL Inspections
	5	17			1	6	29

- There were three (3) enforcement letters of notification issued, noting three (3) non-compliance items. There were thirteen (13) non-compliance items corrected during the month of December.

- No Pipeline and Hazardous Materials Safety Administration (PHMSA)-reportable incidents were reported during the month of December. One incident meeting the state-reportable criteria was received during December:
 - Spire - Alabama (Birmingham), 12/6/2018; contract crew welded fitting on unmapped casing; company crew making tap drilled through casing and into carrier pipe releasing gas into the casing; no lost service, no injuries
- Mr. Michael McVay, Gas Pipeline Safety Investigator, successfully completed the *PHMSA-PL3257 Pipeline Safety Regulation Application and Compliance Procedures Course* on December 3 - 7, 2018. The training was held in Oklahoma City, OK at PHMSA's Training and Qualification (TQ) Center.
- The Gas Pipeline Safety (GPS) Staff conducted the 31st Annual Pipeline Safety Seminar on December 4 - 6, 2018 at the Embassy Suites Hotel. Over 300 operators, contractors and vendors were in attendance for this seminar. The GPS staff and others presented sessions on regulatory updates, Alabama 811, One-Call Prosecution by the Attorney General's Office, Operator Qualification and many other topics of interest to the attendees.
- Mr. Wallace Jones, Gas Pipeline Safety Division Director, and Ms. Annette Reburn, Executive Director of Alabama 811, participated in the Annual One-Call Enforcement Evaluation conducted by Mr. Sam Hall of PHMSA on December 11, 2018. This evaluation determines the adequacy of a state's damage prevention program. Due to exemptions in the current law and a lack of viable enforcement of the law, Alabama has been deemed "inadequate" for the first two years of the evaluation. The final determination for the 2018 calendar year has not been received from PHMSA as of this date.
- On December 17 - 18 Mr. Jones visited the Grand Hotel Golf Resort and Spa ("Grand") to tour the facilities in anticipation of utilizing the "Grand" for the National

Association of Pipeline Safety Representatives (NAPSR) Annual Board and General Membership Meeting in September 2020. Mr. Jones will be serving as the National Chair for NAPSR during the 2019 - 2020 year and will use the "Grand" as the host hotel for the meeting.

- Commissioner Oden asked if the inadequacies mentioned in the Enforcement Evaluation due to the same issues the PSC have been fighting for years in our laws over the exemptions listed in our current law? Mr. Jones stated that it is not so much as the exemptions, as it is the lack of enforcement. Commissioner Oden then asked does this block the funding from the federal government? Mr. Jones then stated not yet, we have another two years to turn it around.

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UTILITY ENFORCEMENT DIVISION

Ms. Hamilton reported for the Utility Enforcement Division on major activities during the month of December 2018.

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
4	17	60	0	101	89

The table below reflects track safety observations made in which one non-compliant conditions were found.

Railroad Bridge Observations	Roadway Worker Protection	Roadway Maintenance Machines	Bridge Worker Safety
0	13	4	0

The data in the table 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 Devices Inspected
4	3	38	0	143

The table below shows safety observations completed by the MP&E Inspector.

Air Brake Tests	Blue Flag Protection	End of Train Devices
0	3	0

There were 155 track records and 228 equipment records inspected.

There were no violations with civil penalties recommended and no incidents reported in the month of December that required RWS participation. However, while performing a joint inspection with FRA track and signal inspectors, a minor mainline derailment occurred in Birmingham on the NS/BNSF interchange. Even though investigated, the incident was non-reportable and no further action was warranted.

While performing a regular track inspection in Birmingham, APSC and FRA track inspectors found a contract labor crew working unsafely on a private company's trackage adjacent to the CSX mainline. CSX was unaware that their track was being fouled by industrial contract workers and they took the appropriate actions to remediate the issue. Because the workers were not employees of or contracted by the railroad, there was no regulatory enforcement that could have been applied in this instance.

Joint inspections were performed by a couple of FRA track and signal inspectors and an APSC track inspector. These inspections provided good tools that were used to expand our inspector's knowledge of non-compliant condition recognition for issues that fall outside of his discipline of expertise.

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
20	13	2	0	10	8	46	44	14

One report was received from a For Non-Profit (FNP) carrier for the fourth quarter of 2018. Sixty-five FNP reports were mailed out for the fourth quarter of 2018.

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
453	25	11	2	18	48	346

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

UCR Applications		UCR Mail outs for 2018	UCR Audit Correspondence	UCR Inquiries	
Processed	Returned			Phone	E-mail
2	1	107	2	187	44

In December, the staff was assigned one Focused Anomaly Review (FARs) for the 2019 UCR registration year. A letter was mailed to the carrier informing them of the discrepancy.

The staff also assisted motor carriers in making necessary changes to their operating status with the Federal Motor Carrier Safety Administration (FMCSA). There were 21 MCS-150 forms processed indicating that four motor carriers' USDOT numbers were deactivated and 17 forms contained updates to carriers' USDOT number data.

The staff mailed 107 letters to new carriers that recently obtained their USDOT numbers and have not paid 2018 UCR.

In its monthly meeting, the UCR Board:

- Voted on their 2020 & 2021 fee recommendations
- At the request of the National School Transportation Association, approved allowing school bus carriers, primarily with intrastate only operations, to subtract intrastate only school buses from their fleet count starting with 2019 UCR registration.

Staff attended the UCR Audit Subcommittee teleconference. The four states to be audited by the UCR Board were selected by the subcommittee with Alabama being the first one audited during the second quarter of 2019.

One regular passenger tariff supplement [Crown Limousine & Sedan Service, L.L.C. d/b/a Crown Limousine Service (C3652)] and two household goods tariffs [About the Move LLC (C4049)] and [Joanna's Moving LLC d/b/a Joanna's Movers (NEW)] were filed and accepted.

TNC field compliance audits for Lyft, Inc. and Rasier, LLC (Uber) were completed in Montgomery. The Uber driver didn't have a trade dress displayed on the vehicle and had a tough time

finding the staff at the pickup location. This Florida driver played rather loud music that contained explicit language. The driver rating options on the Uber app were limited such that there was no place to leave a detailed comment to describe any adverse issues experienced during the ride. There were no major violations of APSC rules found.

FIELD SERVICES

The FSS staff met with Community Utilities of Alabama in Gadsden to review the condition and operation of Waters Edge wastewater treatment. While on site, an underground cap was discovered to be defective causing a small area in the sand filter to have water circulating on the top of the gravel. Subsequently, assurance was given that the defective part had been replaced. The system appeared to be operating free of any other defects at the time of this inspection.

Staff met with East Lowndes Water Association in Millport to review procedures used to provide water to 262 customers in Springhill and Fernbank. The review of this system revealed no abnormalities in design or operation and all facilities appeared in excellent operating order.

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ELECTRICITY POLICY DIVISION

Mrs. Smith reported on RSE for Alabama Power Company stating that the Weighted Retail Return on Average Common Equity Forecast as of December 31, 2018, is 6.21 percent. The authorized Weighted Retail Return on Average Common Equity Range is 5.75-6.21 percent. Mrs. Smith also reported for the month of December 2018 energy cost applicable to Rate ECR was over-recovered by \$3,956,357.

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Mr. Free reported on Formal Dockets 18117 and 18416, for the twelve-month period ended December 31, 2018, the Rate RSE calculation produced a weighted retail return on average common equity (WRRCE) of 6.75 percent. The amount of revenue that caused the WRRCE to exceed the designated range is \$108,856,667. According to the applicable terms of Rate RSE, this revenue will be returned to the benefit of customers and in the manner directed by the Commission. As a result, the Company's final weighted retail return on average common equity, for the twelve months ended December 31, 2018, is 6.21 percent, and recommended by staff that \$34.0 million of the above-described revenue be refunded to customer during the months of July through September

2019 with the balance of approximately \$75 million applied to Rate ECR (Energy Cost recovery).

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

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Mr. Free, report on Informal Docket U-4732, On January 22, 2019, Alabama Power Company ("the Company") filed a petition with the Alabama Public Service Commission ("the Commission") seeking approval of modifications to Rate Rider CPP (Critical Peak Pricing). Rate Rider CPP is part of the Company's smartpower demand side management program. Under the proposed modifications, participating customers will now be responsible for managing their air conditioning loads in response to notifications from the Company. This is different from previous years in that Alabama Power proactively managed the customers thermostat. In light of this change, the Company also requests authorization from the Commission to require participating customers to confirm their intent to participate in the modified program by submitting a completed participation form and recommended granting approval of petition.

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

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Mr. Free then reported on Informal Docket U-5285, On January 22, 2019, Alabama Power Company filed a petition with the Alabama Public Service Commission requesting authority to establish a regulatory asset for operation and maintenance costs associated with certain software projects. The Company further seeks authority to amortize the regulatory asset to cost of service ratably over the period for which the related assets are expected to provide an economic benefit, and recommended granting approval of petition.

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

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LEGAL DIVISION

Hearing Officer Suellen Young reported from the Legal Division Agenda on Formal Docket 32857, Unopposed motor carrier

application of Seeing the Light Non-Emergency Medical Transportation LLC, of Calera, Alabama for a certificate to transport passengers. 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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Hearing Officer Luke Bentley reported on the following Dockets from the Legal Division Agenda:

Informal Docket C-19324, Petition of Shippers Express, Inc., of Jackson, Mississippi, for reinstatement of motor carrier certificate F297 which was revoked due to Petitioner's failure to maintain proper proof of liability and cargo insurance coverage, and recommended granting reinstatement of petition;

Informal Docket C-19303, Petition of Brenda Black d/b/a BMB Express of Mobile, Alabama for reinstatement of motor carrier certificate F2288 which was revoked due to Petitioner's failure to maintain proper proof of cargo insurance coverage, and recommended granting reinstatement of petition;

Informal Docket C-19325, Petition of Bed Rock, Inc., d/b/a Tri-State Motor Transit Company of Joplin, Missouri for reinstatement of motor carrier certificate F2824 which was revoked due to petitioner's failure to maintain proper proof of liability insurance coverage, and recommended granting reinstatement of petition;

Formal Docket 30552 and Informal Docket C-19315, Petition of Otto Thomas d/b/a Wrightway Transportation & Shuttle Service of Montgomery, Alabama to suspend operations under motor carrier certificate 3927 for a period of one year (Docket 30552). A search of the Commission's records reveals that Certificate 3927 was revoked by Commission order dated December 4, 2018, in Informal Docket C-19315, due to the petitioner's failure to maintain proper proof of liability insurance coverage, and recommended granting reinstatement of motor carrier certificate 3927 for the sole purpose of suspending in good standing (Informal Docket C-19315). Grant one-year suspension (Docket 30552);

Formal Docket 32821, Petition of Nix Company, LLC of Luverne, Alabama, for cancellation of motor carrier certificate F5109, and recommended granting cancellation as requested;

Formal Docket 22831, Petition of Jackie P. Bailey, of Joppa, Alabama, for cancellation of motor carrier certificate 3539, and recommended granting cancellation as requested;

Formal Docket 30616 and Informal Docket C-19318, Petition of Azteca Towing L.L.C. of Birmingham, Alabama for cancellation of motor carrier certificate F3891. Motor carrier certificate F3891 was revoked by Commission order dated December 4, 2018, in Informal Docket C-19318, due to Petitioner's failure to maintain proper proof of cargo and liability insurance coverage, and recommended granting reinstatement of motor carrier certificate F3891 for the sole purpose of cancelling motor carrier certificate F3891 in good standing (Informal Docket C-19318). Grant cancellation as requested (Docket 30616);

Formal Docket 32861, Application of The Moving Truck Inc., of Dothan, Alabama for a certificate to transport household goods, and recommended granting certificate and approval of tariff;

Formal Docket 32859, Unopposed motor carrier application of Terry Rowland d/b/a Continental Transport of Birmingham, Alabama for a certificate to transport passengers and their baggage. The applicant waived its right to a Report and Recommended order at the hearing, and recommended granting approval of application;

Formal Docket 32858, Unopposed motor carrier application of Piedmont Emergency Rescue Squad, of Piedmont, Alabama, for a certificate to transport passengers. The Applicant waived its right to a Report and Recommended order at the hearing, and recommended granting approval of application; and

Formal Docket 32839, motor carrier application of Brisk Transport, LLC of Birmingham, Alabama, for a certificate to transport passengers and their baggage. A Report and Recommended order ("RRO") was entered in this cause on January 8, 2019, which recommended the application be granted. No exceptions to the RRO were filed within 20 days from the date of service, and recommended entry of an order recognizing that the RRO entered in this cause became the order of the Commission by operation of law due to the fact that no exceptions to the RRO were filed within the statutorily established timeframe of 20 days.

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

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Judge Morris recognized Mrs. Amanda Shehane and Ms. Jennifer

Morgan for all of their hard work on the UCR audit program. Judge Morris reported on the following Dockets from the Legal Division Agenda:

Formal Docket 29856, Petition of Carter Landscaping, Inc., of Elmore, Alabama for cancellation of motor carrier certificate F3368, and recommended granting cancellation as requested; and

Formal Docket 32809, *Alabama Public Service Commission v. All Motor Carriers who failed to file Annual Reports for 2017 operations*. Motor Carrier Annual Report Proceeding. MacArthur Moving LLC, of Albertville, Alabama has now properly filed its Annual Report for 2017 operations, and recommended dismissal of MacArthur Moving LLC, from Motor Carrier Annual Report proceeding and reinstatement of certificate.

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

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Judge Garner reported from the Legal Division Agenda on Formal Docket 17545, In Re: Proposed Revisions to Gas Pipeline Safety Rule 9. Staff from the Gas Pipeline Safety Division recommended certain modifications to Gas Pipeline Safety ("GPS") Rule 9. Those proposed modifications were served on interested parties who were invited to file initial and reply comments. All of the filed comments have now been considered by staff from the GPS and Legal Divisions, and recommended adoption of revised GPS Rule 9 as modified by staff after consideration of all written comments filed.

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

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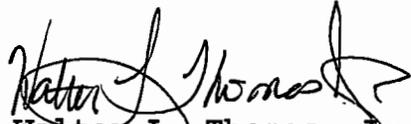
Judge Garner recommended approval of all matters listed under the administrative agenda.

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

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Commissioner Cavanaugh concluded with stating that the next Commission meeting is scheduled for Tuesday, March 12, 2019.

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There being no further business, Commissioner Cavanaugh
adjourned the meeting at 10:39 a.m.

A handwritten signature in cursive script, appearing to read "Walter L. Thomas, Jr.", written in dark ink.

Walter L. Thomas, Jr.
Secretary