

GENERAL RULES

OF THE

ALABAMA PUBLIC SERVICE COMMISSION

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TABLE OF CONTENTS

Rule 1	Application of Rules.....	1
Rule 2	Definitions.....	1
Rule 3	Adequacy of Service.....	2
Rule 4	Customer Service Requirements and Information.....	3
Rule 5	Complaints.....	3
Rule 6	Records of Meters and Meter Tests	4
Rule 7	Meter Rentals	4
Rule 8	Deposits.....	5
Rule 9	Accidents	6
Rule 10	Meter Reading and Bill Forms -Electric, Gas, Steam, and Water Utilities	7
Rule 11	Rate Schedules, Rules and Regulations	8
Rule 12	Collection of Delinquent Accounts and Discontinuance of Service to Customers for Nonpayment.....	9
Rule 13	Discontinuance or Suspension of Service for Reasons Other Than Nonpayment of Service Bill	12
Rule 14	Joint Operation	13
Rule 15	Overbilling and Underbilling.....	13
Rule 16	Interruptions of Service.....	14
Rule 17	Production and Inspection of Books or Records of Utilities.....	15
Rule 18	Maps.....	15
Rule 19	Retention of Records.....	15
Rule 20	Posters	15

RULE 1

Application of Rules

These General Rules shall apply to all electric, steam, gas, water, and telephone utilities operating within the State of Alabama under the jurisdiction and supervision of the Alabama Public Service Commission.

- (A) These rules are intended to promote safe and adequate service to the public, to provide standards for uniform and reasonable practices by utilities, and to establish a basis for determining the reasonableness of such demands as may be made by the public upon the utilities.
- (B) If unreasonable hardship to a utility or to a customer results from the application of any rule herein prescribed, application may be made to the Commission for the modification of the rule or for temporary or permanent exemption from its requirements.
- (C) The adoption of these rules shall in no way preclude the Commission from altering or amending them, or from making such modifications with respect to their application as may be found necessary to meet exceptional conditions.
- (D) These rules shall in no way relieve any utility from any of its duties under the laws of this State or from any specific order or directive of the Commission.
- (E) These rules are not intended to, and shall not have the effect of, abrogating, revoking, or modifying rules of specific application which have been heretofore adopted or which shall become adopted and made effective in the future for any utility under the provisions of Title 37, Code of Alabama.

RULE 2

Definitions

In the interpretation of these rules, the following definitions shall be used:

- (A) "Commission" -- The Alabama Public Service Commission
- (B) "Customer" -- Any person, firm, corporation, municipality or other political subdivision of the State, served by a utility.

- (C) "Utility" -- Every person, as defined in §37-4-1(4), Code of Alabama, 1975, that owns, operates, leases, or controls any plant, property or facility for: the generation, transmission, manufacture, production, supply, distribution, sale, storage, conveyance, delivery, or furnishing to or for the public of electricity, natural or manufactured gas, water, steam, or telephone service. This definition also includes two or more utilities rendering joint service.

RULE 3

Adequacy of Service

- (A) The entire plant of each utility shall be constructed and installed in accordance with accepted good practice. Every utility shall render adequate service to the public and shall make such reasonable improvements, extensions and enlargements to its facilities as may be necessary to meet customer growth and demand in its service territory.
- (B) Each utility shall, so far as practicable, operate and maintain its entire plant and system in such condition as will enable it to furnish safe, adequate, and continuous service at all times.
- (1) Each utility shall, in the event of an emergency threatening the integrity of its system, take such action, including interruption of service to a customer or customers, as shall in the judgment of such utility be appropriate to prevent or alleviate such emergency and enable such utility to continue or restore its service consistent with the public welfare.
- (2) In such instances, the good faith judgment of the Utility shall be deemed conclusive on all parties involved and the Utility shall be under no liability with respect to any such curtailment or interruption.
- (C) EXTENSION PLAN
- (1) Each utility shall have on file with the Commission an acceptable policy for extensions of its service where such extensions are in excess of the regular rates for service and for which the customer shall be required to pay all or part of the cost. Such policies shall be kept current by the utilities and shall be subject to review by the Commission. Such policies shall be the basis upon which a customer's cost for such extensions will be paid.

- (2) Utilities that intend to improve, expand, or extend their plant, facilities or equipment in the usual course of business shall submit a plan at least annually describing and/or updating such changes to the Commission for informational purposes only. Reports required under RSE shall satisfy this requirement for those utilities operating under an RSE plan.

RULE 4

Customer Service Requirements and Information

- (A) Applications for service shall be made in accordance with the Utility's rule or practice respecting same as authorized by the Commission.
- (B) Any utility shall serve any applicant located within the territory which the utility is under duty to serve provided said applicant complies with the state, county, and municipal design, safety or inspection regulations related to the affected utility service and the Commission-approved rules and regulations of the utility furnishing the service. Any utility may decline to serve either an applicant or a customer who does not comply with the above-stated requirements.
- (C) Information for Customers - Each utility shall at any time, on request, give its customers such information and assistance as is reasonably possible in order that customers may secure safe and efficient service and may secure appliances properly adapted to the service furnished.
- (D) Each utility shall maintain up-to-date maps, plans, or records of its entire transmission and distribution systems, with such other information as may be necessary to enable the utility to advise applicants, and others entitled to the information, as to the facilities available for serving applicants in the territory which the utility is under duty to serve.
- (E) Nothing contained in this Rule shall place a utility under a duty to perform a county's obligation of inspection or enforcement.

RULE 5

Complaints

Each utility shall keep a full and complete record of all complaints which are made to it by its customers through the Commission. The record shall show the date and the character of the complaint and disposition made thereof. This record shall be open at all times to the Commission and shall be preserved for three years after date of final disposition of complaint.

RULE 6

Records of Meters and Meter Tests

- (A) A record or records shall be kept of each meter owned or used by any utility, which shall indicate the identification, location and, when possible, the purchase date.
- (B) Whenever any service meter is tested, the record of the test shall be preserved, including the information necessary for identifying the meter. Preservation of the record of the last test shall be deemed compliance with this rule.
- (C) Whenever a meter is tested or removed for repairs or test, the Utility shall notify the customer of the purpose of such removal and the results of any test made when the meter is found in error beyond the tolerance limits allowed.
- (D) Each utility shall file a monthly report with the Commission showing the results of meter tests performed on meters currently in use. The report shall list all amounts billed due to slow meters, as well as refunds due to fast meters.
- (E) For telephone utilities, see Rule T-4, Telephone Rules of the Alabama Public Service Commission.

RULE 7

Meter Rentals

No rental shall be charged by any utility for any meter installed by it which is used by the utility as the basis for rendering its bills, except where such additional meter is furnished by utility at the request of the customers for submetering or for convenience of the customer. Where additional meters furnished by the utility are to be used as submeters or for the convenience of the customer, a charge for such meters may be made in accordance with a schedule approved by the Commission.

RULE 8

Deposits

- (A) Any utility, upon initiation or reinitiation of service, may require a cash deposit from a prospective customer, a presently disconnected customer, or a former customer for the purpose of guaranteeing final payment for service when, in the judgment of the utility, such deposit is necessary. A utility may require such deposit prior to providing service or require deposit payment by separate bill or coincident with or included in the first monthly billing. If such deposit has not been made at the time specified by the utility, service may be withheld or discontinued. Such required deposit shall not exceed the amount of an estimated bill for two regular billing periods or in the case of a customer whose bills are payable in advance, it shall not exceed an estimated bill for one regular billing period, plus two months estimated toll. Interest will be paid by the utility upon such deposits at a rate of seven percent (7%) annually. Such interest shall be paid annually, calculated to December 1 of each year for the time such deposit was held by the utility, unless such period be less than one month. Customer's deposit interest payment shall be made by credit to the customer's account on the December billing. Additionally, a utility may require, upon five (5) days' written notice, a deposit, as stated hereinabove, from a customer whose account is not in good standing, from a customer whose deposit has been refunded or found to be inadequate, or if a customer's usage increases sufficiently to warrant an additional deposit.
- (1) Additional deposit may be required from a telephone customer when excessive toll occurs and there is a known credit risk, either upon written notice or verbal notification subsequently confirmed in writing. If the deposit requirement is not met, toll restriction may be applied where technically available. If toll restriction is not available, local service may be denied if the deposit requirement is not met.
- (B) Each utility having on hand such deposits from current customers, or hereafter receiving such deposits from customers, shall keep records to show: (1) the name and account number of each customer making a deposit; (2) the premises occupied by the customer; (3) the date and amount of deposit; and (4) a record of each transaction concerning the deposit.
- (C) Each utility shall issue a receipt to every customer from whom such deposit is received. A customer's cancelled check or receipted bill shall satisfy this requirement.

- (D) A utility shall not hold a residential customer's deposit beyond December following 24 months of deposit retention, if such account is considered in good standing by the utility. At this time, residential customers whose deposits have been held by the utility shall have their deposit and accrued interest refunded by the utility crediting such customer's December billing.
- (E) Customers may obtain deposit refunds prior to the mandatory refund date by either:
 - (1) Application to and approval by the utility. Barring that a customer's circumstance is other than in good standing, the utility may refund deposit and accrued interest.
 - (2) Upon final discontinuance of service, the utility shall apply such deposit with accrued interest thereon to any amounts due by customers for utility service. If any balance is due customer, same shall be refunded to customer by the utility.
- (F) Each utility shall provide reasonable ways and means so that a depositor who makes application for the return of his deposit, or any balance to which he is entitled, but is unable to produce the original certificate of deposit or receipt, shall not be deprived of this deposit or balance.
- (G) Upon the sale or transfer of any public utility, the seller shall file with the Commission, under oath, a list showing the names of all customers who at the time of such sale or transfer have deposits with such utility, the date each such deposit was made, the amount of such deposit, and the interest agreed to be paid thereon.

RULE 9

Accidents

- (A) Each utility shall keep a record of and promptly furnish upon request to the Commission full reports of all accidents happening in or about or in connection with the operation of its plants, stations, property or equipment wherein any person shall have been killed or seriously injured.
- (B) It is required that all reasonable care shall be exercised by each utility to reduce the life hazard to which:
 - (1) Employees are subjected working in and about its plants, and on its distribution system.

- (2) The utility's customers may be subjected by the introduction of its facilities into the premises of the customers.
- (3) The general public may be subjected by the presence of its facilities in the public streets and ways.

This rule is not intended to affect and shall not be construed to affect the utility's responsibility in this behalf under the laws of this State.

RULE 10

Meter Reading and Bill Forms - Electric, Gas, Steam, and Water Utilities

For billing of telephone service, see Rule T-5, Telephone Rules of the Alabama Public Service Commission.

- (A) Each utility supplying metered service shall adopt some means of informing its customers as to the method of reading meters, either by printing on its bill a description of the method of reading meters, or by explaining the method to the customer upon request.
- (B) Each meter shall indicate clearly the cubic feet, kilowatt hours, gallons or other units of service for which a charge is made to the customer. In cases where the dial reading of a meter must be multiplied by a constant to obtain the units consumed, the proper constant to be applied shall be clearly marked on the face of dial of the meter. (If for justifiable reasons, a utility renders customers' bills in units other than those recorded by the customers' meters, the conversion formula shall be shown on the customers' bills, e.g., one cubic foot = 1000 BTU; 100 cubic feet = one therm; etc.)
- (C) Upon termination of service, the Utility shall, at the customer's request, record the actual meter reading as of the date of termination. An actual meter reading shall also be recorded as of the date of the initiation of service upon the customer's request.
- (D) From time to time, it will be necessary to estimate meter readings to avoid a long billing period. As nearly as practicable, utilities shall avoid rendering a customer two consecutive estimated bills. In cases where more than two successive estimated bills have been rendered, utilities shall notify the customers, stating the number of billing periods in which an estimated bill was rendered and the reasons for the estimations. Bills rendered on the basis of estimated meter readings may be for reasons such as inclement weather, vicious animals, impassable roads, locked premises, or other causes beyond the reasonable control of the Utility. When a bill is estimated, this fact will be so indicated by a code or other designation on such bill.

- (E) All bills rendered periodically to customers, other than for service furnished under flat rate schedules, shall show the meter readings and dates at the beginning and end of the period for which bill is rendered, the quantity consumed, the amount of the bill and date of delinquency, together with all other essential facts upon which the bill is based, including designation of the rate schedule or notice of availability of rate schedule upon request. Meter readings on customer bills where usage data is provided by electronic meters that record usage during specified time intervals shall not be required, however.
- (F) A Disconnect Notice shall take priority over all other messages required under this rule and such other messages are not required for bills which contain a Disconnect Notice.

RULE 11

Rate Schedules, Rules and Regulations, Application of Rates

- (A) Copies of all schedules of rates, rules and regulations for utility service, forms or contracts, and charges for service connections and extensions, shall be on file with the Commission and same shall also be on file in the local office of the Utility and open to the inspection of the public.
- (B) The approved rate for any Utility service shall not be changed, except by specific Utility filing a different rate with the Commission in accordance with Title 37, Code of Alabama, 1975, and subject to the provisions therein.
- (C) Notification shall be posted in the business offices of the Utilities and sent at least annually by mail informing the public that rate schedules, rules and regulations are available for inspection. Upon written request, the Utility must furnish a customer with a copy of the complete rate schedule upon which he is served and details of application of the rate to the customer's billings. However, utilities shall not be required to furnish such statement more than once annually without charge.
- (D) When an applicant desires service of a character other than standard, or for which no schedule of rates has been provided, a special service contract may be arranged between the applicant and the Utility, subject to the approval of the Commission.

- (E) Where more than one schedule of rates has been approved by the Commission for the same class of service, it shall be the duty of the Utility to advise the customer, upon request, the rate and schedule which is most advantageous to the customer for his requirements of service, based upon information furnished in writing to the Utility by the customer, which must be a part of the contract for service.

In applying this Rule, the Utility shall not be required to effect more than one change in service in any twelve (12) month period, unless the customer makes a permanent change in his installation or operating conditions.

- (F) A customer's class of service shall not be changed without thirty (30) days' prior notice in writing to the affected customer(s) in the absence of a prior agreement between the Utility and the customer(s).
- (G) Residential service shall include service to any out building on the residential premises used solely in conjunction with the customer's household operation, but shall not include any commercial use, except as allowed in the Utility's approved tariffs or regulations. No separate meter shall be required for such service.

RULE 12

Collection of Delinquent Accounts and Discontinuance of Service to Customers for Nonpayment

- (A) A customer's bill for telecommunications services may include a past due or delinquent date not earlier than fifteen (15) days after the billing date. For other utilities, any customer's bill for service not paid within ten (10) days from the due date of the bill shall then be delinquent. At any time after such bill becomes delinquent, the Utility may dispatch its collector to the premises of the customer for the purpose of collecting such delinquent account and, in event such dispatching is done, a collection fee in amount authorized by the Commission for the respective Utility shall be added to customer's delinquent account to cover in part the additional collection expense incurred by the Utility, provided this fee shall not be charged more than one time in any billing period. In event the collector is unable to contact the customer or his representative on the premises, notice of his visit should be left in a suitable location on the premises.

- (B) At any time after a customer's account has become delinquent, the Utility shall give to the customer at least five (5) days' written notice of the Utility's intention to discontinue service of his account, including any subsequently rendered bill for service which has also become delinquent, if not paid in full. After the lapse of the period specified in the written notice, if the account for regulated utility service has not been paid in full, the Utility, notwithstanding any deposit referred to in Rule 8 hereof, may then discontinue service without further notice, subject to the following specific provisions:
- (1) The customer shall have the right of paying such delinquent account, which shall include any subsequent bill for service which has become delinquent, at any time prior to the actual disconnection of his service.
 - (2) Payment by the customer, as set out in 1 above, at a collection office of the Utility shall not affect the Utility's right during the day such payment is received to disconnect service for nonpayment, if such payment was unknown to the employee disconnecting service.
 - (3) The customer making payment in accordance with 2 above will not, in case his service is disconnected following payment, the same day, be required to pay any reconnection charge. A reconnection charge may apply if the company has certain knowledge that payment was made following disconnect.
 - (4) No service shall be cut off for nonpayment after 3:30 P.M. on any day immediately preceding a day or days when the Utility's office will be closed.
 - (5) No residential electric or natural gas service shall be disconnected for nonpayment when the temperature at that location is forecasted to 32 degrees Fahrenheit or below for that calendar day. The controlling forecasted temperature for a particular location shall be the temperature forecasted by the National Weather Service for that location on the calendar day in question.
- (C) The notice required in Rule 12(B) shall have a heading, in bold letters, of "Disconnect Notice," "Termination Notice," "Final Notice," or "Cutoff Notice." Such notice shall also state that in the event of a dispute, the customer should first contact the Utility, and then the Alabama Public Service Commission, if the dispute concerning the notice remains unresolved.

- (D) Each utility shall delegate to at least one employee in each of its offices the power to extend the deadline for payment, to enter into agreements to receive the amount of a bill in installments, and to correct errors in bills. This person shall be reasonably available to receive appropriate complaints or inquiries. In addition, collectors shall have such power or work under the direct supervision of one with such power.
- (E) Each utility shall adopt, and follow, reasonable tariff rules governing its termination of service practices (except telephone toll service) when life or health may be threatened by termination, the customer requires special consideration because of age or handicap, or other circumstances warranting special consideration.
- (F) Whenever service is discontinued for nonpayment and customer requests that service be restored, except as provided in 3 above, a reconnection fee, in the amount authorized by the Commission for each respective utility, shall be added to customer's delinquent account and shall become due and payable as part of the account for service rendered, and can be required by the utility to be paid before service is restored along with all amounts owing on the customer's account which were specifically referred to in the delinquent notice, together with all amounts owing on customer's account which has subsequently become delinquent.
- (G) Notice of Utility's intention to discontinue service as required in paragraph (B) shall be considered to be given to customer when copy of such notice is left with such customer, left at the premises where service is rendered, or posted in the United States mail addressed to the customer's last known post office address. If the notice is posted in the United States mail, it shall be delivered to the Post Office at least five (5) calendar days before service is to be disconnected.
- (H) When, at customer's request, utility changes the location at which service is rendered, the service at the new and old locations and the account therefore shall, for the purposes of these rules, be deemed one service and one account and the change of the location to which service is rendered shall not be deemed to affect the rights of utility with regard to the application of deposit or discontinuance of service for nonpayment of the account.
- (I) Any utility may decline to serve an applicant or disconnect a customer who is indebted to the utility for similar service at a former location or at the present location of the applicant or customer, or where such indebtedness was incurred by a member of the applicant's or customer's household, either under the name of the applicant or the customer, or another name when the application for such service is or was made within one year from the date such indebtedness became due. Provided, however, that in the

event such indebtedness for service previously rendered is in dispute, applicant shall be served or customer's service shall be continued upon complying with the deposit required in Rule 8 hereof, and in addition thereto making a special deposit in amount equal to the net balance in dispute. Upon settlement of the disputed account, the balance, if any, due the applicant or customer or member of applicant's or customer's household shall be promptly repaid, together with accrued interest at the rate of seven percent (7%) per annum.

RULE 13

Discontinuance or Suspension of Service for Reasons Other Than Nonpayment of Service Bill

Service may be refused or discontinued for any of the reasons listed below. Unless otherwise stated, the customer shall be allowed a reasonable time in which to comply with the rule before service is discontinued. No service shall be disconnected on the day preceding a day or days on which the Utility's business office is closed, except as provided in (1)-(4) below.

- (1) Without notice in the event of a condition on the customer's premises determined by the Utility to be hazardous.
- (2) Without notice in the event of customer use of equipment in such a manner as to adversely affect the Utility's equipment or the Utility's service to others.
- (3) Without notice in the event of tampering with the equipment furnished and owned by the Utility.
- (4) Without notice in the event of unauthorized use.
- (5) For failure of the customer to permit the Utility reasonable access to its equipment for inspection, securing of meter reading, etc.
- (6) For violation of and/or noncompliance with the Utility's rules on file with and approved by the Commission.
- (7) For failure of the customer to fulfill his contractual obligations for service and/or facilities subject to regulations by the Commission.

In the event service is disconnected due to a hazardous condition through no fault of the customer, the reconnect charge will not apply

RULE 14

Joint Operation

- (1) Where a Utility provides two or more kinds of service, or a service and goods, or engages in non-utility enterprises, suitable records shall be maintained so that the service or goods rendered to each operation can be accurately determined. No regulated service shall be discontinued for non-payment of non-regulated services or goods. If a utility engages in the non-regulated provision of service or goods, such billing shall be itemized.
- (2) Any utility billing a customer for regulated and non-regulated service or goods on the same account shall apply all payments to that portion of the bill pertaining to regulated services until same is paid in full, unless customer indicates otherwise to the Utility. Any unpaid amounts on the non-regulated portion of the bill shall not be brought forward as a basis for disconnecting the regulated utility service.

RULE 15

Overbilling and Underbilling

- (A) Whenever a meter in service is found, upon test made by the Utility or Commission, to be in excess of two percent (2%) fast or slow determined by the average error or other method prescribed by the Commission, adjustments to customer's bills shall be made as follows:
 - (1) Adjustments for inaccuracies in billing shall be limited to the most recent thirty-six (36) month period.
 - (2) If the date meter first became inaccurate can be definitely ascertained, an adjustment shall be made for the incorrect amount charged since said date in the most recent thirty-six month period, over or under what the billing would have been had the meter registered with 100 percent accuracy.
 - (3) In all other cases adjustments shall be calculated by adjusting the customer's metered consumption for the most recent 36-month period by the application of the percentage of error related to 100 percent accuracy as determined by a current test. The rates effective during said 36-month period shall be applied to this adjusted consumption and the difference between the amount so obtained and the actual billing shall be adjusted to the customer.

- (4) Refunds shall be made either as a credit to the customer's next monthly bill or in a lump-sum payment within forty-five (45) days of confirmation of inaccurate billing, such method of refund to be mutually agreed upon by the Utility and the customer.
 - (5) In the event the inaccuracy results in the customer having underpaid for utility service, no backbilling shall be allowed without prior written notification to the customer by the Utility. Such notice shall inform that the customer shall be given the option of repayment of amount due in monthly installments equal to the period of said underbilling, or by any other mutually agreeable arrangement, except in cases of proven tampering and/or unauthorized use.
 - (6) If the inaccuracy is due to proven tampering and/or unauthorized use, the 36-month limitation as stated in Rule 16-A(1), (2), and (3) will not apply.
- (B) Inaccuracies in billing for telephone service shall be handled in accordance with Telephone Rule 5.
 - (C) Inaccuracies in billing for electric service shall be handled in accordance with Rule E-15, Special Electric Rules of the Alabama Public Service Commission.

RULE 16

Interruptions of Service

Each utility shall make reasonable efforts to avoid interruption of firm service, but when interruptions occur service shall be re-established within the shortest time practicable, consistent with safety.

- (A) Each utility shall keep records of interruptions of firm service on its primary distribution system and shall make an analysis of the records for the purpose of determining steps to be taken to prevent recurrence of such interruptions. Such records shall include the following information concerning the interruptions:
 - a. Cause
 - b. Date and time
 - c. Duration
- (B) The log for each unattended substation/regulator station must also show interruptions which require attention to restore service with the estimated time of interruption.

- (C) Planned interruptions of firm service shall be made at a time that will not cause unreasonable inconvenience to customers and shall be preceded, if feasible, by at least a two (2) day notice to those who will be affected.

RULE 17

Production and Inspection of Books or Records of Utilities

Upon request of the Commission, its authorized representatives, or employees, every utility, its officers and agents shall make all or any part of its books, records, accounts and documents available at its principal office or at a business office in this State as specified by the Commission, for examination and inspection, whenever the Commission may deem it in the public interest that such examination or inspection should be made.

RULE 18

Maps

Each utility shall keep and maintain adequate maps of its distribution system, showing the size and location of each generating or producing facility or district regulator, street valve, substation, and transmission line, together with such other information as will enable the utility promptly and accurately to advise prospective customers and others entitled to inquire as to its facilities available for serving any locality.

Telephone companies shall file maps in accordance with Telephone Rules 3 and 12.

RULE 19

Retention of Records

Unless otherwise authorized, the records required herein, including all books and records required by the Uniform System of Accounts prescribed for utilities, shall be preserved for the period of time specified in the current publication of the Federal Energy Regulatory Commission regulations to govern the preservation of records of electric, gas, and water utilities.

RULE 20

Posters

Every utility under the jurisdiction of this Commission is prohibited from allowing posters to be attached to utility poles.