



GPSC News

Summer 2011

Volume 10 Issue 3

- *Resolves Risk Sharing Mechanism
- *Company Agrees to reviews of expenses
- *Commission retains authority to review all expenses

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**Next Issue
November 2011**

Commission Approves Settlement in Georgia Power Plant Vogtle Construction Report

The Commission August 2 unanimously approved an agreement in the Georgia Power Plant Vogtle Construction Monitoring docket that settles a nearly two year old issue on cost over runs during construction of the two new nuclear reactors near Waynesboro, Georgia.

Commission Chairman Stan Wise said, "Any expenditure by Georgia Power Company is subject to this Commission's review for reasonableness and prudence. That's the hammer and the most important tool this Com-



mission has. We get to the Commission Staff look at these expenses agreed to withdraw its all the way to 2016 and support for its proposed 2017."

In exchange for the Commission also approved a consent agreement to resolve issues stemming from a natural gas pipeline explosion on September 28, 2010 in the city of Cairo, Georgia that resulted in one fatality. The Commission also approved a consent agreement to resolve issues stemming from a natural gas pipeline explosion on September 28, 2010 in the city of Cairo, Georgia that resulted in one fatality. The Commission also approved a consent agreement to resolve issues stemming from a natural gas pipeline explosion on September 28, 2010 in the city of Cairo, Georgia that resulted in one fatality.

Commission Cuts Georgia Power Fuel Rate

The Commission on May 24 voted 4-1 to reduce Georgia Power Company's residential customer fuel cost recovery rates by 64 cents a month. These rates are used by Georgia Power Company to recover the cost of fuel used to generate electricity. Georgia Power Company requested, and the Com-



missioners agreed, that residential customer, one the fuel cost recovery who uses 1,000 kilowatt rates be lowered by an hours. A majority of average of 64 cents per Commissioners approved month for the typical

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Legislative News **Commissioners Visit North Georgia Area Hit by Tornado**

The state ended the 2011 fiscal year on a positive note, with a revenue growth rate of more than eight percent compared to FY 2010. June's revenue collections were up \$1.1 billion or eight percent compared to June last year. The legislature is scheduled to return on August 15 for a Special Session to redraw the state's Legislative, Congressional and Public Service Commission districts in the decennial redrawing following the release of the new U.S. Census figures. As a result, Georgia will gain one additional seat in the U.S. House of Representatives.



Commissioners Doug Everett and Lauren "Bubba" McDonald, Jr. visited Catoosa County and

Ringgold, Georgia on May 3 to inspect the horrific damage inflicted on that community during the April 28 tornadoes. The Commissioners met with officials of Ringgold Telephone Company and toured the damaged areas in Ringgold and Catoosa County.

If you have a story for the next GPSC News, please send to Bill Edge, bille@psc.state.ga.us. Next issue deadline is October 15, 2011.

Commission Reduces Georgia Power Fuel Rate

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Commissioner McDonald's motion to adopt the proposed rates to allow recovery by the Company of replacement fuel cost resulting from unplanned outages and to provide that \$5.5 million in proceeds from a legal settlement be used to offset the unrecovered fuel cost balance.

On March 1, 2011, Georgia Power

Company filed an application to adjust its fuel cost recovery rates under Docket Number 33302. The Commission held a hearing on May 9, 2011, to take evidence and to hear testimony by all interested parties. Witnesses testified to a variety of issues relevant to setting appropriate fuel cost recovery rates, including:

- Whether actions leading to the unplanned nuclear plant outages and fossil-fueled plant outages were clearly imprudent.
- Whether three-part time of use (TOU) fuel rates should be implemented.
- The appropriate amortization period for the unrecovered fuel cost balance.

Forecasted cost of fuel and sales for the next year and a half. Georgia law allows electric utilities to recover prudently incurred fuel costs on a dollar for dollar basis (O.C.G.A. §46-2-26), but they are not allowed to make a profit on their fuel costs. The new fuel rates will take effect with bills beginning June 1, 2011.

Commission Sets Hearing in Telecom Complaint Against Halo Wireless

The Commission June 23 approved an Expedited Procedural and Scheduling Order to hear testimony on TDS's complaint that Halo Wireless, Inc., Transcom Enhanced Services, Inc., and other affiliates, have failed to pay intrastate access charges and are not

certificated by the Commission to operate a telephone system or to provide telecommunications services within the State of Georgia. TDS Telecom is complaining on behalf of Blue Ridge Telephone Company, Camden Telephone

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Commission Holds Renewable Forum

More than 100 people gathered on July 11 at the State Capitol to hear experts from industry, financial markets and the renewable energy field take part in the Georgia Renewable Forum.

Commissioner Lauren "Bubba" McDonald, Jr. presided over the Forum inside the historic Appropriations Committee Room at the Capitol.

The audience heard from Jeff Burleson, Vice-President of System Planning for the Southern Company; Rich Wolf, Vice-President and Investment Analyst for the



Commission Chairman Stan Wise welcomes participants to the Forum



Audience fills the room during the Forum

Capital Group; and Ryan J. Pletka, Project Manager for Black and Veatch in the company's San Francisco office. Burleson outlined the Integrated

Resources Plan the utility is required to file every three years. Pletka noted that renewables as a total mix of U.S. electric generation had doubled since 1990.



Commissioner McDonald presides over the Forum

Wolf said that from the investor sector, solar energy is the investment choice. He expects solar price per kilowatt hour to drop to \$1.10 by 2015. Also in attendance was Representative Don Parsons, Chairman of the House Energy Committee and Representative Karla Drenner, a longtime supporter of renewable energy and member of the Committee.



Other panelists listen as Investment Analyst **Ryan Pletka** makes his presentation

Gibson Named as Consumer Affairs Manager

The Commission May 3 named **James D. Gibson** as Manager of the Consumer Affairs Group. Mr. Gibson came to the Commission in April 2000 as an Information Referral Specialist. He was promoted to Consumer Analyst One in 2001 and to Consumer Analyst Two in 2002. He previously had been



James Gibson

with Atlanta Gas Light Company for more than 20 years where he held positions as a Credit Department Representative, Customer Service Representative and Customer Service Supervisor. He holds a Bachelor of Arts Degree from Georgia State University.

Nantz Named to Head Facilities Protection

The Commission May 3 unanimously approved the appointment of **Michael C. Nantz** as the new director of the Commission's Facilities Protection Unit. Mr. Nantz will replace outgoing Director Danny McGriff, who is retiring after more than 31 years of service with the state.

Mr. Nantz has wide experience in the state regulatory arena. Prior to joining the Georgia Public Service Commission, he served more than 12 years with the Kentucky Public Service Commission where he held various staff positions which included working in the Pipeline Safety Division. He joined the Georgia



Commission in January 2003 and in July 2009 became Director of the Consumer Affairs Section. He graduated from Francis Marion University in Florence, South Carolina.

"We are pleased to be able to promote someone with the caliber of Mr. Nantz's credentials to head our vitally important Facilities Protection Unit," said

Commission Chairman Stan Wise. "This Unit carries tremendous responsibilities for protecting the citizens and the underground infrastructure of our state. We look forward to Mr. Nantz carrying our Facilities Protection Unit to the next level. The Facilities Protection Unit is responsible for protecting the public and environment from accidental release of natural gas or other liquid products by incorporating a technologically advanced compliance program that promotes educational standards for the industry and contributes to the health and security of Georgia."

Everett Applauds Atlanta Gas Light CNG Filing

Commissioner Doug Everett applauded Atlanta Gas Light Company for its May 1 filing of a plan for Compressed Natural Gas fueling stations in Georgia. "Last summer, I called on Atlanta Gas Light Company to develop a plan to stimulate investment in compressed natural gas vehicles and CNG fueling stations throughout Georgia. I



believed then and continue to

believe now that Georgia will attain many long term benefits from investing in CNG infrastructure. Georgia has the opportunity to become the leading state in the Southeast by establishing a statewide CNG network. Also, investing \$11 million from the USF can produce an additional \$10 million - \$20 million in private investment in CNG stations,

and significantly more as fleets add new CNG vehicles. Use of the USF to stimulate private investment in fleets and stations is one more step this commission should consider to help improve Georgia's recessed economy.

There is a current one-time surplus in the Universal Service Fund which can be used to seed important private investment

while placing no additional costs on AGL's current customers.

While I shall withhold passing judgment on the plan filed by Atlanta Gas Light today, I am very pleased that the process we began last September has resulted in a significant level of interest from the potential CNG retailers, fleet owners and the general public. Following a thorough examination of this proposal, I am con-

fidant we can begin to see investments being made in Georgia by the end of 2011."

The Atlanta Gas Light plan is filed under Docket 32499.

The Commission is scheduled to issue a decision on this in the fall.



Atlanta Gas Light

McDonald Calls for More Solar Energy Projects

Commissioner Lauren "Bubba" McDonald, Jr.

on June 7 called on Georgia Power Company and the staff of the Commission to present to the Commission options on the expansion of large scale solar energy projects in Georgia within 30 days.

"I have been and continue to look for ways to encourage the development of solar energy in the state of Georgia," McDonald said. "As part of an overall portfolio mix, I believe solar energy can serve as a reliable source of clean energy and a hedge against volatility in the



price of fossil fuels. As the cost of solar energy continues to decline, Georgia Power and this Commission should be prepared to move toward the inclusion of more solar energy in Georgia Power's re-

source mix."

McDonald added that one option would be to carve out additional capacity for solar energy from the Georgia Power 2015 Request For Proposal (RFP) seeking additional electric generation capacity. He added that another option would be an amendment to Georgia Power's Renewable Action Plan that would allow for the possibility of including solar energy through a Purchased Power Agreement. (PPA) Commissioner McDonald was elected to the Commission in December 2008. He previously

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Commissioners View Natural Gas Pipeline Safety Drill

Commissioners Stan Wise and Doug Everett

got an up close and personal look at a natural gas pipeline explosion safety drill on May 11, 2011 in Cobb County. Atlanta Gas Light Company teamed up with Cobb County and Kennesaw city officials to sponsor the training evolution.



AGL officials brief Commissioner Wise on the safety drill

The drill which is required of natural gas companies every year was designed to test preparedness of all agencies involved in resolving natural gas line breaks.

For the simulations, Kennesaw police and Cobb County Fire and Emergency Services responded to a 911 call. According to the call, a con-

tractor broke a weld where a 12-inch gas line met a 24-inch line while digging Cobb International Boulevard. City and county responders and gas company officials reacted to the drill as if it were a real incident.

Commissioner Wise said the "call before you dig laws have made a difference in the num-



Commissioners Wise and Everett discuss the safety drill

ber of gas line incidents reported to the state.

"There's still always a chance of an incident and that's why we have these drills," Wise said.

The Commission's Pipeline Safety program is ranked among the top five programs in the nation.

Echols Holds Summit with Charter Bus Operators

Commissioner Tim Echols June 9 hosted representatives from more than two dozen charter bus transportation companies and the City of Atlanta Bureau of Taxis and Vehicles for Hire in order to explore ways to better protect Georgia consumers from illegal or "rogue" operators. "Charter companies that operate without the proper insurance and certification not only put their passengers at risk but they hurt legitimate businesses run by hard working families throughout our state," said Com-

missioner Echols. "It is my hope that by building this relationship with our legitimate transportation companies we can better educate



Commissioner Echols Meets with bus operators

local law enforcement, school principals, fraternities, sororities, youth pastors and many others who charter buses to ensure that they are using companies who are registered with the Public Service Commission. All of us at the Commission are concerned with the safety of Georgians and are working hard each and every day to ensure that these individuals and organizations are protected."

Under current Georgia law (O.C.G.A. §§ 46-7-2, 46-7-3,

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Commission Warns Consumers About Two Bus Companies

The Commission on June 23 posted consumer warnings on its web site about two Georgia based charter bus companies which received cease and desist orders from the Federal Motor Carrier Safety Administration. FMCSA issued the orders to H & W Tour Inc. of Doraville, Georgia, and to JCT Motor Coach of East

Point, Georgia after finding the companies posed an imminent hazard to public safety.

The federal cease and desist order was issued following a compliance review by Federal Motor Carrier Safety Administration (FMCSA) inspectors that found that the companies' transportation of passengers

without federal operating authority and without the required level of insurance.

According to the FMCSA, H&W Tour: 1. failed to conduct pre-employment drug tests on its drivers and failed to institute a random drug and alcohol testing program as required by federal regulations; 2. failed to ensure

that its drivers comply with hours-of-service requirements, records of duty requirements and driver qualification requirements and; 3. buses were not properly inspected, maintained or repaired by the company as required by federal regulations. The FMCSA Imminent Hazard Out-of-Service order stated, "Individually and cumulatively, these violations and conditions of operation substantially increase the likelihood of serious

injury or death to H & W Tour drivers, passengers and the motoring public." The order directed the companies' buses currently on the road to "proceed to their next immediate destination where the passengers can be safely accommodated."

The FMCSA orders prohibit H & W Tour, Inc. and JCT Motor Coach from engaging in intrastate transportation as well of course interstate transportation.

Halo Wireless Complaint

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and Telegraph Company, Inc., Nelson-Ball Ground Telephone Company, and Quincy Telephone Company.

Halo Wireless, Inc., disputes the propriety of these charges.

The Commission will hear that testimony and cross-examination of the witnesses at a public hearing on August 9, 2011.

Employee News

Congratulations

To **Terry Pritchett** on the birth of a grandson, **Cooper Connely Rice** who was born at 9:30 pm on April 27. He weighed in at 8 pounds and 20.5 inches. Cooper has a lot of black hair. Parents Amanda and Richard are very excited and the Grandparents are elated!!



Sympathy

To **Terry Pritchett** on the passing of his mother, **Evelyn Pritchett** on May 31. The funeral was held on June 2 at Carmichael's Funeral Home in Smyrna, Georgia.

To **Bev Knowles**, former Utilities Director here at the Commission, on the passing of his mother, **Opal Knowles** on June 1. The funeral was held June 3 in McDonough, Georgia. To **Margie Conley**, Human Resources Director, on the pass-

ing of her father Harold Andrews on July 27. The funeral was held on August 1 in Newnan, Georgia.



Welcome

To **W. Mason Stahl** as a Commission summer intern. He is a law student at the University of Georgia. Mason will be working on a variety of projects during his time here.

Farewell

To **Danny McGriff** who retired effective May 1 after more than 30 years with the Commission. Danny is continuing to serve the Commission in a consultant role until October 1. A sincere **thank you** to Danny McGriff for the great job that you have done and the wonderful service that you have provided to the people of Georgia!

To **Lisa C. McKnight** who left the Commission July 1 to take a job

with the City of Lawrenceville. Lisa, known as "Critter", had been with the Commission since 2005.

To **Dan Cearfoss** who retired July 29 after 30 years with the Commission. Dan was a Chief Public Utilities Analyst overseeing many major rate cases during this time here. Co-workers and friends gathered July 26 to wish him good luck and farewell. Dan re-



Dan and his wife **Rita** listen to tributes during his retirement party

Bus Operators Summit

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46-7-85.3, 46-7-85.4 and 46-7-12) all passenger carrier companies that fall under the Commission's authority and operate within the state are required to be registered and have proof of insurance on file with the Commission.



ceived a proclamation from the Commission and a letter from Governor Nathan Deal thanking him for his service to the people of Georgia.

McDonald Calls for More Solar

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served on the Commission from 1998 to 2002 as well as serving 20 years in the Georgia General Assembly where he chaired the House Appropriations Committee.



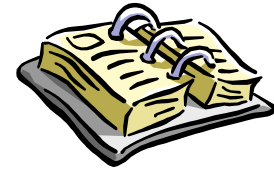
Commission News

Georgia State Holidays For 2011

New Year's Day
Martin Luther King, Jr. Birthday
Confederate Memorial Day
Memorial Day
Independence Day
Labor Day
Columbus Day
Veterans Day
Thanksgiving
Robert E. Lee's Birthday
Washington's Birthday
Christmas

January 3
January 17
April 25
May 30
July 4
September 5
October 10
November 11
November 24
November 25
December 26
December 23

Commission Calendar



August 2011
 2-Administrative Session
 11-Committees
 16-Administrative Session

September 2011
 1-Committees
 5-Holiday
 6-Administrative Session
 15-Committees
 20-Administrative Session
 29-Committees

Commission Calendar

October 2011

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

November 2011

1-Administrative Session
 10-Committees
 11-Holiday

NARUC

Annual Convention 2011
 November 13-16, 2010
 St. Louis, Missouri

Winter Meeting 2012
 February 5-8, 2012
 Washington, D.C.

Summer Meeting 2012
 July 22-25
 Portland, Oregon

SEARUC

Annual Meeting 2012
 Dates TDB
 Arkansas



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