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AN OPEN LETTER TO THE ALABAMA PUBLIC SERVICE COMMISSIONERS

Twinkle Andress Cavanaugh, President
Jeremy H. Oden
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A CALL FOR TRANSPARENCY, ACCESSIBILITY, AND PUBLIC PARTICIPATION

The League of Women Voters of Alabama is a nonpartisan organization promoting active and informed citizen participation in government. We strongly support transparency in all levels and forms of government to provide citizens their rightful access to information regarding the formation of policies, ordinances, and other positions taken by our elected and appointed officials.

The LWVAL appreciates the role of the PSC in safeguarding Alabamians' interests in regulating our three investor-owned utilities. Our average residential electricity bills in 2011 were second only to Hawaii, and our natural gas prices were twice those in our similarly sized neighboring states, Georgia and Mississippi.

Consumers served by our investor-owned utilities pay them a much higher profit for shareholders than the average allowed by PSCs in other states. Our regulated electricity and gas utilities are guaranteed between 13.0 and 14.5% return on common equity and have been since 1982, as other electric utilities' average returns have been lowered with the changing times - from 12.62% in 1990 to an average of 10.18% in 2012.

Several questions have been raised in the press recently regarding Alabama's higher natural gas transportation tariff charges, individual and business utility rates, and operation and maintenance expenditures as compared to our neighbors. These differences may be appropriate, but citizens of Alabama have had no way of knowing.

Questions have also been raised regarding the accessibility of gas utility "books", and whether and by what means consumer involvement on a regular and formal, as well as informal, basis should be increased.

We commend Commissioner Dunn's reported proposal that the Commission hold a formal public hearing on utility rates, ending the 30-year exclusion of interested parties from access to and involvement in decisions about our electricity and natural gas prices and plans. We urge the new Commission under President Cavanaugh's leadership to choose to shine more light on the PSC process. You have the opportunity, if not the obligation, to improve Alabamians' accessibility and participation in utility planning and rate setting.

Finally, we encourage the PSC members and all Alabamians to participate in 2013 with the Energy Division of the Alabama Department of Economic and Community Affairs in developing our first comprehensive State Energy Plan.

On behalf of transparency and citizen participation,

Kathryn Byrd, President
League of Women Voters of Alabama