



GPSC News

Volume 7 Issue 1

Winter 2008

Commission Issues Georgia Power Rate Decision

Rate Case Decision
 *\$675 million decrease in Company request
 \$323 million increase in rates
 *Stable rates for three years

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The Commission voted 3 to 2 December 18 to approve a settlement in the Georgia Power Company rate case. This settlement reduces the company's original rate increase request by over \$675 million and means the average Georgia Power residential monthly bill will rise by \$5.24 in 2008 but the rates will remain the same through 2010. The Commission Public Interest Advocacy Staff, the Company, the Governor's Office



of Consumer Affairs and \$638 million for (which represents resi- 2010. Under the Com- pany's proposal, by nesses) and other par- 2010, the typical house- ties had signed the hold would have paid agreement. \$10.29 more per month. The Company had re- The approved settlement requested an increase of will increase Georgia \$406 million in 2008 Power base rates \$99.7 with additional increases of \$597 million for 2009

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Eaton Assumes Duties as Commission Chair

Commissioner Chuck Eaton January 15 began a one-year term as Chairman of the Commission for 2008. The Commission Chairmanship is rotated annually among the five Commission members based on Georgia law and Commission rules. Eaton is in the second year of his first six-year term on the Commission. He was first elected in December 2006 as one of only two



Commissioner Chuck Eaton

statewide Republican candidates in the entire country to beat an incumbent during that election year. Commissioner Eaton's complete biography is on the Commission web site, www.psc.state.ga.us. Chairman Eaton announced that Commissioner Doug Everett will serve as vice-chairman and made the following committee assignments:

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2008 Legislature Underway

The 2008 Georgia General Assembly opened January 14 under the Gold Dome with water, taxes and transportation the big issues facing the Representatives and Senators. As of this writing, the Commission has appeared before the House Budget Subcommittee on Economic Development on its Amended Fiscal Year 2008 budget request. The Commission is not requesting any new funding at this time in the AFY 2008 budget.

The Governor's FY 2009 Budget provides an additional \$99,625 to the Commission for consultants and outside experts. The Commission, operating under Office of Planning and Budget



guidelines, had requested a \$200,000 increase for these experts to handle some of the complex proceedings the Commission will handle

budget for FY 2009 includes a 2.5% pay raise for state employees beginning January 1, 2009 and a 2.5% raise for public school teachers beginning September 1, 2008. The budget also includes an increase in health care premiums of 7.5%.

The House and Senate held joint budget hearings the week of January 22 listening to budget requests from the larger state agencies. It is expected that the House will pass the Amended Budget in early February.

The session by law can only meet for 40 days. Last year's session ended on April 20, 2007.

in FY 2009.

The Governor's recommended

If you have a story for the next GPSC News, please send to Bill Edge, bille@psc.state.ga.us. Next issue deadline is April 16, 2008.

Georgia Power Rate Case Decision

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million annually and establish an environmental recovery tariff that would allow the Company to collect another \$222 million per year to recover costs of environmental controls required by state and federal regulations.

Other terms of the settlement include:

1. Sets the Company's rate of return at 11.25%. If the Company earns in excess of 12.25%,

one-third of the excess earnings will be credited to the Environmental Recovery Costs with the remaining two-thirds used for rate reductions for all customer classes.

2. A pilot program initially involving about 1,000 Georgia Power residential customers that will allow Georgia Power residential customers to save money and control their energy costs through Critical Peak Pricing

(CPP). CPP is a Time-of-Use (TOU) rate design with a "floating" critical peak period.

The pilot program is a first for Georgia residential customers.

The Company filed its rate request with the Commission on June 29, 2007. The Commission held three rounds of hearings in October and November of this year. The new rates took effect on January 1, 2008.

Commissioner Eaton New Chair

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Commissioner Stan Wise will chair the Telecommunications Committee, Commissioner Robert B. Baker, Jr. will chair the Energy Committee, and Commissioner Doug Everett will chair the Transportation

Commission Approves New Natural Gas Marketer

The Commission January 2 approved Constellation NewEnergy-Gas Division LLC (Constellation), Docket Number 25425, as a certified natural gas marketer in the state of Georgia. Constellation plans to serve commercial and in-

dustrial customers in Georgia, according to its filing on June 20, 2007 with the Commission. The Louisville, Kentucky based company currently serves commercial and industrial customers in 28 states and two Canadian provinces.

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Commission Adopts Open Hearing Rule

The Commission August 21 adopted an Open Hearing Process rule, also known as "Ex Parte Rule". While the rule the Commission adopted is not as strong as the version originally proposed by Commissioner Angela Elizabeth Speir, she called it "a good first step towards insuring that Commission decisions are made based solely on the evidence in the record, not based on back-room deals or 'off the record' conversations." The final rule approved is a result of Commissioner Speir's second attempt to get the Commission to adopt an ex parte rule. She first proposed an ex parte rule two years ago that failed to win

approval.

The Open Hearing Process rule as adopted puts limits on ex parte communications once the record in a contested case is closed. An ex parte communication is a communication by one party with a Commissioner about a case without the other parties to the case being present or having the opportunity to respond and without members of the public being able to know what was said.

Commissioner Speir added, "Prohibiting these 'off the record' conversations during the critical decision making phase of the process is of crucial importance to the integrity and fair-

ness of the process. This rule isn't perfect, but it is a big step in the right direction for open government. Georgians deserve to have confidence in the decisions of their elected Representatives on the Commission. I am optimistic that this rule will go a long way towards restoring the public's confidence that the Commission's decisions are fairly decided and are based on what was said in the open hearing room—not behind closed doors."



Commissioner Speir Votes No on Georgia Power Case

Commissioner Angela Elizabeth Speir voted against the increase in Georgia Power rates December 18. In her statement following the vote she said, "the Commission set rates today that are much higher than they should be."

Speir noted that these higher rates will remain in effect through 2010. This settlement would increase the average resi-



Advocacy Staff had filed testimony in the case that the Company's current rates should not be increased at all. Instead, the

dential customer's bill by about \$5.23 a month. However, she noted that the Commission's Public Interest

Staff had testified that the rates should be reduced \$20 million per year.

"The biggest single factor in this unnecessary rate increase is excess profit," said Speir. "The Company is entitled to a reasonable return on its investment, no more and no less. In today's decision, the Commission approved a return on equity (ROE) of 11.25% for the

Company, and that is simply too high."

"During the hearings on the rate case," Speir said, "the Public Interest Advocacy Staff testified that an ROE of 10.25% would allow the Company to earn a reasonable return. Currently, the average ROE's being awarded to electric utilities nationwide are 10.0% to 10.25%, and Georgia Power is a lower risk company

than the average electric utility. The difference between an ROE of 10.25% and 11.25% is \$100 million for each of the 3 years of the settlement order – that is \$300 million! It is simply unreasonable to ask rate-payers to give the Company an extra \$300 million more than is necessary for the Company to earn a reasonable return."

"Another problem I have with

the settlement order – and this one may be small from the standpoint of the Company's revenue requirement, but it is very big from the standpoint of the affected customers – is that while it raises the average residential bill by over \$5.00 per month (the estimate is \$5.23 at 1000 kWh), it does nothing to raise the senior citizen low-

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Commission Approves Stipulation on Georgia Power Company's Integrated Resource Plan

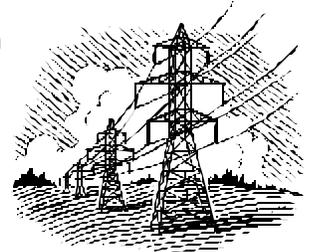
The Commission July 7 unanimously approved a stipulated agreement resolving all contested issues in Georgia Power Company's 2007 Integrated Resource Plan. Eleven of the 18 parties—ranging from groups representing residential and industrial customers to groups representing independent power producers and energy conservation proponents—agreed that the stipulation fairly balanced the positions of the parties when taken as a whole. This compromise was reached

after extensive negotiations. The two most contentious issues were the Company's request for a waiver from the Commission's competitive bidding process for new power plants and its demand-side management (DSM) programs.

Under the agreement Georgia Power will still have to issue a Request For Proposals (RFP) for the base load generating plant needed in 2016 and 2017, but it can use an accelerated schedule. The RFP will be issued in November 2007 and the Commission will make its decision certifying the cost and type of

generating plant in December 2008. Construction can begin in 2009.

A variety of new energy efficiency programs were approved through this stipulation. The DSM Working Group will study the methodology used to calculate the savings from the various DSM programs and within 60 days the Company will apply for national certification of its Green Energy Program.



Commissioner Wise Calls for Program to Save Electric Customers Money

Commissioner Stan Wise says Georgia Power consumers will save money and control their energy costs through a pilot program with real-time pricing rates for residential consumers included in the December 18 Georgia Power Company rate case settlement. Commissioner Wise



proposed the pilot program earlier this year. Real-time pricing programs encourage consum-

ers to take advantage of lower rates by shifting energy consumption to periods when rates are lowest. Consumers who enroll in the pilot program use a special meter that records electricity consumption at hourly intervals. Georgia Power alerts consumers to limit usage during hours when electricity rates are

higher by sending price signals via phone or electronic mail the preceding day.

The pilot will begin in the summer of 2008 and initially include as many as 1000 customers. The \$2 per month administrative fee will be waived during the pilot program. Once the RTP program becomes permanent there will be a \$2 per month fee during the months of June through September.

Under Commissioner Wise's proposal, the consumer is rewarded for shifting consumption, but is no worse off if they do not respond. Consumers would not be charged a higher rate for electricity usage than they pay now, but would receive a rebate if electricity is curtailed during peak periods.

"Consumers are not sensitive to cutting power during peak peri-

ods because our regulatory system insulates them from what is happening on the power grid," said Wise. "If we encourage even a small percentage of customers to participate in real-time pricing, it will have a significant impact on reducing power spikes during peak demand, which reduces the stress on the entire

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Commission Urges Natural Gas Customers to Check Rates

The Commission is urging consumers on a variable rate plan to see how their rate compares as many customers are paying unnecessarily high rates and could save as much as **\$50** or more.

The PSC' web site chart has been updated to better show how the rate existing customers are paying compares to other options. Depending on the marketer used, the bill of a typical residential natural gas customer using 141 therms in January 2008 month ranges from **\$173.16** (Fireside Natural Gas) and

\$180.06 (Coweta-Fayette EMC Natural Gas) to **\$224.81** (Georgia Natural Gas' Market Variable Plan) and **\$227.80** (SCANA Energy's Standard Variable Plan). That is **\$50** or more for one month!

Some marketer variable rate plans started customers out at a competitive price; but, over time, the prices have increased and the plans have become less and less competitive. So, even consumers who shopped around when they initially signed up for their variable plan need to compare the prices they are being charged today.

Different marketers charge very different prices. In addition, the prices that some marketers charge their long-term customers may be much higher than the prices charged to their newer customers. So, even switching plans within the same marketer can save a consumer money. Marketers that charge existing customers higher per therm rates than the current standard variable rate generally will not switch a consumer to this lower cost plan unless expressly asked to do so.

Commission Approves Hearing Aid Distribution Program

On November 1, 2007, the Commission began funding hearing aids for up to 880 low-income Georgia residents at an annual cost of \$504,000. This funding follows the Commission's August 7 approval of a plan to implement the provisions of HB 655 that allow the distribution of hearing aids to lower income Georgians. This bill, sponsored by Rep. Bob Smith (R-Watkinsville), added

"other hearing technology" to the list of acceptable uses of the Telecommunications Relay Fund (TRS), which already includes relay service, reading services for the blind, and distribution of telecommunications equipment.

The Commission will be contracting with Georgia Lions Lighthouse Foundation, a non-profit organization that has provided hearing aids to low-

income Georgians for over 30 years. The Foundation currently partners with two hearing aid manufacturers and maintains a network of over 75 audiologists throughout the state.



Speir Votes No on Georgia Power

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income discount. Any increase in rates should have been matched by an increase in the senior citizen low-income discount."



Wise on Consumer Pricing Program

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system and brings down prices for all of us."

The pilot program would be a first for Georgia residential customers. Industrial and large commercial customers in Georgia have benefited from real-time pricing since the mid 1980's.

"Technology has made the meters affordable for residential applica-

tion and the Internet can now provide households with the hourly price of power. The consumer will know when power supplies are tight and expensive and when they are plentiful and cheap," said Wise.

The state of Illinois initiated a similar residential pilot early last year.

Add New Home and Cell Phone Numbers To The No Call Registry

To avoid unwanted telemarketing calls, the Commission reminds customers to add their new home and cell phone numbers to the No Call List.

In 1999 Georgia established a No Call List but in October 2003 combined the Georgia No Call List with the National Do Not Call Registry maintained by the Federal Communications Commission (FCC) and the Federal Trade Commission (FTC). At that time, all 445,000 phone numbers on Georgia's list were automatically placed on the national registry. The 5-year subscrip-

tion for these numbers will end in June 2008.

To prevent your number from being dropped from the list next year, residential and wireless telephone customers can renew or register their phone numbers free of charge by calling toll-free 1-888-382-1222 or going online at www.donotcall.gov. (You must call from the telephone number that will be registered with the list.)

The expiration date for customers who registered their numbers directly with the National Do Not Call Registry is 5 years from the date of registration. To verify their expiration date,

customers may log on to www.donotcall.gov and click on the "Verify a Registration" button. Enter the phone number and an e-mail address and a verification e-mail will be sent with the expiration date. Customers may also call 1-888-382-1222 and select Option 2 to verify registration.

Telemarketers are required to update their solicitation lists using the Do Not Call registry every 31 days. The Do Not Call registry is enforced by the FTC and the FCC.



CapTel® Service Starts This Year

The Commission August 21 approved a plan to implement captioned telephone (CapTel®) service beginning this year. This service allows individuals with hearing loss to view word-for-word captions of their telephone conversations. The Commission will contract with Hamilton Telecommunications, Georgia's current relay service provider, which manages CapTel® ser-

vice in 12 other states.

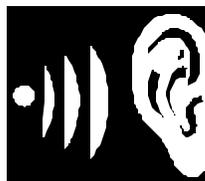
Under the plan, no fixed or per minute charges will apply on local calls to users of the service; instead, the service will be funded through the Telecommunications Relay Service (TRS) Fund, which is also used for Relay Service, reading services for the blind and the distribution of hearing aids and specialized telecommunications equipment. Under Georgia law, the TRS Fund is

supported by a monthly surcharge of \$.05 on all residential and business telephone lines in the state. Similar to a traditional telephone, a CapTel® phone allows hard of hearing callers to talk and listen to individuals using a traditional phone. While listening to the voice of the other party, the CapTel® phone also allows the user to read word-for-word captions of the other party's conversation on the CapTel® phone's built-in screen.

Captions are provided by special voice-recognition technology, converting speech into text that appears almost simultaneously with the spoken word.

Phones capable of displaying captions are available through the Georgia Telecommunications Equipment Distribution Program administered by the Commission. The Georgia

Council for the Hearing Impaired is under contract with the Commission to provide financially and medically qualified applicants with specialized telecommunications equipment, training and repair services.



New Marketer Approved

(Continued from page 2)

The Commission also approved the assignment of the telephone prefix 2-1-1 to the United Way of the Coastal Empire in McIntosh County in southeast Georgia. United Way will use the 2-1-1 to provide comprehensive information and referral services at no cost to telephone users.

Employee News

New Employees

Welcome to the folks who have joined the Commission over the past few months.

Barbara Wolfe (Assistant to Commissioner Everett)

Terry Pritchett (Fiscal Office)

Samir Ahmed (IT, former contractor)

Daphne Jones (Gas)

Tara Surratt (Gas)

Robert Trokey (Electric)

Yolanda Clay (Consumer Affairs, former TRC temp)

Christopher Swann (Consultants)

Brenda Hogans (Transportation)

Donald (Jeff) Baggett (Pipeline Safety)

Joshua Lairsey (Pipeline Safety)

Samuel Yarley (Pipeline Safety)



Promotion

Danny McGriff, promoted to Unit Director of the Facilities Protection Section.

Graduate

Congratulations to **Amanda Morgan Ellis** who received a Doctor of Philosophy in Entomology from the University of Georgia on December 15, 2007. Amanda is the daughter of **Bruce Morgan**.

Births

To **Samir Ahmed**, IT Department, and his wife Rana, a daughter Zeena Maryum Ahmed, on December 27.

To **William Upshaw** and his wife a daughter, Abigail Olivia Upshaw, on December 31.



Sympathy

Our sympathy goes to **Lillian Johnson** on the passing of her mother, Lillian B. Ector on November 18, 2007.

We mourn the loss of co-worker **Nakeisha Bowman** who passed away October 22, 2007.

Nakeisha had worked at the Commission in Consumer Affairs since 2002.



Farewell

Farewell to **Tracy McGoughy**, Operations Analyst in the Consumer Affairs Unit who left December 19. She had worked at the PSC for the past five years.

Best wishes to **Ralph Stamp** who retired November 29 following 18 years with the state and the Commission. Ralph was a Utilities Analyst who worked on many rate case.



Commissioner Wise Celebrates Birthday

Commissioner Stan Wise treated staff to lunch January 16 to celebrate his birthday.



PIO Returns

Bill Edge, the Commission's Public Information Officer and Legislative Liaison, returned November 1 from active duty in Iraq. Bill is a member of the Navy Reserve.



Commission News



Georgia State Holidays For 2008

Commission Calendar



New Year's Day	January 1
Martin Luther King, Jr. Birthday	January 21
Confederate Memorial Day	April 28
Memorial Day	May 26
Independence Day	July 4
Labor Day	September 1
Columbus Day	October 13
Veterans Day	November 11
Thanksgiving	November 27
Robert E. Lee Birthday	November 28
Christmas	December 25
President's Day	December 26

February

5-Administrative Session
14-Committees
19-Administrative Session
28-Committees

March

4-Administrative Session
13-Committees
18-Administrative Session
27-Committees

Commission Calendar

April

1-Administrative Session
10-Committees
15-Administrative Session
31-Committees

May

6-Administrative Session
15-Committees
20-Administrative Session
29-Committees

NARUC

Winter Meeting 2008

February 17-20, 2008
Washington, D.C.

Summer Meeting 2008

July 20-23, 2008
Portland, OR

Annual Convention 2008

November 16-19, 2008
New Orleans, LA

SEARUC

Annual Meeting 2008

June 1-4, 2008
Savannah, Georgia

GPSC ONLINE:

www.psc.state.ga.us



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