

Report on the

# Alabama Public Service Commission

Montgomery, Alabama



## Department of Examiners of Public Accounts

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October 2, 2019

Senator Chambliss  
Chairman, Sunset Committee  
Alabama State House  
Montgomery, AL 36130

Dear Senator Chambliss,

This report was prepared to provide information for use by the Sunset Committee in conducting its review and evaluation of the operations of the Alabama Public Service Commission in accordance with the *Code of Alabama 1975*, Section 41-20-9.

The report contains unaudited information obtained from the management, staff, and records of the Public Service Commission in addition to information obtained from other sources.

Please contact me if you have any questions concerning this report.

Sincerely,

A handwritten signature in cursive script that reads "Rachel Laurie Riddle".

Rachel Laurie Riddle  
Chief Examiner

**Examiner**  
Janet L. Berry



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## **PROFILE**

### **Purpose/Authority**

The Public Service Commission regulates the safety, quality of service, and economic activity of utilities and common carriers. Current statutory authority for operation of the Commission is found in the *Code of Alabama 1975*, Title 37, Public Utilities and Public Transportation.

The following legislation was passed since the last Sunset Review of the Commission:

Act No. 70, Acts of Alabama 2015, repealed Sections 37-8-160 and 37-8-213; repealed Section 37-2A-10 to be effective October 1, 2019 (reduce the supervision and inspection fees each year, repealing the section beginning fiscal year 2020).

Act No. 66, Acts of Alabama 2016, to continue the existence and functioning of the Alabama Public Service Commission until October 1, 2020.

Act No. 457, Acts of Alabama 2017, to require that certain privately-owned wastewater systems in Marshall County be subject to oversight by the Alabama Public Service Commission.

Act No. 127, Acts of Alabama 2018, to require transportation network companies to obtain a permit from the Public Service Commission, maintain an agent for service of process, implement a nondiscrimination policy, implement a zero tolerance intoxicating substance policy, and maintain certain records; to require drivers and vehicles that provide rides through transportation network companies to meet certain safety and consumer protection requirements; to require transportation network companies to collect a local assessment fee for each trip fare and remit it to the Public Service Commission and require the commission to distribute a portion of the fee to the municipality or county where a ride originates; to prohibit municipalities and certain authorities from imposing taxes or business licenses on transportation network companies or transportation network company drivers or vehicles; and in connection therewith would have as its purpose or effect the requirement of a new or increased expenditure of local funds within the meaning of Amendment 621 of the Constitution of Alabama of 1901, now appearing as Section 111.05 of the Official Recompilation of the Constitution of Alabama of 1901, as amended.

The Acts have been codified in the *Code of Alabama 1975*.

Act No. 483, Acts of Alabama 2019, amended Section 37-2A-7 of the *Code of Alabama 1975*, to remove obsolete language; and to authorize and direct any state agency administering a Lifeline qualifying public assistance program to make access to its data files of program participants available to USAC, the National Verifier, and the Lifeline eligibility database for purposes of consumer Lifeline eligibility, enrollment, and for other administrative functions.

<b><u>Characteristics</u></b>	
<b>Members and Selection</b>	<p>Three members elected by the qualified electors of the state.</p> <ul style="list-style-type: none"> <li>• President</li> <li>• Two Associate Commissioners</li> </ul> <p><i>Code of Alabama 1975, Section 37-1-3(a)</i></p>
<b>Term</b>	<p>Four-year staggered terms.</p> <p><i>Code of Alabama 1975, Section 37-1-3(a)</i></p>
<b>Qualifications</b>	<p>Competent persons and qualified electors of the state.</p> <p><i>Code of Alabama 1975, Section 37-1-1</i></p>
<b>Consumer Representation</b>	<p>No specific statutory requirement.</p>
<b>Racial Representation</b>	<p>No specific statutory requirement.</p> <p>No minority member serving.</p>
<b>Geographical Representation</b>	<p>No specific statutory requirement.</p>
<b>Other Representation</b>	<p>No specific statutory requirement.</p>
<b>Compensation</b>	<p>President - \$106,594.56 Annually Associate Commissioners - \$99,488.40 Annually Salaries set by law.</p> <p><i>Code of Alabama 1975, 37-1-11</i></p>
<b>Attended Board Member Training</b>	<p>Executive Director and two senior accountants</p>
<b><u>Operations</u></b>	
<b>Administrator</b>	<p>Judge John A. Garner, Executive Director Appointed by the Commissioner Annual Salary - \$146,037.60</p> <p><i>Code of Alabama 1975, Section 37-1-12</i></p>



<b>Location</b>	100 North Union Street, RSA Union Building Montgomery, AL 36104 Office Hours: Monday – Friday 8:00 am – 5 pm
<b>Employees</b>	Sixty-six
<b>Legal Counsel</b>	John A. Garner, Chief Administrative Law Judge; G. S. Morris, Administrative Law Judge; Victor C. Mason, Luther Bentley, and Sue Ellen Young, Attorneys  All are full-time employees of the Alabama Public Service Commission.  <i>Code of Alabama 1975</i> , Section 37-1-12
<b>Subpoena Power</b>	Yes, both witnesses and records  <i>Code of Alabama 1975</i> , Section 37-1-63
<b>Internet Presence</b>	<a href="http://psc.alabama.gov">http://psc.alabama.gov</a> <ul style="list-style-type: none"> <li>• About the PSC</li> <li>• Commissioners’ Offices</li> <li>• Relevant forms for each division</li> <li>• Publications <ul style="list-style-type: none"> <li>Commission Meeting Minutes</li> <li>Annual Reports</li> </ul> </li> <li>• Contact Information</li> <li>• Complaint Instructions</li> <li>• Rules &amp; Regulations</li> <li>• Link to online Unified Carrier Registration (UCR)</li> </ul>
<b><u>Financial</u></b>	
<b>Source of Funds</b>	<ul style="list-style-type: none"> <li>• Registration, inspection fees and penalties collected from regulated entities</li> <li>• Dual Party Relay Program fees collected from telephone company customers</li> <li>• Federal Operating Reimbursements for the administration of the Gas Pipeline Safety Program</li> </ul>

<b>State Treasury</b>	<p>The Commission operates from the following Special Revenue Funds maintained in the State Treasury:</p> <p>Fund 0325 – Gas Pipeline Safety Fund  Fund 0326 – Public Service Commission Fund  Fund 1282 – State Dual Party Relay Fund  Fund 1354* – Public Service Commission Stimulus</p> <p>The Commission maintains a private account associated with the Dual Party Relay Program.</p> <p>*Inactive during this examination period</p>																		
<b>Required Distributions</b>	<p>Appropriation Acts routinely require the Commission to transfer funds from the Public Service Commission Fund to the General Fund. The Commission transferred the following amounts to the General Fund:</p> <p><b>Act 2014–284</b> - \$ 5,000,000.00  <b>Act 2015-540</b> - \$12,500,000.00  <b>Act 2016-116</b> - \$10,000,000.00  <b>Act 2017-338</b> - \$13,000,000.00</p>																		
<b>Unused Funds</b>	<p>The Commission retains any unspent and unencumbered funds at the end of the fiscal year not required to be distributed.</p>																		
<b><u>Licensee Information</u></b>																			
<b>Registered Entities</b>	<p style="text-align: center;"><b>Registered Entities as of March 15, 2019:</b></p> <table border="1" data-bbox="678 1276 1421 1623"> <tr><td>Gas Pipeline</td><td style="text-align: right;">121</td></tr> <tr><td>Wastewater Management</td><td style="text-align: right;">9</td></tr> <tr><td>Railroad</td><td style="text-align: right;">45</td></tr> <tr><td>Telecommunications</td><td style="text-align: right;">394</td></tr> <tr><td>Utility (Electricity, Natural Gas, Water)</td><td style="text-align: right;">23</td></tr> <tr><td><b>Motor Carriers:</b></td><td></td></tr> <tr><td>Intrastate Authority</td><td style="text-align: right;">1,474</td></tr> <tr><td>Unified Carrier Registrants</td><td style="text-align: right;">12,564</td></tr> <tr><td style="text-align: center;"><b>Total</b></td><td style="text-align: right;"><b>14,630</b></td></tr> </table> <p><i>Source:</i> Senior Accountant</p>	Gas Pipeline	121	Wastewater Management	9	Railroad	45	Telecommunications	394	Utility (Electricity, Natural Gas, Water)	23	<b>Motor Carriers:</b>		Intrastate Authority	1,474	Unified Carrier Registrants	12,564	<b>Total</b>	<b>14,630</b>
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<b>Qualifications</b>	<p style="text-align: center;">Motor Vehicle Registrations</p> <p>Intrastate Registrations</p> <ul style="list-style-type: none"> <li>• Proof of Insurance</li> <li>• Pay the filing fee</li> <li>• Submit the most recent tax year’s financial statement</li> </ul>																		

	<ul style="list-style-type: none"> <li>• Unified Carrier Registration receipt for current year or B-2 application for registration number.</li> <li>• Provide safety fitness rating from U.S. Department of Transportation or a description of its safety program that shows compliance with Commission rule and/or rules of the U.S. Department of Transportation.</li> <li>• Attach its tariff showing the rates, charges, rules, and practices.</li> </ul> <p><i>Source:</i> Public Service Commission website</p>
<b>Examinations</b>	None
<b>Reciprocity</b>	<p>Foreign and domestic motor carriers, motor private carriers, leasing companies, brokers, and freight forwarders shall not operate in interstate commerce in this state without first registering with a base state and paying all fees as required under the Federal Unified Carrier Registration Act of 2005.</p> <p>There are no state-specific reciprocal agreements.</p> <p><i>Code of Alabama 1975</i>, Section 37-3-32.1(a)</p>
<b>Renewals</b>	<p>Certificates, permits, and licenses are effective from the date specified and remain effective until revoked or surrendered. Unified Carrier Registration (UCR) fees must be paid annually. Online UCR renewal is available through <a href="http://www.ucr.gov">www.ucr.gov</a></p> <p>Wastewater Management Entities must renew their Certificate of Financial Viability every two years from the date of issuance. Online renewal is available via PSC website under Log In to E-Filing.</p> <p><i>Code of Alabama 1975</i>, Section 37-3-16  <i>Code of Alabama 1975</i>, Section 22-25B-3(b)(1)</p>
<b>Licensee Demographics</b>	License demographics are not captured by the Alabama Public Service Commission.
<b>Continuing Education</b>	No requirement

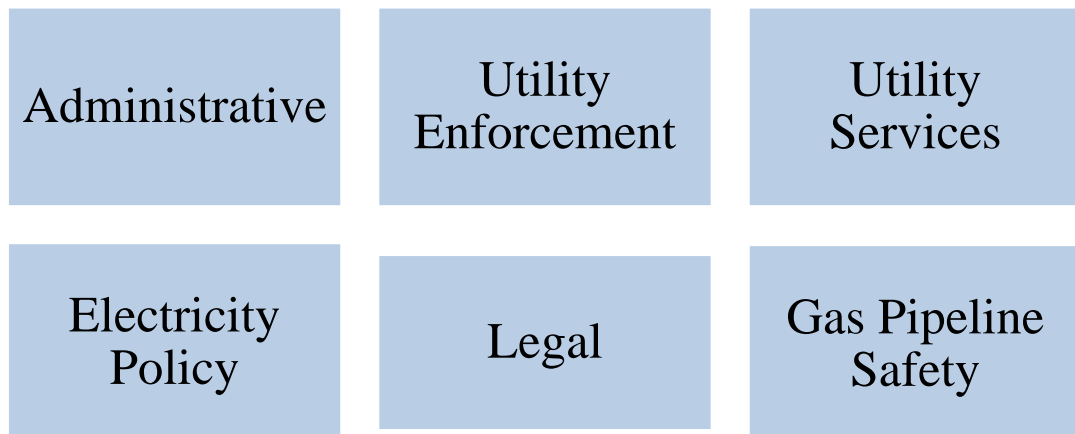
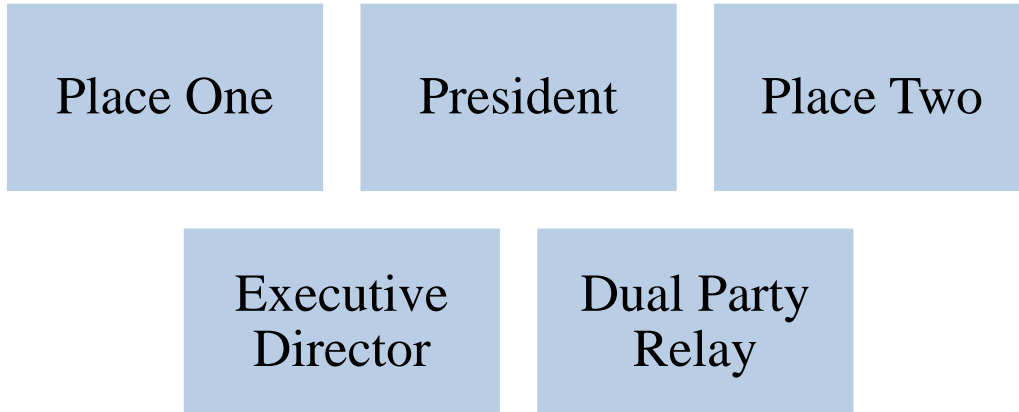
## **SIGNIFICANT ISSUES**

No new significant issues

## **STATUS OF PRIOR FINDINGS/SIGNIFICANT ISSUES**

All prior findings/significant issues have been resolved.

## ORGANIZATION



## **Public Service Commission Divisions**

**Administrative Division** - Receives all filings made to the Commission and distributes them to the appropriate Division. The Division 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 quickly obtained. The Division retains all records of the Commission and coordinates the transfer of records to the Department of Archives and History, as well as destruction of records.

- **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 budget requests and operations plans. 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 payroll 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.
- **Motor Carrier Records Section** - Preserves 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, motor carrier rules and regulations of the Commission.

**Legal Division**- Chief Administrative Law Judge, Administrative Law Judge, and staff attorneys provide legal services and legal counsel to the Commission. The administrative law judges preside over all legal proceedings before the Commission and make recommendations for the disposition of the cases they hear. In addition to hearing cases and making recommendations for the disposition of pending cases, the administrative law judges and other attorneys provide legal advice and guidance to the Commissioners, staff, representatives of the utilities regulated by the Commission, and the general public on a daily basis. They also handle other legal responsibilities which arise, ranging from representing the Commission in court cases and personnel proceedings to representing the agency in administrative proceedings conducted by other state and federal agencies.

**Electricity Policy Division** - Organized into three sections: 1) Electricity 2) Federal Affairs, 3) Public Affairs. The primary responsibilities of this Division is to oversee the regulation of investor-owned electric utilities (“IOU”) 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.

**Utility Services Division-** Regulates telecommunications, natural gas, water, and wastewater utilities in Alabama. Additionally, the Division receives and attempts to resolve consumer complaints, disputes, and inquiries for telecommunications, electricity, natural gas, water, and wastewater utilities in Alabama.

- **Natural Gas Section** - Regulates all publicly owned natural gas distribution, transportation, storage, and intrastate natural gas and oil pipelines in Alabama using rate stabilization and equalization formula ratemaking.
- **Telecommunications Section** - Has limited jurisdiction over incumbent local exchange carriers, competitive local exchange carriers, interexchange carriers, and long distance service resellers regulated under Alabama's Communications Reform Act. The Section has full regulatory jurisdiction over payphone service providers, inmate phone service providers, and shared tenant telephone service providers. In addition, the Section administers the federal Universal Service Program and partners with the federal North American Numbering Plan Administrator to manage telephone numbering resources in Alabama.
- **Water and Wastewater Section** - Reviews and evaluates several types of applications and petitions submitted by water utilities and wastewater Management Entities (ME). The Section's duties include analyzing rate, financing, and service petitions; reviewing company books and records; working with the Alabama Public Health Department and Alabama Department of Environmental Management's staff; assisting APSC's Consumer Services Section in addressing customer complaints; preparing reports as a result of audits and site visits; keeping abreast of and reporting congressional, legislative, and regulatory issues affecting water and wastewater utilities; and conducting compliance and accounting audits.
- **Consumer Services Section** - Assists the public in resolving utility related inquiries made to the Commission. This Section mediates disputes between consumers and the utilities regulated by the Commission. This Section also responds to general questions about utility regulation. In addition, this Section seeks to educate consumers on utility related matters.

**Utility Enforcement Division-** Provides engineering and technical assessments of the plant, infrastructure, and facilities of all investor-owned (private) electric, telecommunications, and water and wastewater management entities serving customers within the State of Alabama. This responsibility includes review, critique, inspection and investigation of plans, designs, construction, operations, maintenance, reliability, life extension, repowering and decommissioning of utility assets to ensure safe, reliable, efficient, and economic services. The UED is also responsible for transportation matters such as the administration of the federal Unified Carrier Registration Act, and the supervision and regulation of air, motor, and rail carriers. The Division also has the responsibility of assisting with the protection of underground utility facilities from third party damage and statewide energy emergency management and coordination activities in the event of major storms

and other catastrophes. This Division is composed of three sections: Railway Safety, Motor Carrier Services, and Field Services.

- **Railway Safety Section** - Investigates railroad accidents and derailments to determine causes and conducts safety compliance inspections on all railroad common carriers' track and mechanical equipment operating along main lines and in distribution yards around Alabama in accordance with state and federal safety regulations. 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.
- **Motor Carrier Services (MCS) Section** - Registers "for-hire" transportation companies that are not exempted by law; requires motor or air carriers of passengers or property to file and maintain proof of financial responsibility (liability insurance, cargo insurance, bonds, self-insurance), issues intrastate motor carrier identification decals, numbers, and Unified Carrier Registration receipts. The MCS Section also advises the Commission on matters pertaining to rates, fares, charges, services, and facilities of all regulated modes of intrastate transportation including responsibility for some of the regulatory oversight of transportation network companies.
- **Field Services Section** - Provides many of the engineering and technical assessments which are necessary for the Commission to fulfill its statutory responsibilities. Some of those assessments include, but are not limited to, the inspection, oversight, and monitoring of all regulated, investor-owned electric, telecommunications, water and wastewater utility plant, facilities and infrastructure operations, maintenance, construction, and reliability. This Section also performs the verification of telecommunications projects constructed to provide Internet service to rural and underserved areas of the state using Universal Service Funds (USF).

**Gas Pipeline Safety Division-** Monitors and inspects all gas and hazardous liquid pipeline systems operating in Alabama, including those operating offshore in state waters. In addition to inspecting the facilities and operations of natural gas and hazardous liquid systems, personnel from the Division also actively participate in public awareness and training initiatives through the Alabama Public Awareness Cooperative Training (APACT) Initiative, the Alabama Damage Prevention Alliance and the National Association of Pipeline Safety Representatives.

**Dual Party Relay Program** - The Dual Party Relay Program provides assisted telephone service to persons with impaired hearing, blind persons, and speech impaired persons, and also makes information services available to blind persons.

By authority of the *Code of Alabama 1975*, Section 37-1-80.2, a \$0.15 cents per month surcharge is collected from customers of local exchange telephone companies operating in Alabama in order to fund the Dual Party Relay Program. Collections are deposited



into and disbursed from a special fund established in the State Treasury known as the State Dual Party Relay Fund. The Commission voted to eliminate the fee on landline telephones in January 2019.

The Dual Party Relay Program operates within the Public Service Commission under the direction of a Board of Trustees (appointed by the Commission). The Board selects a service provider (Sprint Communications Co), an auditing firm (Jackson Thornton & Co., P.C.), and other services as needed. The Board of Trustees is required to submit an annual report to the Public Service Commission on the condition of the Dual Party Relay Fund and to provide for an annual audit.

The contract with Sprint expired in February 2016. The remainder of 2016 Sprint fees were paid through the Board of Adjustment. Invoices from Sprint have been paid for fiscal years 2017, 2018, and currently 2019 by a Delivery Order (DO) through the State purchasing Division. The amount billed to the Commission by Sprint is governed by the volume of usage at per minute rate for services described in the contract.

<b>Fiscal Year</b>	<b>Fees Paid to Sprint</b>
2015	\$ 1,051,959.79
2016	906,552.88
2017	760,064.67
2018	587,688.35

The Dual Party Relay program has two separate financial identities; the **Dual Party Relay Fund** and the **State Dual Party Relay Fund**. The Dual Party Relay Fund is maintained in a private bank with UBS Financial Services as trustee. The State Dual Party Relay Fund is maintained in a special revenue fund in the State Treasury.

As of March 31, 2019, the balance in the Dual Party Relay private bank account was \$3,049,937.82. The private account is audited by Jackson Thornton & Co., P.C.

As of September 30, 2018 the State Dual Party Relay Fund in the State Treasury had an unreserved cash balance of \$6,675,574.87.

## PERSONNEL

Schedule of Employees By Merit System Classification/Race/Sex							
	#	B/M	W/M	B/F	W/F	Salary or Salary Range	Vehicles
<b><u>Elected</u></b>							
President	1				1	\$106,594.56	
Commissioners	2		2			\$99,488.40	2
<b><u>Unclassified</u></b>							
Deputy Attorney General/Executive Director	1		1			\$146,037.60	1
<b><u>Classified</u></b>							
Executive Secretary	2			1	1	\$40,468.80 - \$48,014.40	
Administrative Support Assistant I	2			1	1	\$34,080.00	
Administrative Support Assistant II	1				1	\$36,657.60	
Administrative Support Assistant III	6		1	3	2	\$36,776.80 - \$44,640.00	
IT Systems Technician, Sr.	1			1		\$61,303.20	
IT Systems Specialist, Sr.	1				1	\$108,566.40	
Account Clerk	1				1	\$36,657.60	
Staff Accountant	2			2		\$55,615.20 - \$64,406.40	
Senior Accountant	3		1		2	\$66,000.00 - \$74,868.00	
Personnel Assistant III	1				1	\$49,190.40	
Public Information Manager	1			1		\$62,280.00	
Public Utility Analyst I	2	1			1	\$37,584.00 - \$45,748.80	
Public Utility Analyst II	2			1	1	\$46,867.20	
Public Utility Analyst III	1				1	\$66,000.00	
Public Utility Analyst Manager	6	1	3	2		\$76,713.60 - \$86,803.20	
PSC Secretary	1	1				\$108,566.40	
Utility Division Director	3		2	1		\$116,882.40	
Gas Pipeline Safety Director	1		1			\$100,699.20	1
Attorney II	1		1			\$56,988.00	
Attorney III	2		1		1	\$100,699.20 - \$108,566.40	
Administrative Law Judge	1		1			\$108,566.40	

Department Operation Specialist	1				1	\$45,748.80	
Engineering Graduate	2	1			1	\$48,014.40 - \$62,820.00	2
Public Utility Field Technician, Sr.	1		1			\$71,172.00	
Consumer Services Specialist	1			1		\$41,460.00	
Consumer Services Manager	1			1		\$83,696.80	
Public Utility Technician Specialist, Sr.	1		1			\$78,638.40	
Railway Safety Inspector	3		3			\$74,868.00	3
Pipeline Safety Investigator	1		1			\$37,584.00	1
Pipeline Safety Investigator, Sr.	3		3			\$43,533.60 - \$64,406.40	3
Pipeline Safety Investigations	3		2		1	\$69,396.00 - \$86,803.20	3
Executive Assistant	2				2	\$44,640.00 - \$64,406.40	
Assistant for Regulatory/Research	2		2			\$82,696.80	
<b>Total</b>	<b>66</b>	<b>4</b>	<b>27</b>	<b>15</b>	<b>20</b>		<b>16*</b>

\*PSC has nine additional vehicles: One is assigned to Gas Pipeline Safety Division for inspectors and eight are assigned to the Accounting Section as agency motor pool vehicles.

### **Legal Counsel**

The Public Service Commission employs John A. Garner, Chief Administrative Law Judge; G.S. Morris, Administrative Law Judge; attorneys Victor C. Mason, Luther Bentley, and Sue Ellen Young for all legal matters including litigation.

## **PERFORMANCE CHARACTERISTICS**

### **Number of Licensees per Employee as of March 15, 2019 - 222**

### **Number of Persons per Licensee in Alabama and Surrounding States**

	<b>Population (estimate)*</b>	<b>Number of Licensees</b>	<b>Persons Per Licensee</b>
<b>Alabama</b>	<b>4,888,949</b>	<b>14,630</b>	<b>334</b>
Florida <sup>1</sup>	21,312,211	540	39,467
Georgia <sup>2</sup>	10,545,138	851	12,391
Mississippi <sup>1</sup>	2,982,785	981	3,041
Tennessee <sup>1</sup>	6,782,564	624	10,869
<b>*Source:</b> U.S. Census, July 1, 2018 Population Estimates			

<sup>1</sup>Florida, Mississippi, and Tennessee do not regulate motor carriers or railways.

<sup>2</sup>Georgia does not regulate motor carriers, railways, or wastewater.

### **Operating Disbursements per Licensee (FY 2018) - \$611.50**

### **Fines/Penalties as a Percentage of Operating Receipts:**

	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2015</b>
Receipts less Fines	\$19,536,164.93	\$19,712,134.67	\$20,891,402.87	\$20,157,198.24
Fines	0.00	0.00	0.00	200.00
Percentage	0%	0%	0%	.001%

### **Notification of Commission decisions to Amend Administrative Rules**

The Public Service Commission is exempt from the requirements of the state's Administrative Procedure Act regarding advertisement of prospective rules and a preliminary period of public notice. Amendments to rules are accomplished through proceedings established by Commission orders at public meetings where the intention to amend the rules is declared. Except in emergency circumstances, there is an opportunity for comment from interested parties regarding proposed rule changes. All notices regarding Commission decisions on rules modifications are distributed to all parties on the Commission's general mailing list. In addition to being posted on the Commission's website, hard copies of the rules are mailed to parties who request them.

## **Inspections**

### **Water and Wastewater Inspections**

Inspections of water utilities and wastewater management entities are performed by the Field Services Section of the Utilities Enforcement Division. The authority for the oversight of these entities is found in the *Code of Alabama 1975*, Sections 37-4-1 through 37-4-3 and Sections 22-25B-6 through 22-25B-12. Inspections are not made to determine if the company's plant facilities "pass" or "fail" performance tests, but as a

regulatory activity in conjunction with annual reviews, tariff changes, complaints, new utility certifications, or reviews of wastewater management entities first brought under regulation by the Commission.

- **Annual Reviews:** (*Code of Alabama 1975*, Sections 37-1-58 and 82)  
Each regulated water and wastewater management entity is required to file an annual report of its company on Commission forms, which schedules an inspection to verify the annual report accurately represents the company's records. The staff checks the report forms for arithmetic errors or omissions. If errors are found, the staff contacts the utility to determine the reason for the errors, and may request an amended report. The report is then compared to the previous year's report to pinpoint material variances (exceeding 10%) for each item on the report. Sometimes an on-site visit occurs to compare the report with the company's records. The staff verifies that charges to the company's customers agree with charges approved by the Commission. Expense categories that show material variances from the prior year are reviewed, and an analysis is made to determine if a single month or a combination of months caused the variance. An in-depth inspection of all invoices and charges creating the variances is then completed and recorded on 'work papers.'
- **Tariff Changes:** (*Code of Alabama 1975*, Sections 37-1-80, 81, and 82)  
Inspections/examinations occur when a regulated company notifies the Commission of the need for a tariff change. Staff reviews the company's most recent annual report, if one was not done the year before. Staff notes the company's net income or net loss. If the areas stated by the company as causing a need for a tariff change were not examined during the company's annual review, a visit is made to the company to inspect them. If additional information or explanations are required, the staff issues requests for the information/explanations sought to the company. After reviewing all relevant information, the staff determines if the requested tariff changes are necessary and makes recommendations to the Commission.
- **Complaints:** (*Code of Alabama 1975*, Section 37-1-83)  
An inspection may result from a complaint. Some complaints can be resolved through discussion with the customer. If discussion does not resolve the complaint, contact with the company may be necessary, and an inspection may result, the extent of which depends on the nature of the complaint. Additional records may be requested, or an on-site visit may occur. This type of inspection could disclose a violation of the Commission's rules or reveal an increase in rates or charges not approved by the Commission.

**New Certifications:** (*Code of Alabama 1975*, Section 37-1-82)

Regulation by the Commission occurs when a company files a petition with the PSC. The filing is reviewed by the Commission's staff to determine if the company meets the necessary requirements. Additional questions may be posed to the company during the review.

## Gas Pipeline Inspections

Gas pipeline inspections are performed by the Gas Pipeline Safety Division to increase the safety and efficiency of natural gas and hazardous liquids pipeline systems and to ensure compliance with minimum federal safety standards. The inspections consist of records reviews and field inspections. Records reviews include review of an “Operations and Maintenance Plan” and an “Emergency Plan” for each pipeline operator. The review also includes determining if leak and other surveys required of natural gas and hazardous liquids operators were conducted. The surveys inspection and other areas of inspection include attention to cathodic (corrosion) protection of underground piping systems, leakage surveys, patrols of areas such as creek crossings or bridges where the pipeline is suspended off a bridge, valve inspections, regulator inspections, pipeline right-of-way markers, abandonment of facilities and gas odorize inspections. The inspections also include a review of the operator’s “Drug and Alcohol,” “Damage Prevention,” “Integrity Management,” and “Public Awareness” plans.

Violations may occur due to inadequate plans or non-compliance with plan reviews or updates. Other types of violations are non-compliance with required surveys, insufficient cathodic protection readings to address corrosion in the pipe or not drug testing employees as according to guidelines in the operator’s “Drug and Alcohol” plan.

The operator is first notified of a violation by the inspector in an “exit-briefing” that occurs at the end of an inspection, and the inspector sends a written “Notice of Probable Violation” letter to the Commission’s offices. A letter of official notification is then sent to the operator describing the violation, citing the related regulation and giving the operator a timeframe in which to resolve the violation. The inspector schedules a follow-up inspection to ensure that the violation is resolved. Failure to resolve the violation within the prescribed timeframe triggers additional actions that can include initiation of a “show cause” proceeding before the Commission. The Gas Pipeline Safety Section attempts to work with the operator to resolve the violation prior to a “show cause” hearing. During 2014, the Commission staff developed a new “Safety Compliance Proceeding” option to aid in improving the response and cooperation of the lesser cooperative operators and mitigate repeat violations through a mediation type process.

The number of annual pipeline inspections is generally equivalent to the number of system operators. However, there may be multiple inspections of the same area, if violations are found, a “follow-up” inspection is necessary to verify compliance. Inspections are not equal in effort. Multiple “inspection person-days” may be spent inspecting larger operators, such as Spire Alabama and Spire Gulf.

**Source:** Executive Director

<b>Pipeline Safety Inspections</b>				
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Standard Inspections	488.5	387.0	453.0	524.90
Construction Inspections	170.0	99.5	153.0	190.30
Integrity Management Inspections	43.5	28.5	69.0	57.75
Operator Qualifications Field Inspections	43.0	77.0	69.0	50.50
Incident/Accident Investigations	19.0	11.0	0.0	11.0
Public Awareness Inspections	45.5	5.0	27.0	64.25
Follow-up Inspections	168.5	42.5	127.0	144.0
Operator Training	104.0	204.0	175.0	118.0
Investigator Training	200.0	291.0	347.0	281.0
These figures represents “person-days” that were expended in the inspection/education processes.				

**Source:** Commission Annual Reports

<b>Schedule of Gas Pipeline Inspections Calendar Year 2015 through 2018</b>				
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Number of Operators</b>	139	134	135	128
Probable Violations* (Carryover from previous year)	104	123	83	122
Violations Found During CY	68	114	120	181
Violations Corrected	49	154	81	189
To be Carried Over to Next Calendar Year	123	83	122	114
Number of Compliance Actions Taken (Letters of Probable Violation)	26	36	45	81
*A “Probable Violation” is non-compliance with any section or subsection of Federal or State pipeline regulations.				

**Source:** Commission staff using GPS Inspection Records

The Utility Enforcement Division is responsible for the supervision and regulations of air, motor, and rail carriers including railway safety, insurance, registration, rates and services offered by the transportation companies authorized by the APSC to operate in Alabama.

The Insurance and Registration Section registers intrastate, for-hire transportation companies that are not exempt from state oversight by law and interstate commercial motor carriers, private motor carriers, freight forwarders and brokers from the United States, Canada and Mexico under the Unified Carrier Registration (UCR) Act. This Section also requires insurance verification and issues vehicle identification numbers to intrastate for-hire motor carriers.

<b>Transportation Motor Carrier Registration</b>				
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Self-Insurance, bonds, certificates	5,307	6,890	5,989	6,224
Insurance correspondence	396	541	310	416
Unified Carrier Registrations	9,658	9,852	10,074	10,435
Unified Carrier Registration audits	3,116	3,478	635	860
Applications processed	146	138	110	111
Motor Carrier Vehicle Registration Numbers	358	421	239	679
Revoked for no insurance	275	463	309	336
Reinstated after compliance	163	292	190	219

*Source:* Commission Annual Reports

### **Transportation Network Companies**

During the 2018 Alabama Legislative Session, the Commission was charged with the regulation of transportation network companies (TNCs) engaging in statewide operations under Alabama Legislative Act No. 2018-127. The Utility Enforcement Division staff has responsibility for some of the TNC regulatory oversight.

On July 1, 2018 the Commission began regulating transportation network companies that offer an online platform for private citizens to provide ride sharing opportunities to the general public using their own personnel vehicles.

### **Railroad Inspections**

Track inspections are conducted on main line tracks, siding and lead tracks, and yard tracks on which operations are conducted over the general rail system. These routes include, but are not limited to, hazardous materials routes, Strategic Rail Corridor Network (STRACNET), passenger train routes, and crude oil/ethanol routes.

The mechanical equipment inspections include examinations of rolling stock (rail cars), locomotives, roadway maintenance machines (rail-bound work equipment), and hi-rail vehicles (vehicles that are capable of operating legally on public roads and by rail). These inspections also monitor compliance with regulations for Railroad Workplace Safety.

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

<b>Railway Safety Inspections</b>				
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Miles of Railway Inspected	1,324	1,953	2,412	2,397
Track Turnouts Inspected	708	1,229	1,926	1,206
Railway Accidents	3	2	3	2
Railway Cars Inspected**	0*	4,167	8,294	9,462
Locomotives Inspected	0*	133	91	50



Railroad Records Inspected	24	517	1,680	0
Complaints Investigated	2	0	1	1
*No Motor Power and Equipment Inspector on staff at the time				
**Includes Hazmat Cars				

*Source:* Commission Annual Reports and staff

## **COMPLAINT HANDLING**

The Commission receives and handles complaints from individuals and businesses with respect to the services they receive from regulated entities. The Commission may also become involved with disputes in which one regulated entity brings a complaint against another that involves a rule, regulation, or policy within the authority of the Commission.

The Commission's *Rules of Practice, Rule 9* provides for informal and formal complaint processes. The rule encourages complainants to utilize the informal process in which the Commission's staff assists in communication between parties to resolve the complaint without a formal hearing. However, a formal complaint heard before the Commission can be filed at any time, including after the informal process has proven unsatisfactory.

<b>Initial Contact/Documentation</b>	The Commission receives complaints from the public, Commission members, and/or staff on a complaint form downloaded from the Commission's website, signed, and mailed. The complainant will be notified by letter within a week of the Commission's receiving the complaint.
<b>Anonymous Complaints Accepted</b>	No
<b>Investigative Process / Probable Cause Determination</b>	A complaint is reviewed by the Executive Director, Commission attorney and a Commission member. A Commission member will be assigned to individual complaints, rotating so that no one member reviews all complaints. The Commission member is recused from any other involvement except as a witness.
<b>Negotiated Settlements</b>	The Commission does not offer negotiated settlements but does offer agreements through mediation.
<b>Notification of Resolution to the Complainant</b>	Complainants are notified of the complaint resolution by a letter from the Commission.

*Source:* Executive Director

Year/Number Received	Schedule of Complaints Resolved FY 2015 through FY 2018				
	Year/Number Resolved				
	2015	2016	2017	2018	2019
2015 / 1,049	1,049	-	-	-	-
2016 / 818		818	-	-	-
2017 / 971			970	1	-
2018 / 1,261				1,261	-
2019 / 401 <sup>(1)</sup>					401
<sup>(1)</sup> As of April 2019					
<i>Source:</i> Commission Staff					

**Average Time to Resolve Complaints** – 5 business days

**Disposition of Resolved Complaints** - Unable to determine from the information provided by the Commission.

## **REGULATION IN CONJUNCTION WITH OTHER ENTITIES**

Energy, telecommunications, and transportation entities under the regulation of the Alabama Public Service Commission (APSC) are also regulated by Federal agencies.

**United States Environmental Protection Agency (EPA):** U.S. agency created for the purpose of protecting human health and the environment through writing and enforcing regulations based on laws passed by the U.S. Congress. The agency conducts environmental assessment, research, and education Responsibilities include maintaining and enforcing national standards under a variety of environmental laws, in consultation with state, tribal, and local governments. It delegates some permitting, monitoring, and enforcement responsibility to U.S. states and federally recognized tribes. Its enforcement powers include fines, sanctions, and other measures. Also works with industries and all levels of government in a wide variety of voluntary pollution prevention programs and energy conservation efforts.

There has been contention between the U.S. Environmental Protection Agency and the Alabama Public Service Commission regarding the EPA’s Clean Power Plan, which addresses power plant emissions. The PSC argues that the plan cost thousands of Alabamians jobs and increase power utility rates. Through 2018, Alabama Power has invested approximately \$5.4 billion in environmental capital retrofit projects to comply with environmental requirements and closed six of the state’s coal-fired units. In addition, several other coal-fired units have been switched to natural gas.

**Federal Energy Regulatory Commission (FERC):** Independent agency that regulates the interstate transmission of natural gas, oil, and electricity. FERC also regulates natural gas and hydropower projects. The primary difference in the responsibilities of FERC and the PSC is that FERC has jurisdiction over wholesale and interstate activities, while the PSC has jurisdiction over retail and intrastate activities.

**Pipeline and Hazardous Materials Safety Administration (PHMSA):** Agency of the U.S. Department of Transportation. PHMSA is responsible for regulating and ensuring the safe and secure movement of hazardous materials to industry and consumers by all modes of transportation, including pipelines and railroads. The PSC's Pipeline Safety Investigators must meet all training requirements set forth by PHMSA.

**Federal Communications Commission (FCC):** Agency that regulates interstate and international communications by radio, television, wire, satellite, and cable for all 50 states, the District of Columbia, and U.S. territories. The FCC establishes rules and procedures to implement federal legislation, but states are generally given flexibility to establish their own intrastate telecommunication policies and procedures provided that they do not conflict with federal rules. The FCC maintains tariffs for interstate but not intrastate telecommunication services.

The Public Service Commission sets standards for providers in intrastate telecommunications and certifies providers to operate in Alabama. Intrastate tariffs for certified carriers are maintained by the Commission where the Commission has retained jurisdiction over intrastate pricing, policies, and service standards. The Commission also has exclusive jurisdiction over intrastate wholesale services and pricing wherein one carrier uses the facilities of another for purposes of providing local/toll service to an end user or to carry traffic from its customer base.

The Commission monitors and analyzes service quality metrics at the wire center level and makes routine on-site inspections of telecommunications utility plants for purposes of enforcing service quality rules and to ensure public safety. The FCC is not involved with service quality monitoring at the local level.

**Federal Motor Carrier Safety Administration (FMCSA):** Agency of the U.S. Department of Transportation. FMCSA regulation includes both common and private carriers. The FMCSA requires the registration of all commercial motor vehicles operating in interstate commerce and has a safety compliance regimen that includes regulation of safety, including vehicle safety standards, driver requirements, and vehicle operation requirements. In addition to safety, FMCSA enforces financial responsibility for interstate common carriers of property, passengers, and hazardous materials. FMCSA also regulates the rates charged by interstate household goods carriers through tariff filing requirements.

The Commission regulates common carriers of both property and passengers as to their intrastate operations. The primary focus of Commission regulation is economic, through the regulation of rates for passenger and household goods carriers, and the enforcement of financial responsibility requirements on all common carriers. The Commission requires the registration of all intrastate common carriers unless they are exempt by statute. The Commission also administers the federal UCR Program in Alabama which registers all interstate companies with a USDOT number.

**Federal Railroad Administration (FRA):** Exists to promulgate and enforce rail safety regulations; administer railroad assistance programs; conduct research and development in support of improved railroad safety and national rail transportation policy; provide

for the rehabilitation of Northeast Corridor rail passenger service; and consolidate government support of rail transportation activities.

The Commission's Railway Safety Inspectors are certified by the FRA to enforce federal regulations and work in conjunction with that agency. Training is provided in the inspection disciplines (Motive Power & Equipment; and Track & Bridges) by the FRA on a continuing basis. Inspection activity on railroads located in Alabama is conducted by the Commission inspector independently as well as jointly with FRA counterparts. Railway accidents are investigated, and violations of the safety regulations are submitted to the FRA for prosecution, including the imposition of civil penalties. Complaints from state and local officials, railroad employees and labor unions, as well as the general public, are handled routinely by the Commission inspector.

**Southern States Energy Board (SSEB):** Non-profit interstate compact organization created in 1960 to enhance economic development and the quality of life in the South through innovations in energy and environmental policies, programs, and technologies. Sixteen southern states and two territories comprise the membership of SSEB: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, U.S. Virgin Islands, Virginia, and West Virginia. Each jurisdiction is represented by the governor and a legislator from the House and Senate. The Commission is required by annual appropriation acts to pay the state's membership fee to SSEB.

**National Association of Regulatory Utility Commissioners (NARUC):** Non-profit organization representing the state public service commissions. NARUC's members include all fifty states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. NARUC's stated mission is to serve the public interest by improving the quality and effectiveness of public utility regulation.

**National Association of Pipeline Safety Representatives (NAPSR):** Non-profit organization of state pipeline safety directors, managers, inspectors and technical personnel who serve to support, encourage, develop and enhance pipeline safety. The Association was founded on December 2, 1982, and strives to be a strong and expert voice for promoting pipeline safety. NAPSR members include all 48 contiguous states (Alaska and Hawaii do not have state programs) Washington, D.C. and Puerto Rico.

## **FINANCIAL INFORMATION**

**Source of Funds** – Inspection and registration fees, federal operating reimbursements

**Funds** - The Commission operates from the following funds maintained in the State Treasury:

**Special Revenue Fund 0325** - Accounts for all operations of the Gas Pipeline Safety Program. (*Code of Alabama 1975*, Section 37-4-88.)

The *Code of Alabama 1975*, Section 37-4-88(f) states, “In the event said "gas pipeline safety fund" accumulates by September 30 in any year to an amount equal to 110 percent of the amount budgeted in that current fiscal year for the purpose of enforcing the gas pipeline safety requirements of this article, the commission shall suspend the collection of said inspection fees for one year.”

The cash balance at September 30 did not meet or exceed 110% of the amount appropriated to the Gas Pipeline Fund any year of this review period.

**Special Revenue Fund 0326** - Accounts for all operations of the Commission except for the Gas Pipeline Safety Program. (*Code of Alabama 1975*, Section 37-4-23).

Annual appropriations acts routinely require the Commission to transfer any surplus over an amount named in the appropriations acts to the state’s General Fund. This amount varies from year to year.

**Special Revenue Fund 1282, State Dual Party Relay Fund** - Accounts for funds received from local exchange companies in Alabama and expended in support of the Dual Party Relay System, which is a system that provides telephone service to persons with impaired hearing, blind persons, and speech impaired persons, and also makes information services available to blind persons in accordance with the *Code of Alabama 1975*, Section 37-1-80.2.

**Special Revenue Fund 1354, Public Service Commission Stimulus** – used to account for all stimulus funds received and expended under the American Reinvestment and Recovery Act grant from the U.S. Department of Energy. The fund has been inactive since 2014 and has a zero balance.

**Dual Party Relay Fund Bank Account** –Maintains the remainder of funds associated with the Dual Party Relay Program pursuant to Act No. 567, Acts of Alabama 2011. UBS Financial Services serves as trustee of the fund. Net assets at March 31, 2019 were \$1,844,620.79.

## Schedule of Fees

FEE TYPE/PURPOSE	STATUTORY AUTHORITY	AMOUNT COLLECTED
<b>Transportation Company</b>		
Inspection & Supervision Fee <sup>1</sup> (per \$1,000 of receipts)	37-2-41(a)	\$2.85 – Per \$1,000 Receipts of \$100,000.00 or less \$2.35 – Each additional \$1,000.00 up to \$1,000,000.00 \$1.85 – Each additional \$1,000.00 over \$1,000,000.00
Minimum Fee	37-2-41(a)	\$25.00
Late Fee	37-2-41(c)	\$50.00 – Per day
<b>Railroad Company</b>		
Inspection & Supervision Fee <sup>1</sup> (per \$1,000 of receipts)	37-2-41(a)	\$2.85 – Receipts \$100,000.00 or less \$2.35 – Each additional \$1,000.00 up to \$1,000,000.00 \$1.85 – Each additional \$1,000.00 over \$1,000,000.00
Minimum Fee	37-2-41(a)	\$25.00
Maximum Fee	37-2-41(a)	\$5,000.00
Late Fee	37-2-41(c)	\$50.00 – Per day
<b>Telecommunications Company</b>		
Certificate of Convenience & Necessity	37-2A-9(b)	\$100.00 – Application fee
Coin-Operated Customer Owned	37-2-41(b)	\$10.00 – Per phone in lieu of Inspection & Supervision Fee
Late Fee	37-2-41(c)	\$50.00 – Per day
<b>Utility Company</b>		
Inspection & Supervision Fee <sup>1</sup> (per \$1,000 of receipts)	37-4-23	\$2.85 – Receipts \$100,000.00 or less \$2.35 – Each additional \$1,000.00 up to \$1,000,000.00 \$1.85 – Each additional \$1,000.00 over \$1,000,000.00
Minimum Fee	37-4-23	\$25.00
Late Fee	37-4-24	\$50.00 – Per day
Late Annual Report Filing Fee	37-1-58	\$50.00 – Per day
Gas Pipeline Safety Fee	37-4-88	\$0.50 – Per active service line or master meter for the previous calendar year ending December 31
Late Fee	37-4-24	\$50.00 – Per day
<b>Motor Carrier</b>		
Certificate of Convenience & Necessity	37-3-32	\$100.00 – Application fee \$100.00 – Amendment fee \$25.00 – Transfers \$10.00 – Leases
Intrastate Vehicle Registration	37-3-32	\$6.00 (one-time)
Non-Profit Application Fee	37-3-32	\$10.00 (Motor Carrier Rule 20.3(B))

Unified Carrier Registration – Years 2010 – 2017  Amended in 2018	Federal Motor Carrier Safety Administration 49 CFR Part 367	\$76.00 – 0-2 vehicles \$227.00 – 3-5 vehicles \$452.00 – 6-20 vehicles \$1,576.00 – 21-100 vehicles \$7,511.00 – 101 -1,000 vehicles \$73,346.00 – 1,001 or more vehicles  \$69.00 – 0-2 vehicles \$206.00 – 3-5 vehicles \$410.00 – 6-20 vehicles \$1,431.00 – 21-100 vehicles \$6,820.00 – 101-1,000 vehicles \$66,597.00 – 1,001 or more vehicles
Dual Party Relay Fees	37-1-80.2	\$0.15 – Per access line
Wastewater Management <sup>2</sup>	22-25B-7(1)	\$700.00 – Application fee \$300.00 – Certificate modification \$300.00 – Certificate Renewal \$500.00 – Certificate renewal w/ modification
Transportation Network Company	32-7C-23(a) & (d)	1% of TNC Gross Trip Fare for all prearranged rides originating in state – APSC is authorized to retain up to %0% of this 1% Local Assessment Fee (LAF) with the remainder being remitted to the jurisdiction where the ride originated.

<sup>1</sup> Inspection & Supervision Fee amounts are paid per \$1,000.00 of gross receipts

<sup>2</sup> Amounts set in Administrative Rules 770-X-9-.03 and 770-X-9-.04

**Schedule of Receipts, Disbursements and Balances – Fund 0326**

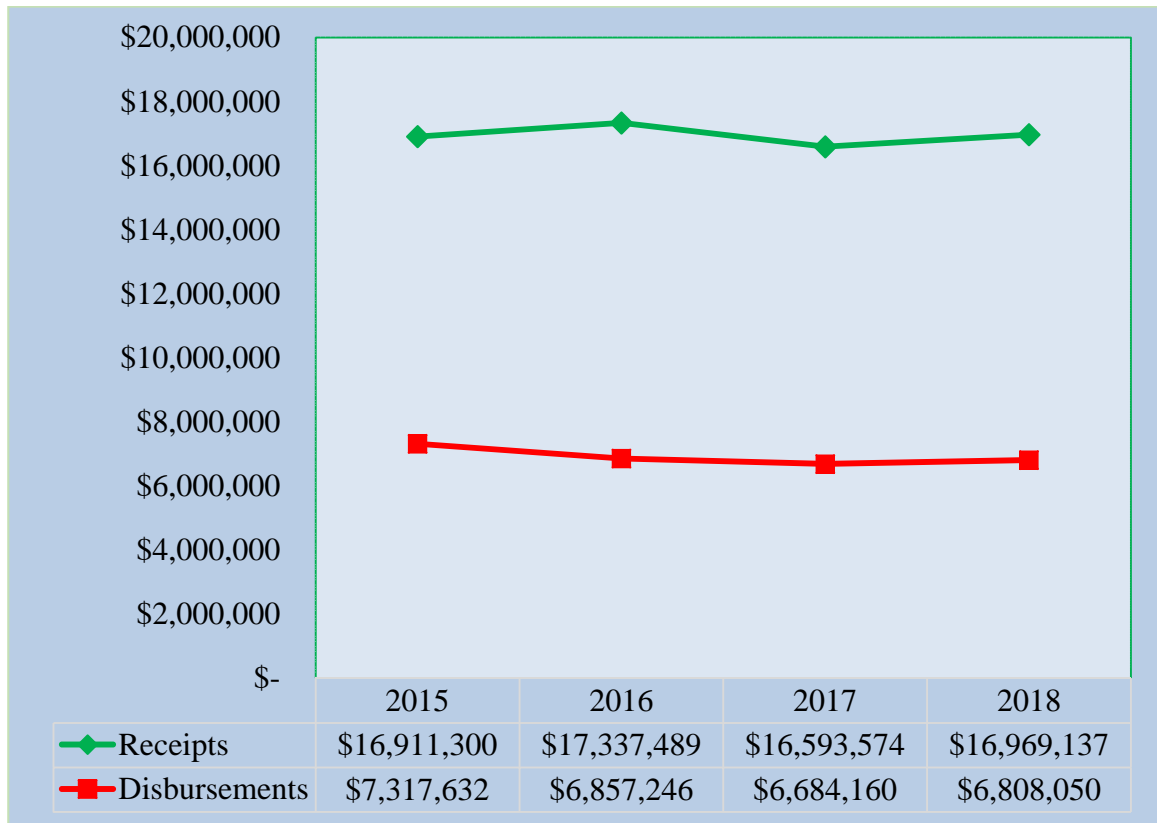
Operating Fund

October 1, 2014 through September 30, 2018

	<b>2017 - 2018</b>	<b>2016-2017</b>	<b>2015-2016</b>	<b>2014-2015</b>
<b><u>Receipts</u></b>				
Motor Carrier Licenses & Permits	\$ 2,795,251.77	\$ 2,241,644.78	\$ 2,891,629.94	\$ 2,212,870.60
Transportation Companies Inspection	2,606,412.29	3,210,275.32	3,305,891.70	3,421,003.19
Utilities Inspection & Supervision	11,540,305.41	11,136,078.28	11,135,748.84	11,349,962.01
Fees - Dockets - Courts	5,300.00	4,400.00	4,200.00	4,700.00
Reimbursements Not Otherwise Classified	-	-	-	5.00
Prior Year Refunds	1,644.63	22.18	-	-
Salvage Equipment or Other Property	12,463.95	1,153.91	18.11	2,551.94
Recyclable Materials	-	-	-	207.74
Federal Operating Reimbursement	7,759.64	-	-	-
Total	<u>16,969,137.69</u>	<u>16,593,574.47</u>	<u>17,337,488.59</u>	<u>16,991,300.48</u>
<b><u>Disbursements</u></b>				
Personnel Costs	3,964,823.68	3,981,859.32	4,156,748.47	4,471,410.78
Employee Benefits	1,433,569.41	1,402,754.79	1,432,050.35	1,528,352.81
Travel, In-State	16,795.25	18,378.00	19,423.85	22,533.75
Travel, Out-of-State	14,284.10	11,931.65	17,310.82	13,636.71
Repairs & Maintenance	3,620.75	2,855.32	4,849.73	4,465.26
Rentals & Leases	824,067.33	781,966.50	769,896.18	770,478.62
Utilities & Communication	52,498.21	47,959.13	49,874.28	58,158.42
Professional Services	157,348.35	147,852.82	157,586.56	157,143.87
Supplies, Materials, and Operating Expenses	177,660.12	194,111.51	180,730.44	197,594.05
Transportation Equipment Operation	24,910.46	24,562.07	23,615.91	24,304.14
Grants & Benefits	25.00	-	200.00	75.00
Transportation Equipment Purchases	89,976.00	34,727.15	-	29,021.00
Other Equipment Purchases	48,471.53	35,201.44	44,959.15	37,457.12
Transfer to General Fund	13,000,000.00	10,000,000.00	12,500,000.00	5,573,140.00
Total	<u>19,808,050.19</u>	<u>16,684,159.70</u>	<u>19,357,245.74</u>	<u>12,887,771.53</u>
Excess (Deficiency) of Receipts over Disbursements	(2,838,912.50)	(90,585.23)	(2,019,757.15)	4,103,528.95
Cash Balance at Beginning of Year	<u>6,747,042.46</u>	<u>6,837,627.69</u>	<u>8,857,384.84</u>	<u>4,753,855.89</u>
Cash Balance at End of Year	3,908,129.96	6,747,042.46	6,837,627.69	8,857,384.84
Reserved for Year-End Obligations	<u>(61,851.93)</u>	<u>(98,929.02)</u>	<u>(61,394.97)</u>	<u>(73,977.74)</u>
Unreserved Cash Balances at End of Year	<u>\$ 3,846,278.03</u>	<u>\$ 6,648,113.44</u>	<u>\$ 6,776,232.72</u>	<u>\$ 8,783,407.10</u>



**Operating Receipts vs. Operating Disbursements (Chart)**



Disbursements do not include amounts transferred to the General Fund.

**Schedule of Receipts, Disbursements and Balances - Fund 0325**

Gas Pipeline Safety Fund

October 1, 2014 through September 30, 2018

	<b>2017-2018</b>	<b>2016-2017</b>	<b>2015-2016</b>	<b>2014-2015</b>
<b><u>Receipts</u></b>				
Inspection & Supervision Fees	\$ 539,477.50	\$ 539,926.00	\$ 538,940.50	\$ 535,292.50
Fees - Dockets - Courts	-	87.00	-	200.00
Prior Year Refund	-		68.32	
Salvage Equipment or Other Property	714.13	27,790.43	7,420.70	-
Federal Operating Reimbursement	504,396.00	847,614.00	1,065,660.00	528,778.00
Total	<u>1,044,587.63</u>	<u>1,415,417.43</u>	<u>1,612,089.52</u>	<u>1,064,270.50</u>
<b><u>Disbursements</u></b>				
Personnel Costs	725,230.60	667,276.76	642,867.60	608,132.82
Employee Benefits	287,869.82	254,374.86	248,646.84	231,095.33
Travel, In-State	48,324.25	48,247.98	46,479.51	48,078.48
Travel, Out-of-State	37,038.98	50,464.53	55,281.97	30,551.69
Repairs & Maintenance	62.70	112.50	131.96	265.08
Rentals & Leases	69,035.80	66,392.04	65,279.80	66,747.79
Utilities & Communication	13,966.57	11,766.92	10,837.02	13,311.12
Professional Services	22,117.90	16,588.48	14,395.19	14,603.46
Supplies, Materials, and Operating Expenses	18,030.23	19,104.38	17,083.61	25,035.88
Transportation Equipment Operation	30,725.30	23,049.25	22,974.49	25,136.28
Grants & Benefits	2,500.00	2,500.00	0.00	2,500.00
Transportation Equipment Purchases	0.00	70,083.00	65,508.00	61,760.90
Other Equipment Purchases	15,164.35	7,842.43	3,907.35	3,243.70
Total	<u>1,270,066.50</u>	<u>1,237,803.13</u>	<u>1,193,393.34</u>	<u>1,130,462.53</u>
Excess (Deficiency) of Receipts over Disbursements	(225,478.87)	177,614.30	418,696.18	(66,192.03)
Cash Balance at Beginning of Year	<u>1,345,411.37</u>	<u>1,167,797.07</u>	<u>749,100.89</u>	<u>815,292.92</u>
Cash Balance at End of Year	1,119,932.50	1,345,411.37	1,167,797.07	749,100.89
Reserved for Year-End Obligations	<u>(22,799.47)</u>	<u>(31,027.69)</u>	<u>(28,853.73)</u>	<u>(31,882.43)</u>
Unreserved Cash Balances at End of Year	<u>\$1,097,133.03</u>	<u>\$1,314,383.68</u>	<u>\$1,138,943.34</u>	<u>\$717,218.46</u>

The *Code of Alabama 1975*, Section 37-4-88(f) In the event said "gas pipeline safety fund" accumulates by September 30 in any year to an amount equal to 110 percent of the amount budgeted in that current fiscal year for the purpose of enforcing the gas pipeline safety requirements of this article, the commission shall suspend the collection of said inspection fees for one year.

At September 30 of each year, the Fund did not meet 110% of the amount budgeted in that fiscal year.

**Schedule of Receipts, Disbursements and Balances – Fund 1282**

Dual Party Relay Fund

October 1, 2014 through September 30, 2018

	<u>2017-2018</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>2014-2015</u>
<b><u>Receipts</u></b>				
Dual Party Relay Surcharge	\$ 1,522,439.61	\$ 1,703,142.77	\$ 1,941,824.76	\$ 2,101,827.26
<b><u>Disbursements</u></b>				
Travel, In-State	-	214.00	-	660.08
Utilities & Communication	666,385.00	795,738.90	911,717.74	1,096,420.18
Grants & Benefits	201,784.00	199,891.00	333,277.00	48,558.00
Total	<u>868,169.00</u>	<u>995,843.90</u>	<u>1,244,994.74</u>	<u>1,145,638.26</u>
Excess (Deficiency) of Receipts over Disbursements	654,270.61	707,298.87	696,830.02	956,189.00
Cash Balance at Beginning of Year	<u>6,081,740.93</u>	<u>5,374,442.06</u>	<u>4,677,612.04</u>	<u>3,721,423.04</u>
Cash Balance at End of Year	6,736,011.54	6,081,740.93	5,374,442.06	4,677,612.04
Reserved for Year-End Obligations	<u>(60,436.67)</u>	<u>(168,048.32)</u>	<u>(186,970.00)</u>	<u>(688,678.66)</u>
Unreserved Cash Balances at End of Year	<u>\$ 6,675,574.87</u>	<u>\$ 5,913,692.61</u>	<u>\$ 5,187,472.06</u>	<u>\$ 3,988,933.38</u>

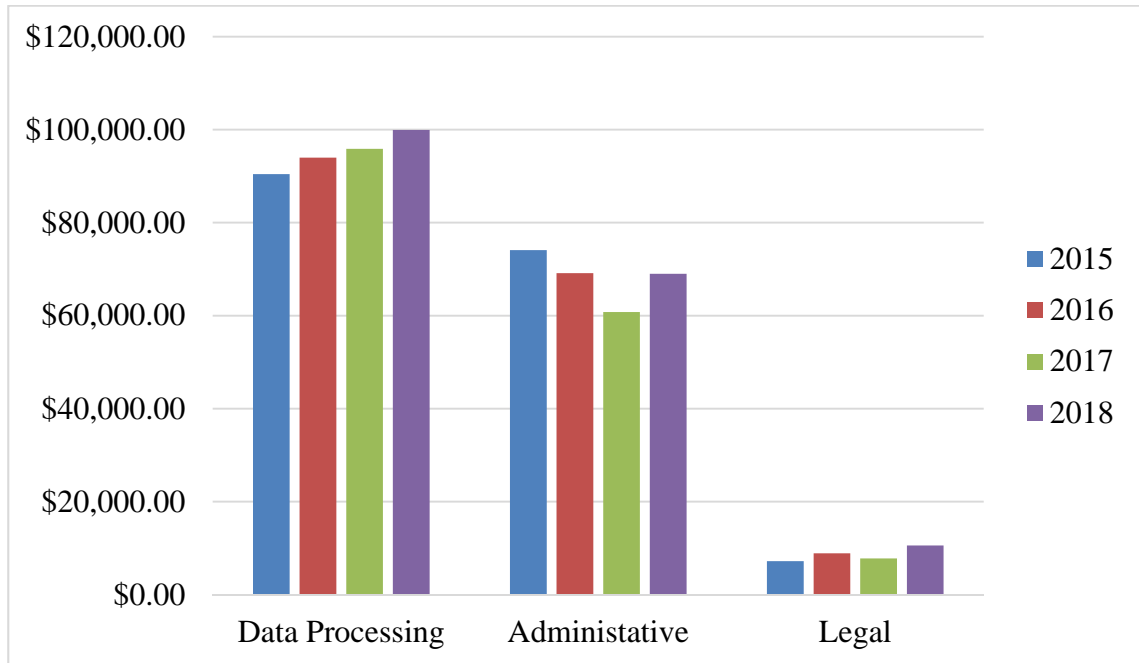
**SUMMARY SCHEDULE OF PROFESSIONAL SERVICE DISBURSEMENTS\***

As of September 30<sup>th</sup>  
Funds 0325 and 0326

<b>Type of Service</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Administrative</b>	\$ 74,101.20	\$ 69,125.31	\$ 60,790.96	\$ 68,984.58
<b>Data Processing</b>	90,450.63	93,973.44	95,861.84	99,919.92
<b>Legal</b>	7,195.50	8,883.00	7,788.50	10,561.75
<b>Total Professional Services</b>	<b>\$171,747.33</b>	<b>\$171,981.75</b>	<b>\$164,441.30</b>	<b>\$ 179,466.25</b>

\*Detailed information presented in the appendix

**Professional Service Disbursement Chart**



## **QUESTIONNAIRES**

### **Commission Member Questionnaire**

A letter was sent to all three members of the Public Service Commission requesting participation in our survey. One participated in the survey. The percentages, where shown, are based on the number who responded to the question.

- 1. What are the most significant issues currently facing the Public Service Commission and how is the Commission addressing these issues?**

**Commission Member #1** - “Energy issues are extremely important, in my opinion. We are working closely with the companies to see that the people in the state are protected.”

- 2. What, if any changes to the Public Service Commission’s laws are needed?**

**Commission Member #1** – “In my opinion none of the laws need to be changed.”

- 3. Is the Public Service Commission adequately funded?**

Yes	1	100%
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- 4. Is the Public Service Commission adequately staffed?**

No	1	100%
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- 5. Does the Public Service Commission receive regular reports on operations from the Executive Director?**

Yes	1	100%
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- 6. Are you satisfied with the reports the Public Service Commission receives from the Executive Director?**

Did not Respond	1	
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- 7. What is the purpose of the Public Service Commission’s fiscal year-end balance of unobligated funds?**

**Commission Member #1** - “That money is given to the general fund to distribute to state agencies that need more money in their budget.”

*Commission Member Questionnaire*

**8. Has the Public Service Commission experienced any significant changes to its operations?**

**No                      1                      100%**

**9. Does the Public Service Commission plan any significant changes in its operations?**

**No                      1                      100%**

**Gas Pipeline Entities Questionnaire**

A letter was sent to one hundred entities requesting participation in our survey. Forty-seven participated in the survey. The percentages, where shown, are based on the number who responded to the question.

**1. Do you think regulation of your profession by the Alabama Public Service Commission is necessary to protect the public welfare?**

Yes	43	92%
No	2	4%
No Opinion	2	4%

**2. Do you think *any* of the Alabama Public Service Commission’s law, rules, or policies are an unnecessary restriction on the practice of your profession: If yes, explain.**

Yes	11	23%
No	32	68%
No Opinion	4	9%

**Respondent #4** - “In my opinion they are sometimes very repetitive and sometimes the person doing the job never is connected to the manual. The rules are for a purpose but sometimes they cause more paperwork than need be.”

**Respondent #5** - “Some public service policies are redundant and expensive for small utilities to adhere to.”

**Respondent #8** - “Laws, rules and policies are all needed for safe operation, but team work is most important.”

**Respondent #12** - “GPS Rule 13 Notice of Construction Form.”

**Respondent #21** - “PSC Pipeline Safety Rule 13 Many in the industry view this rule as an added unnecessary expense to the ratepayer. Federal rules were already in place to address the concerns without the burden of an added rule. Non-compliant operators should have been addressed rather than applying a new rule to all operators.”

**Respondent #29** - “GPS Rule 13 – Inactive Gas Service Lines”

**Respondent #31** - “Rule 13 appears to be overly restrictive, otherwise ok.”

**Respondent #35** - “THE PAPERWORK BURDEN IS VERY HIGH. TAKES TIME AND RESOURCES AWAY FROM ACTUAL WORK.”

**Respondent #40** - “I strongly disagree with rule 13 gas pipeline safety. This is a poorly written rule. More thought and consideration on small operators should have been taken before issuing this rule.”

**3. Do you think any of the Alabama Public Service Commission’s requirements are irrelevant to the competent practice of your profession?**

Yes	8	17%
No	<b>34</b>	<b>72%</b>
No Opinion	5	11%

**Respondent #5** - “I’m fine with the requirements but sometimes the requirements and the implementation of them impose hardships. It is just part of the industry.”

**Respondent #17** - “We have recently turned over the natural gas lines to a distributing company. Their forte is much more knowledgeable than, in my profession, I.”

**Respondent #19** - “Some programs are redundant and should be simplified.”

**4. Are you adequately informed by the Alabama Public Service Commission of changes to and interpretations of the Commission’s positions, policies, rules, and laws?**

Yes	<b>31</b>	<b>66%</b>
No	12	26%
No Opinion	4	8%

**Respondent #1** - “The PSC website is a mess to find things. Wouldn’t it be easier to have a section that allowed one to view everything that has come before the commission by industry?”

**Respondent #8** - “need better website”

**Respondent #10** - “Members of the Alabama Natural Gas Association are involved in quarterly meetings around the State each year. These meetings could provide an excellent opportunity for the APSC Staff to seek comments from the operators regarding pending changes to the Commissions positions, policies, rules and laws, prior to their implementation. These meetings could also provide an excellent opportunity for the APSC to communicate interpretations as well.”

**Respondent #21** - “PSC Pipeline Safety Rule 13 was an example of a rule that initially surprised operators with little input.”

**Respondent #29** - “GPS Rule 13 was not adequately communicated”

**Respondent #32** - “They can be improved. Again, Rule 13 was not handled as well as it could have been.”

**5. What do you think is the most significant issue(s) currently facing your profession in Alabama and what is the Alabama Public Service Commission doing to address the issue(s)?**

**Respondent #1** - “I think operators of gas systems taking shortcuts or failing to follow the federal rules is the most important. The PSC inspects operators each year to try to stop this.”

**Respondent #2** - “No issues”



## *Gas Pipeline Entities Questionnaire*

**Respondent #4** - “Informing the boards in this profession of the importance of the PSC and the rules. They are not educated enough to work with districts on these.”

**Respondent #5** - “I think the PSC tries to educate and make sure we understand the regulations facing us.”

**Respondent #8** - “third party damage”

**Respondent #9** - “Being a small gas district, with limited resources, the PSC should play a bigger role in helping with rule changes and address these changes so the operators have the proper information to comply, that looks good on both the operator and the PSC.”

**Respondent #13** - “New Federal Rules. APSC helps make sure the systems in Alabama are aware of all rule changes.”

**Respondent #14** - “Corrosion of Steel Mains and Service Lines:

Most municipal natural gas distribution systems have older sections of steel mains and service lines. Active corrosion on these lines is widely considered a primary risk factor.

ALA PSC/OPS involvement:

PSC inspections activities have included close scrutiny on older line segments which are typically prone to have active corrosion. The process of operators working closely with PSC Inspectors to identified problem areas, and taking prompt remedial actions, has proven to be effective.”

**Respondent #15** - “Growth and the new rules.”

**Respondent #16** - “Rule 13”

**Respondent #19** - “Replacement of Steel and Cast iron pipe to plastic. They are doing a good job.”

**Respondent #21** - “3<sup>rd</sup> party pipeline damage. There are proposals that are now up for consideration for changes in the “811 Call Before You Dig” law. I feel the PSC supports and wants these changes.”

**Respondent #22** - “Transmitting information for policy changes.”

**Respondent #27** - “In my profession the biggest issue is systems operating with unqualified personnel. APSC is making sure that people in my profession maintain the qualifications to completely operate a distribution system.”

**Respondent #29** - “Enforcement of the Alabama 811 Law. The Public Service Commission should be able to have enforcement authority.”

**Respondent #32** - “I believe the ongoing project to replace cast iron piping is our industries biggest challenge.”

**Respondent #35** - “THIRD PARTY DAMAGE. PSC IS ACTIVELY ENGAGING ALABAMA 811.”

**Respondent #36** - “Redundant Reports and paper work.”

**Respondent #37** - “Cast iron gas mains. I think Public Service is doing a good job of prompting gas system owners to hurry and replace old mains and services.”

**Respondent #39** - “There are a few issues:

- a. Requirements / rules as set forth by PHMSA / PSC result in the operator maintaining and filing a lot of paperwork. Although this may be necessary, it seems more “taxing” on smaller operators that are held to the same requirements as larger operators having resources for more administrative support.
- b. Aging workforce and competency versus pay. The experienced workforce is retiring and are not adequately supported by upcoming competent younger

*Gas Pipeline Entities Questionnaire*

- c. employees. Younger competent employees seem to demand more pay. The above makes it difficult to attract and retain an experience workforce.
- d. The older experienced workforce still “pushes back” on learning and/or adhering to newer technology methods (i.e., GIS, computer related reports).”

**Respondent #40** - “Gas Pipeline Safety. They are enforcing the rules as necessary.”

**Respondent #42** -”Keeping up to date with Federal rule changes. Yes, they do a great job of keeping operators informed.”

**Respondent #43** - “n/a”

**Respondent #45** - “working with us to implement federal safety guidelines”

**Respondent #46** - “Safety, adequately addressed by PSC”

**Respondent #47** - “Contractor Damages – They are addressing this issue by joining with the District Attorney’s office to help this issue by prosecuting the violators.”

**Did Not Respond**                      21

**6. Do you think the Alabama Public Service Commission and its staff are satisfactorily performing their duties?**

<b>Yes</b>	<b>40</b>	<b>85%</b>
No	3	6%
No Opinion	4	9%

**Respondent # 10** - “Most members of the APSC Staff conduct themselves in a courteous, respectful, and professional manner.”

**Respondent # 12** - “Yes and No. Yes, they are enforcing regulations and No, the inspectors should prioritize their enforcement on each individual operator, not district wide. Example, Cast Iron Replacement (ranked # 1 threat in DIMP) should take priority over Atmospheric Corrosion (ranked well below # 1 by DMP).”

**Respondent # 23** - “too much wasted time, trying to look busy.”

**7. Has any member of the Alabama Public Service Commission or its staff asked for money (other than normal fees), services, or any other thing of value in return for performing a Commission service for you?**

Yes	1	2%
<b>No</b>	<b>46</b>	<b>98%</b>

**Motor Carrier Licensee Questionnaire**

A letter was sent to one hundred licensees requesting participation in our survey. Twenty-two participated in the survey. The percentages, where shown, are based on the number who responded to the question.

**1. Do you think regulation of your profession by the Alabama Public Service Commission is necessary to protect the public welfare?**

Yes	13	59%
No	4	18%
No Opinion	5	23%

**Respondent #4** - "Making sure the transportation industry has insurance."

**2. Do you think any of the Alabama Public Service Commission's law, rules, or policies are an unnecessary restriction on the practice of your profession: If yes, explain.**

Yes	2	10 %
No	10	45 %
No Opinion	10	45%

**Respondent #9** - "Too much red tape, everyone wanting in my pocket."

**3. Do you think any of the Alabama Public Service Commission's requirements are irrelevant to the competent practice of your profession?**

Yes	4	18%
No	7	32%
No Opinion	11	50%

**4. Are you adequately informed by the Alabama Public Service Commission of changes to and interpretations of the Commission's positions, policies, rules, and laws?**

Yes	8	36%
No	7	32%
No Opinion	7	32%

**Respondent #4** - "I've only been in business for less than a year."

**Respondent #8** - "Is the only flow of communication for such information from the Commission Monthly Minutes? If there are other avenues, I would be interested in learning of these."

*Motor Carrier Licensee Questionnaire*

**5. Has the Alabama Public Service Commission performed your licensing and renewal in a timely manner?**

<b>Yes</b>	<b>17</b>	<b>77%</b>
No	1	5%
No Opinion	4	18%

**6. What do you think is the most significant issue(s) currently facing your profession in Alabama and what is the Alabama Public Service Commission doing to address the issue(s)?**

**Respondent #1** - "Work Force Development"

**Respondent #2** - "not sure"

**Respondent #4** - "Companies with engines that were made before 2000 don't have to have ELC's. Most companies that have these trucks don't abide by the 11 hour driving rule because they have paper logs and can manipulate their time. The result is some drivers can make \$6,000 - \$7,000 per truck for their company. It is almost impossible to do that if you have an ELC. This means that the business is more profitable and has an unfair advantage. It is hard for me to hire a driver who makes a % off of what the truck makes in a week when I am restricted by an ELD. That is just one of many examples."

**Respondent #7** - "Making sure that our trucking company is compliant with all things that are expected of us. It is hard to keep up with new regulations and guidelines."

**Respondent #8** - "Finding qualified CDL Drivers for Commercial Motor Vehicles. I am not currently aware of any steps addressing this issue."

**Respondent #9** - "No issues. Satisfied."

**Respondent #10** - "Alabama needs tort reform to curtail the ambulance-chasing attorneys. Best I can tell, APSC has no say in such manners."

**Respondent #12** - "ELD, nothing"

**Respondent #13** - "Need to inform company a month in advance of licensing expiring."

**Respondent #14** - "Would like more information regarding my safety reports because it effects my insurance rates, especially if I am not aware of what those issues are."

**Respondent #15** - "N/A"

**Respondent #22** - "Texting while driving."

**Did Not Respond** 10

*Motor Carrier Licensee Questionnaire*

- 7. Do you think the Alabama Public Service Commission and its staff are satisfactorily performing their duties?**

<b>Yes</b>	<b>14</b>	<b>64%</b>
No	2	9%
No Opinion	6	27 %

**Respondent #14** - "Law enforcement zones in on dumps, which effects my business."

- 8. Has any member of the Alabama Public Service Commission or its staff asked for money (other than normal fees), services, or any other thing of value in return for performing a Commission service for you?**

Yes	1	5%
<b>No</b>	<b>21</b>	<b>95%</b>

**Respondent #12** - "I do not see what the Alabama Public Service Commission is doing with the fees they are asking for."

**Railroad Licensee Questionnaire**

A letter was sent to fifteen licensees requesting participation in our survey. One participated in the survey. The percentages, where shown, are based on the number who responded to the question.

- 1. Do you think regulation of your profession by the Alabama Public Service Commission is necessary to protect the public welfare?**

**No                      1                      100%**

- 2. Do you think *any* of the Alabama Public Service Commission’s law, rules, or policies are an unnecessary restriction on the practice of your profession: If yes, explain.**

**No                      1                      100%**

- 3. Do you think any of the Alabama Public Service Commission’s requirements are irrelevant to the competent practice of your profession?**

**No                      1                      100%**

- 4. Are you adequately informed by the Alabama Public Service Commission of changes to and interpretations of the Commission’s positions, policies, rules, and laws?**

**No                      1                      100%**

**Respondent #1** - “I honestly don’t recall ever receiving any communication of changes or interpretations of positions, policies, rules, and laws related to my railroad.”

- 5. Has the Alabama Public Service Commission performed your licensing and renewal in a timely manner?**

**No Opinion            1                      100%**

- 6. What do you think is the most significant issue(s) currently facing your profession in Alabama and what is the Alabama Public Service Commission doing to address the issue(s)?**

**Respondent #1** - “Our railroad exists to provide coal to Alabama Power generating plants. The Alabama PSC’s efforts to support coal mining for electric generation in Alabama are critical to our railroad and the PSC’s efforts are appreciated.”

*Railroad Licensee Questionnaire*

**7. Do you think the Alabama Public Service Commission and its staff are satisfactorily performing their duties?**

**Yes                      1                      100%**

**8. Has any member of the Alabama Public Service Commission or its staff asked for money (other than normal fees), services, or any other thing of value in return for performing a Commission service for you?**

**No                      1                      100%**

*Telecommunications Licensee Questionnaire*

**Telecommunications Licensee Questionnaire**

A letter was sent to one hundred licensees requesting participation in our survey. Sixteen participated in the survey. The percentages, where shown, are based on the number who responded to the question.

**1. Do you think regulation of your profession by the Alabama Public Service Commission is necessary to protect the public welfare?**

<b>Yes</b>	<b>10</b>	<b>62%</b>
No	2	13%
No Opinion	4	25%

**Respondent #14** - “Yes, with respect to certain components, most notably resolution of customer disputes in regard to the technical provisioning of telecommunications services.”

**2. Do you think *any* of the Alabama Public Service Commission’s law, rules, or policies are an unnecessary restriction on the practice of your profession: If yes, explain.**

Yes	2	13%
<b>No</b>	<b>9</b>	<b>56%</b>
No Opinion	5	31%

**Respondent #14** - “The current level of regulation is appropriate in my opinion.”

**3. Do you think any of the Alabama Public Service Commission’s requirements are irrelevant to the competent practice of your profession?**

Yes	2	13%
<b>No</b>	<b>9</b>	<b>60%</b>
No Opinion	4	27%

**Respondent #1** - “N/A

**Did not respond** 1

**4. Are you adequately informed by the Alabama Public Service Commission of changes to and interpretations of the Commission’s positions, policies, rules, and laws?**

<b>Yes</b>	<b>9</b>	<b>56%</b>
No	2	13%
No Opinion	5	31%



*Telecommunications Licensee Questionnaire*

**5. Has the Alabama Public Service Commission performed your licensing and renewal in a timely manner?**

<b>Yes</b>	<b>11</b>	<b>69%</b>
No Opinion	5	31%

**Respondent #13** - "N/A"

**6. What do you think is the most significant issue(s) currently facing your profession in Alabama and what is the Alabama Public Service Commission doing to address the issue(s)?**

**Respondent #4** - "We don't have any customers in Alabama at this time."

**Respondent #5** - "Local Telephone Services Revenue sustainability if internet Access is offered as a standalone service which is our Customer's desire. The PSC is doing nothing."

**Respondent #7** - "Broadband...Commission is limited in their ability since it is an interstate service."

**Respondent #14** - "The changing nature of the telecommunications/broadband industry and the necessity of assuring that regulations remain relevant."

**Did Not Respond** 12

**7. Do you think the Alabama Public Service Commission and its staff are satisfactorily performing their duties?**

<b>Yes</b>	<b>11</b>	<b>69%</b>
No Opinion	5	31%

**8. Has any member of the Alabama Public Service Commission or its staff asked for money (other than normal fees), services, or any other thing of value in return for performing a Commission service for you?**

<b>No</b>	<b>16</b>	<b>100%</b>
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**United Carrier Registrant Questionnaire**

A letter was sent to one hundred registrants requesting participation in our survey. Eleven participated in the survey. The percentages, where shown, are based on the number who responded to the question.

- 1. Do you think regulation of your profession by the Alabama Public Service Commission is necessary to protect the public welfare?**

Yes	6	55%
No	2	18%
No Opinion	3	27%

- 2. Do you think *any* of the Alabama Public Service Commission's law, rules, or policies are an unnecessary restriction on the practice of your profession: If yes, explain.**

Yes	1	10%
No	5	45%
No Opinion	5	45%

- 3. Do you think any of the Alabama Public Service Commission's requirements are irrelevant to the competent practice of your profession?**

Yes	2	18%
No	3	27%
No Opinion	6	55%

- 4. Are you adequately informed by the Alabama Public Service Commission of changes to and interpretations of the Commission's positions, policies, rules, and laws?**

Yes	3	28%
No	4	36%
No Opinion	4	36%

- 5. Has the Alabama Public Service Commission performed your licensing and renewal in a timely manner?**

Yes	6	55%
No Opinion	5	45%

*United Carrier Registrant Questionnaire*

- 6. What do you think is the most significant issue(s) currently facing your profession in Alabama and what is the Alabama Public Service Commission doing to address the issue(s)?**

**Respondent #1** - “None”

**Respondent #4** - “No Opinion”

**Respondent #6** - “Harsh Regulations on CDL Drivers. Not sure what they are doing to help the issues.”

**Respondent #7** - “Infrastructure – roads, bridges, traffic patterns, etc.”

**Respondent #9** - “did not know they did anything to help retail sales”

**Respondent #11** - “I’m not really sure at this time.”

**Did Not Respond**                      5

- 7. Do you think the Alabama Public Service Commission and its staff are satisfactorily performing their duties?**

**Yes**                                      5                                      50%

**No Opinion**                        5                                      50 %

**Did Not Respond**                      1

- 8. Has any member of the Alabama Public Service Commission or its staff asked for money (other than normal fees), services, or any other thing of value in return for performing a Commission service for you?**

**No**                                        11                                      100%

**Utility Licensee Questionnaire**

A letter was sent to twenty-three licensees requesting participation in our survey. Four participated in the survey. The percentages, where shown, are based on the number who responded to the question.

- 1. Do you think regulation of your profession by the Alabama Public Service Commission is necessary to protect the public welfare?**

<b>Yes</b>	<b>2</b>	<b>50%</b>
<b>No</b>	<b>2</b>	<b>50%</b>

- 2. Do you think *any* of the Alabama Public Service Commission’s law, rules, or policies are an unnecessary restriction on the practice of your profession: If yes, explain.**

<b>No</b>	<b>3</b>	<b>75%</b>
No Opinion	1	25%

- 3. Do you think any of the Alabama Public Service Commission’s requirements are irrelevant to the competent practice of your profession?**

<b>Yes</b>	<b>2</b>	<b>50%</b>
<b>No</b>	<b>2</b>	<b>50%</b>

- 4. Are you adequately informed by the Alabama Public Service Commission of changes to and interpretations of the Commission’s positions, policies, rules, and laws?**

Yes	1	25%
<b>No Opinion</b>	<b>3</b>	<b>75%</b>

**Respondent #3** - “Training colleague now...it might be beneficial to have a power point presentation for necessary requirements.”

- 5. Has the Alabama Public Service Commission performed your licensing and renewal in a timely manner?**

<b>Yes</b>	<b>3</b>	<b>75%</b>
No	1	25%

**Respondent #3** - “Regulatory Manager that works to upload to eFile certain contracts and occasionally with the pipeline Inspectors on behalf of the field employees. I do not have a license for my position.”

- 6. What do you think is the most significant issue(s) currently facing your profession in Alabama and what is the Alabama Public Service Commission doing to address the issue(s)?**

**Respondent #1** - "Charge rates that can support the system – there may be an extra burden associated adjusting rates Certified Operators are getting hard to find. Nothing that I know of."

**Respondent #3** - "Education of the requirements for a midstream pipeline company. I do not know if there are seminars and/or power t. presentation to print."

**Respondent #4** - "No Opinion"

**Did Not Respond**                      1

- 7. Do you think the Alabama Public Service Commission and its staff are satisfactorily performing their duties?**

**No Opinion**                      4                      100%

- 8. Has any member of the Alabama Public Service Commission or its staff asked for money (other than normal fees), services, or any other thing of value in return for performing a Commission service for you?**

**No**                                      4                      100%

**Wastewater Licensee Questionnaire**

A letter was sent to ten licensees requesting participation in our survey. Four participated in the survey. The percentages, where shown, are based on the number who responded to the question.

- 1. Do you think regulation of your profession by the Alabama Public Service Commission is necessary to protect the public welfare?**

<b>Yes</b>	<b>2</b>	<b>50%</b>
<b>No</b>	<b>2</b>	<b>50%</b>

**Respondent #3** - “Protects Public Health and Welfare.”

- 2. Do you think *any* of the Alabama Public Service Commission’s law, rules, or policies are an unnecessary restriction on the practice of your profession: If yes, explain.**

<b>Yes</b>	<b>2</b>	<b>50%</b>
No	1	25%
No Opinion	1	25%

**Respondent #2** - “Free market dynamics should effectively control the wastewater management business.”

**Respondent #3** - “Only in certain instances, e. g. all wastewater entities should be on a Rate Base similar to other regulated utilities. A lot of energy and time is spent on rate riders, separate bank accounts, more hearing on the operating cost basis.”

- 3. Do you think any of the Alabama Public Service Commission’s requirements are irrelevant to the competent practice of your profession?**

Yes	1	25%
<b>No</b>	<b>2</b>	<b>50%</b>
No Opinion	1	25%

- 4. Are you adequately informed by the Alabama Public Service Commission of changes to and interpretations of the Commission’s positions, policies, rules, and laws?**

<b>Yes</b>	<b>2</b>	<b>50%</b>
<b>No Opinion</b>	<b>2</b>	<b>50%</b>

- 5. Has the Alabama Public Service Commission performed your licensing and renewal in a timely manner?**

<b>Yes</b>	<b>4</b>	<b>100%</b>
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*Wastewater Licensee Questionnaire*

- 6. What do you think is the most significant issue(s) currently facing your profession in Alabama and what is the Alabama Public Service Commission doing to address the issue(s)?**

**Respondent #1** - "I believe the changes in tax law related to Contributions in Aid Construction have a significant impact on the financial viability of ME's and it is unclear how this issue will be addressed by the PSC."

**Respondent #2** - "Keeping competent personnel to manage the equipment and processes necessary to treat waste. The PSC is not involved in this."

**Respondent #3** - "I believe the issues currently facing the wastewater entities in AL are somewhat hurt by the Legislature not including direct discharge or above ground disposal in PSC regulation. It causes unfair pricing to the consumer and to other wastewater entities. By not including all under PSC, only select consumers are protected."

**Did Not Respond**                      1

- 7. Do you think the Alabama Public Service Commission and its staff are satisfactorily performing their duties?**

**Yes**                      4                      100%

- 8. Has any member of the Alabama Public Service Commission or its staff asked for money (other than normal fees), services, or any other thing of value in return for performing a Commission service for you?**

**No**                      4                      100%

**Complainant Questionnaire**

A letter was sent to one hundred complainants requesting participation in our survey. Fifteen participated in the survey. The percentages, where shown, are based on the number who responded to the question.

**1. How was your complaint filed with the Alabama Public Service Commission by:**

Mail	3	20%
Email	5	33%
<b>Phone</b>	<b>6</b>	<b>40%</b>
Other	1	7%

**Complainant #4** - "I included my name, address and complete phone number in my correspondence."

**2. Was receipt of your complaint promptly acknowledged?**

<b>Yes</b>	<b>13</b>	<b>87%</b>
No	2	13%

**Complainant #4** - "I never heard from anyone regarding this issue."

**3. If you answered yes to question 2, approximately how long after you filed your complaint were you contacted by the Alabama Public Service Commission?**

Immediately	5	33%
<b>Within 10 days</b>	<b>6</b>	<b>40%</b>
Within 30 days	1	7%
More than 30 days	3	20%

**Complainant #4** - "No answer in any form."

**Complainant #7** - "Not 100% sure."

**4. Was the person who responded to your complaint knowledgeable and courteous?**

Knowledgeable	1	7%
Courteous	1	7%
<b>Knowledgeable and Courteous</b>	<b>11</b>	<b>73%</b>
Neither	2	13%

**Complainant #2** - "Never contacted"

**Complainant #6** - "Maybe courteous, but condescending."



5. Did the Alabama Public Service Commission communicate the results of the investigation into your complaint to you?

Yes	8	53%
No	7	47%

**Complainant #1** - "Never heard a single thing after I filed the complaint because there was no apparent attempt to sweep my complaint under the rug and act like it never happened. Where is the media when you need them? They are more concerned with what [REDACTED] is wearing rather than doing their job."

**Complainant #7** - "nothing in writing, email"

**Complainant #13** - "AT&T supervisor called me and resolved the problem."

6. Do you think the Alabama Public Service Commission did everything it could to resolve your complaint?

Yes	8	53%
No	7	47%

**Complainant #2** - "Even though I don't remember ever hearing from the PSC, my problem with [REDACTED] was taken care of almost immediately after months of me trying to get problem resolved by myself."

**Complainant #3** - "I don't know."

**Complainant #4** - "No! Absolutely not. Not only did I never hear from them, our power still goes out too often. I, as well as all my neighbors, understand when there is a storm or accident that may knock out a power line, however they have been times when the power goes out or surges for what appears to be no apparent reason. Also, no one wants to put anyone in danger when power is being restored however it seems the residents in this area are always last to get restored. There have been times when my neighbor up the road gets power back before me and there have been times when other neighbors on the adjoining road never lose their power. The streets in this area are: [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED] and [REDACTED]. This is a very small area and when I look across the slough to my neighbor's house and see they have power (not battery operated lights or generator) and I am still without there seems to be a few crossed lines. No pun intended. One final thing...when the power goes out and the website posts something like "power will be restored within one hour" and then after an hour still no power and the website says "should be restored within two hours", this is extremely frustrating, JUST TELL US THE TRUTH so we can adjust. Again no one wants to put anyone in danger so if it's going to be 6 hours then tell us. Thank you for following up with my complaint."

**Complainant #6** - "The complaint was that a huge orange pole was placed in the middle of our front fence by [REDACTED]. Public Service Commission told me that they were within their right to do this since it was on the right of way. I was able to get a name and phone number of a local manager. Through that contact, I was able to resolve the issue myself and they moved the pole."

*Complainant Questionnaire*

**Complainant #9** -“My complaint was why the [redacted] [redacted] rates keep going up does? The answer made it seem like I was using more electricity which was not true. If anything, I am using about the same or maybe a little less each month than in previous years. I know they are guaranteed a profit but not 5-10 percent each year. We also have no other choice either pay or have your power turned off.”

**Complainant #15** – “I had no contact with them until now.”

**7. Were you satisfied with your dealings with the Alabama Public Service Commission?**

<b>Yes</b>	<b>11</b>	<b>79%</b>
No	3	21%

**Complainant #1** - “They got me in touch with a [redacted] [redacted] engineer who contacted me right away. He came out made an evaluation and had my problem promptly addressed. Since the repairs were done, I have had only one power outage. Before the repair my neighbors and I would lose power when a thunder storm or high winds would blow. The rest of my neighborhood would have power.”

**Complainant #6** -“I felt that she was not at all interested in my situation nor getting the issue resolved. The only helpful thing she did was provide me with a name and phone number so that I could get it resolved myself. She provided this information only after I begged her for it.”

**Did Not Respond** 1

## **APPENDICES**

### **Applicable Statutes**

The statutory authority for the Public Service Commission is too voluminous for inclusion in this report. Please refer to the *Code of Alabama 1975*, Title 37 – Public Utilities and Public Transportation; *Code of Alabama 1975*, Title 22, Section 25B - Regulation of Privately Owned Wastewater Systems; *Code of Alabama 1975*, Title 11, Chapter 50A - Counties and Municipal Electric Authority, Section 11-50A-25; and *Code of Alabama 1975*, Title 32 – Motor Vehicles and Traffic, Section 32-7C-20 – Transportation Network Company and Drivers.

## **Professional Services by Vendor**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b><u>Administrative Services</u></b>				
<b><i>Education and Training Consultants</i></b>				
AAF - Montgomery	\$ 75.00	\$ -	\$ -	\$ -
ACCA	100.00	-	-	-
Alabama Farmers Federation	116.00	-	-	-
ACTS Now, Inc.	1,200.00	-	1,749.00	1,200.00
AGA Montgomery Chapter	150.00	420.00	-	550.00
Alabama Association of Regulatory Boards	-	500.00	500.00	-
Alabama Natural Gas Association	4,900.00	5,167.50	7,137.50	2,755.00
Alabama Society of Certified Public Accountants	933.00	1,570.00	950.00	1,500.00
Association of County Commissions of AL	-	125.00	-	-
Association of County Engineers of AL	-	-	-	125.00
Careertract	-	-	99.00	-
Cumberland School of Law	375.00	-	319.00	-
Fred Pryor Seminars	-	79.00	-	-
Montgomery AGA	450.00	-	-	-
National Assoc. of Regulatory Utility Commissioners	1,105.00	2,130.00	2,220.00	2,490.00
National Conf. of State Transportation Specialists	-	-	-	450.00
NWSC Custodial Account	-	300.00	-	350.00
PRCA	-	89.00	-	-
Samford University	-	280.00	-	-
Scott Hempling, Attorney at Law, LLC	-	-	990.00	-
SeCorp Industries	170.00	85.00	-	290.00
SkillPath	-	-	-	299.00
<b><i>Advertising</i></b>				
Alabama Broadcasting Association	-	-	-	10,000.00
Department of Finance	93.00	288.96	93.00	15.50
Legislative Reference Service	210.00	-	30.00	-
Office of Information Technology	-	-	-	85.25
<b><i>Security and Monitoring Services</i></b>				
Access	340.00	1,265.00	1,372.26	1,444.10
Furlong's Security	-	-	162.00	336.00
Office of Information Technolgy	-	-	-	60.00
<b><i>Information and Research Services</i></b>				
ALRRS, LLC	1,350.00	2,796.00	1,399.00	1,499.00

<b><i>Moving Services</i></b>				
David Garner	1,920.00	-	-	-
Industrial Revolving Fund	-	225.00	-	-
<b><i>Mailing Services</i></b>				
Department of Finance	587.81	420.41	536.34	874.15
<b><i>FRMS Services</i></b>				
Department of Finance	16,761.95	14,813.86	4,916.14	2,592.40
<b><i>Comptroller Services</i></b>				
Department of Finance	11,491.72	11,398.58	11,224.72	11,343.93
<b><i>Finance &amp; IT Planning/Oversight</i></b>				
Department of Finance	4,435.00	4,130.00	4,060.00	680.00
Office of Information Technology	-	-	-	3,951.25
<b><i>Sanitation Services</i></b>				
Gilmore Moving & Storage, Inc.	35.72	-	-	-
<b><i>Personnel Department Services</i></b>				
	27,302.00	23,042.00	23,033.00	26,094.00
<b>Total Administrative Services</b>	<b>74,101.20</b>	<b>69,125.31</b>	<b>60,790.96</b>	<b>68,984.58</b>
 <b><u>Data Processing Services</u></b>				
David Blizzard, LLC	-	-	-	305.00
Department of Finance	21,642.53	23,223.44	25,111.84	4,184.66
Iron Data	68,824.00	-	-	-
MicroPact Global, Inc.	-	70,750.00	70,750.00	70,750.00
Office of Information Technology	-	-	-	24,680.26
Public Service Commission	(15.90)	-	-	-
<b>Total Data Processing Services</b>	<b>90,450.63</b>	<b>93,973.44</b>	<b>95,861.84</b>	<b>99,919.92</b>
 <b><u>Legal Services</u></b>				
<b><i>Court Reporting Services</i></b>				
Freedom Court Reporting, INC.	6,995.50	8,883.00	7,788.50	6,349.50
Veritext New York Reporting Co.	-	-	-	4,212.25
<b><i>Court Services</i></b>				
Supreme Court of the	200.00	-	-	-
<b>Total Legal Services</b>	<b>7,195.50</b>	<b>8,883.00</b>	<b>7,788.50</b>	<b>10,561.75</b>
 <b>Total Professional Services</b>	 <b>\$ 171,747.33</b>	 <b>\$ 171,981.75</b>	 <b>\$ 164,441.30</b>	 <b>\$ 179,466.25</b>

## Commission Members



STATE OF ALABAMA  
PUBLIC SERVICE COMMISSION  
P.O. BOX 304260  
MONTGOMERY, ALABAMA 36130

TWINKLE ANDRESS CAVANAUGH, PRESIDENT

JOHN A. GARNER, EXECUTIVE DIRECTOR

JEREMY H. ODEN, ASSOCIATE COMMISSIONER

CHRIS "CHIP" BEEKER, JR., ASSOCIATE COMMISSIONER

**March 6, 2019**

**Ms. Janet Berry  
Accounts Examiner  
Department of Examiners of  
Public Accounts  
P. O. Box 302251  
Montgomery, AL 36130-2251**

**Dear Ms. Berry:**

**Per your request, I am listing below the Commission's elected officials, the current Commission members and legal counsel of the Public Service Commission.**

**President**

**Twinkle Andress Cavanaugh  
City: Montgomery**

**Term: November 2016 through November 2020**

**Term expires: November 2020**

**Associate Commissioner, Place 1**

**Jeremy H. Oden  
City: Eva**

**Term: November 2018 through November 2022**

**Term expires: November 2022**

Associate Commissioner, Place 2

Chris "Chip" Becker, Jr.

City: Eutaw

Term: November 2018 through November 2022

Term expires: November 2022

Commission Attorney & Executive Director

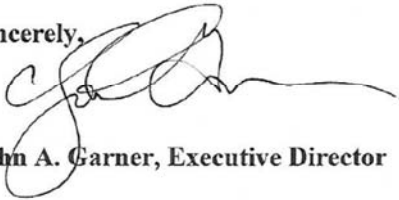
Judge John Garner

Chief Administrative Law Judge

City: Pike Road

If you need additional information, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Garner", with a long horizontal flourish extending to the right.

John A. Garner, Executive Director

JAG:tl

## Dual Party Relay Board of Trustees



STATE OF ALABAMA  
PUBLIC SERVICE COMMISSION  
P.O. BOX 304260  
MONTGOMERY, ALABAMA 36130

March 6, 2019

JOHN A. GARNER, EXECUTIVE DIRECTOR

TWINKLE ADDRESS CAVANAUGH, PRESIDENT

JEREMY H. ODEN, ASSOCIATE COMMISSIONER

CHRIS "CHIP" BEEKER, JR., ASSOCIATE COMMISSIONER

Ms. Janet Berry  
Accounts Examiner  
Department of Examiners of Public Accounts  
P. O. Box 302251  
Montgomery, Alabama 36130-2251

Dear Ms. Berry:

Please find below the home city and term expiration information for each of the current members of the Alabama Dual Party Relay Board:

John A. Garner  
Pike Road, AL 36064  
Term: Reappointed on July 14, 2015 to a term which officially expired on April 4, 2018; continues to serve until reappointment/replacement pursuant to the approved bylaws of the Board.

Dr. Susan Parker  
Rogersville, AL 35652  
Term: Reappointed on July 14, 2015, to a new term ending April 4, 2019.

Spears Griffin  
Montgomery, AL 36106  
Term: Originally appointed July 14, 2015, to a term ending April 4, 2018.  
Continues to serve until reappointment/replacement pursuant to the approved bylaws of the Board.


William H. Meadows  
Birmingham, AL 35226  
Term: Originally appointed April 24, 2015, to a term ending April 23, 2019.

Amanda Scott  
Decatur, AL 35602  
Term: Reappointed July 14, 2015, to a term ending April 4, 2019.

Mary Caitlyn Montgomery  
Prattville, AL 36066  
Term: Originally appointed March 16, 2018, to a term ending April 23, 2019.

Please advise if you have questions or concerns.

Sincerely,

  
John A. Garner  
Chief Administrative Law Judge

JAG:kir  
Attachment