



Summer 2012



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GPSC News

Volume 11 Issue 3

*Rate reduction of \$8 per month
*Took effect June 1
*Total reduction of \$567 million in fuel costs over two years

Commission Approves Cut in Georgia Power Rates

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There is good news for Georgia Power consumers this summer. They received a reduction beginning June 1, 2012 in the charges they pay for the cost of fuel used to generate their electricity one month earlier than scheduled. The Commission on May 15 unanimously allowed Georgia Power to implement the reduction in the Fuel Cost Recovery rate in Docket 35277. The average Georgia Power residential customer who uses 1,000 kilowatt hours (kWh) of electricity will see rates drop approximately \$8 per month.



"With so much bad news surfacing these days, it is nice to be able to say your summer electric rates won't be quite as high," said **Commission Chairman Tim Echols**. "Having a diverse energy mix that includes natural gas-fired electricity has made this possible." "Thanks to this Commis-

sion's foresight and the willingness of Georgia Power to go ahead and implement this reduction, consumers will reap the benefits," said **Commissioner Chuck Eaton**. **Commissioner Stan Wise** said, "The fiscally conservative attitude of the Commission and the willingness of the

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Transportation Unit Moves to Department of Public Safety

Effective July 1, 2012, all Transportation functions under the regulatory authority of the Georgia Public Service Commission moved to the Department of Public Safety (DPS) according to the provisions of House Bill 865. Movers carted the final pieces of of-



fice equipment from the Commission to the DPS offices on Chester Avenue in Atlanta.

The Georgia General Assembly passed H.B. 865 this year and Governor Nathan Deal signed it

Transportation Unit Moves to DPS

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State Fiscal Year Shows Positive Growth

Governor Nathan Deal reported at end of 2012 fiscal year that state revenues rose 4.8 percent. The state's net tax collections for the month of June totaled \$1.54 billion, an increase of \$39 million, or 2.6 percent, compared to June 2011. For fiscal year 2012, which ended June 30, net revenue collections totaled \$16.1 billion, which is an increase of \$742 million, or 4.8 percent, compared to the previous fiscal year. Despite softer than expected revenue collections at the end of the fiscal year, positive year-over-year growth continued for the eighth consecutive quarter;

net revenues topped out at \$4.3 billion for the fourth quarter compared to \$4.1 billion last year. The following changes within the various tax categories led to the overall net revenue increase in June:

Individual Income

Tax: Individual Income Tax collections for June 2012 totaled \$780.75 million, down from \$782.5 million in June 2011— a decrease of (\$1.75 million) or -0.2 percent.

The following notable components within Individual Income

Tax account for the decrease:

- Individual Tax Return payments were up \$14 million, or 77.5 percent
- Individual Income Tax refunds issued (net of voided checks) were down (\$9.5 million), or -16.4 percent
- All other Individual categories including Withholding payments were down a combined (\$25.3 million)

Sales and Use Tax: Net Sales and Use Tax collections for June 2012 totaled \$429 million, down from \$439 million in June 2011— a decrease of nearly (\$10 million), or -2.2 percent. The monthly Sales Tax Distribution to local governments to-

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, 2012.

Transportation Moves to DPS

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into law on May 1, 2012. DPS assumed regulatory authority for Household Goods Movers, Passenger Motor Carriers, Limousines and Non-consensual Towing.

The Transportation Unit under DPS will be located at:
Motor Carrier Compliance Division
Regulations Compliance Section

320 Chester Avenue, SE
Atlanta, GA 30316

Commission personnel who currently handle these Transportation functions will also transfer to DPS on July 1, 2012.

For Household Goods Movers: Robert West, 404-463-4355

For Limousines and Passenger Motor Carriers: Carolyn Harrison, 404-463-7741

For Non-Consensual Towing:

Brenda Hogans
404-657-1819

All web enabled functions have been transferred from the Commission web site to DPS at www.dps.georgia.gov. The Transportation link on the Commission web site will remain active for at least 90 days. However, the information there will not be updated. For new information and updates, consumers

and users should go to the DPS web site noted above.

"This move of the PSC Transportation regulation to the Department of Public Safety makes perfect sense," said **Tim Echols, Commission Chairman**. "Without guns, badges and flashing lights, we were just not in a position to enforce state law."



The final load heads to new Transportation Offices at Public Safety

Commission on YouTube

See Georgia Public Service Commission videos on YouTube, at www.youtube.com, on the Commission channel, GaPSC.

Commission Approves Grant to Train First Responders

The Commission June 7 unanimously approved an innovative program to train Georgia fire-fighters on how to respond and prevent incidents involving natural gas and liquid pipelines in Georgia. The program is funded through a \$100,000 payment by Atlanta Gas Light Company as the result of the settlement of an incident involving alleged violations of federal pipeline safety regulations in Docket 35665. The incident occurred on June 7, 2011 in Cherokee County.

Upon adoption of a motion by **Commissioner Lauren "Bubba" McDonald, Jr.**, the Commission



directed the \$100,000 grant to the Georgia Fire Chiefs Association to implement and manage the program. The Association will conduct the instruction at the Georgia Public Safety Training Center in For-

syth, Georgia.

"The people of Georgia will benefit from this program since there is currently no program in place to give first responders, especially fire-fighters, training to deal with and prevent incidents involving damage to pipelines that traverse our state," said McDonald, "Especially since 70 per cent of Georgia fire-fighters are volunteers."

McDonald's motion included a requirement for the Association to file semi-annual reports on the program for Commission review.

"This action by the Commission not only will help curb the number of strikes on our vulnerable gas pipelines, but it helps provide preventive training to small and large fire departments across the state," said **Commission Chairman Tim Echols**.

The Commission enforces pipeline safety laws and regulations in Georgia both under state law and federal authority.

Commission Approves Consent Agreement to End Slamming Investigation

The Commission July 17 unanimously approved an agreement between natural gas marketer MXenergy, Incorporated (MX) and the Commission Staff (Staff) to resolve complaints that the marketer changed customer's natural gas from their current provider to MX without their consent a

practice known as "slamming." Under the agreement, MXenergy's payments could total over \$200,000. Under the agreement, MX will pay \$735 to each of the 138 customers involved, or a total of \$101,430. A majority of the Commission also voted to require MX to pay \$50,000; divided equally between the Salvation Army and

the Heat Energy Assistance Team (H.E.A.T.). These funds will provide assistance to low income customers in the Atlanta Gas Light Company distribution area.

"I think this decision sends a very strong message that this Commission will not tolerate unauthorized switching of marketers," said **Commission Vice-Chairman Chuck Eaton**.

This is the background of this

investigation as outlined in the agreement:

Staff's investigation found that MX conducted a door-to-door marketing campaign in late 2011 and that MX failed to receive proper authorization to switch customers from their preferred natural gas marketer to MX, a practice known as "slamming." The Staff also found that MX failed to file with the Commission

the required slamming reports for the period between January 2012 and June 2012. However, MX does not admit to any violation of law, regulation or any other matter of fact or law and has fully cooperated with this investigation.

Under the stipulation, MX also agreed to a number of other conditions:

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Commissioner Stan Wise Tours Shaw Modular Solutions *Louisiana-based fabricator is key Vogtle supplier*

Commissioner Stan Wise received a first-hand look at the work being performed at Shaw Modular Solutions (SMS) in Lake Charles, Louisiana, in support of the construction of Georgia Power Nuclear Plant Vogtle Units 3 and 4. Commissioner Wise took a tour of the facility as part of a fact-finding mission to understand the scope of work, documentation trail and quality control procedures performed at SMS.

The SMS facility fabricates and assembles structural, piping and equipment modules for new nuclear power plants, including the



Commissioner Wise Inspects Construction of Nuclear Modules at Shaw in Lake Charles, Louisiana



two new AP1000 units under construction at Plant Vogtle near Waynesboro, Ga. "What happens here at SMS is important because it has a direct impact on the Vogtle 3 and 4 project, as well as Georgia Power customers," Commissioner Wise said. "Seeing the SMS facility and understanding the

new nuclear manufacturing process helps me make better informed decisions on Vogtle 3 and 4 that impact Georgia Power customers."

The Commission approved the need and cost effectiveness of Vogtle 3 and 4, granting approval of the Vogtle expansion in March 2009. Georgia Power's certified cost of the two units, based on its current ownership interest of 45.7 percent, is \$6.1 billion.

On Feb. 9, 2012, The U.S. Nuclear Regulatory Commission approved a combined construction and operating license for Georgia Power's Vogtle Units 3 and 4. The units are scheduled to be placed in service in 2016 and 2017.

Shaw Modular Solutions (SMS) in Lake Charles, La., currently is producing 88 structural sub-modules, including 12 CA01 wall modules and 76 CA02 sub-modules, which consist of both walls

and floors. SMS began shipping sub-modules to both the Vogtle and V.C. Summer in South Carolina nuclear project sites in July of 2011 and will continue shipping on a regular basis. These modules currently are being assembled on site at Plant Vogtle. Shaw has a long history of superior performance in the nuclear fabrication industry. SMS management and employees show commitment

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Commission Cuts Georgia Power Fuel Rate

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Company to work with the Commission will now pay a great benefit for ratepayers." Under Georgia law, Georgia Power is entitled to recover fuel costs associated with generating electricity and such costs are passed-through to ratepayers without a profit. Beginning over

a decade ago, fuel prices for coal, natural gas, fuel oil and other sources increased sharply due to limited energy supplies in the United States and increased demand worldwide, primarily from the growing economies of China and India. To reduce the impact on customers that an immediate dollar-for-dollar pass-through would have had on monthly

bills, the Commission required the utility to carry a fuel cost balance. Although it has fluctuated, the under-recovered balance at one time reached close to \$1 billion dollars. The balance was paid off on March 31, 2012. **Commissioners Lauren "Bubba" McDonald, Jr. and Doug Everett** echoed the other Commissioners' comments. "I

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Echols Hosts Alternative Fueled Vehicles Roadshow

Commissioner Chairman Tim Echols hosted a ten city Alternative Fueled Vehicles Roadshow across Georgia during June. The AFV Roadshow, as it was called, visited Buckhead in Atlanta, Winder, Statesboro, Saint Simon's Island, Braselton, Thomasville, Dublin, Norcross, Macon and Savannah.

The goal of the Roadshow was to showcase alternative fueled vehicles and provide educational opportunities for consumers and business leaders to understand alter-



Georgia Southern President Brooks Keel greets Commissioner Echols on the school's Statesboro campus



The AFV Roadshow under the tent near Thomasville at the state line

natives to traditional gasoline and how they are helpful.

Commissioner Echols said, "I hope we can attract more alterna-

tive fuel research, development and fueling infrastructure to Georgia and this event is designed to highlight the opportunities."



Alternative Fueled Vehicles line up outside Suniva Solar in Norcross

"I think electric vehicles can be a great addition to the alternative fuel mix since they can be charged at night when the demand on the grid is the lowest and we have excess electricity," said **Commissioner Vice Chairman Chuck Eaton**. "This is one of the reasons the Public Service Commission developed an overall time of use rate." Eaton added.



Commissioner Eaton addresses the AFV Roadshow in Buckhead at the Terry School of Business

Wise Tours Nuclear Construction Plant

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to enhancing and maintaining a sustainable nuclear safety culture and regulatory compliance program that demonstrates an understanding of regulatory compliance and meets or exceeds appropriate regulations.

Commissioner Wise is a past President of the National Association of Regulatory Utility Commissioners (NARUC) and currently is a member of the NARUC Board of Directors.

He is serving in his third term on the Commission and previously served as Commission Chairman in 1997, 1999, 2006 and 2011.

State Revenue Grows

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taled \$401.5 million, which was an increase of \$35 million, or 9.6 percent, compared to last year.

Corporate Income Tax: Corporate Income Tax collections for June 2012 rose by \$43 million, or 38.7 percent, up from \$111 million in June 2011 to \$154 million in FY2012.

NARUC 2012 Summer Meeting

The National Association of Regulatory Utility Commissioners met in Portland, Oregon for its 2012 Summer Committee meetings. More than a thousand Commissioners, staff and industry representatives attended. Committees discussed smart meters, pipeline safety, natural gas prices, renewable energy and bringing natural gas to underserved communities. **Commissioner Lauren "Bubba" McDonald, Jr.** made a presentation during a panel discussion on Nuclear Waste Disposal. The Consumer



Commissioner Lauren "Bubba" McDonald, Jr. takes part in the Nuclear Waste Disposal Subcommittee discussion at NARUC

Affairs Committee held a panel discussion on implementing the new reforms in the Lifeline/Linkup Program. The NARUC An-



Commissioner Doug Everett chats with Louisiana Commissioner Clyde Holloway (center) and Mississippi Commissioner Brandon Presley (right) during a break

nual Meeting will be held in Baltimore, Maryland on November 11-14, 2012.

MXenergy Fees

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1. Within 30 days of the filing of the Order in this docket, MX will pay \$50,000 in a manner the Commission will determine.
2. Affected customers will receive a check for \$735 within 30 days of the filing of the order accepting the stipulation.
3. MX will pay to each of the affected consumers' any and all switching fees, reconnection

fees, disconnection fees, early termination and/or deposits assessed by their preferred customers in order to resume their natural gas service. MX will make all payments within 60 days of the filing of the order accepting the stipulation.

4. MX will not charge at any time an early termination fee to any consumers that were slammed on or before the date of the Order accepting this stipulation.

5. MX will provide to the Commission within 60 days of the order a list of the consumers affected and the amounts of refunds and credits to each account.

MX will file with the Commission for a one year period from the date of the Order in this docket for review and comments any campaign information for a proposed door-to-door campaign. This filing will be done at least 30

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Commission Lowers Georgia Power Fuel Rate

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am excited that we have paid off this balance and adopted a sound policy going forward," said **Commissioner McDonald**. **Commissioner Everett** added, "It is a great day for Georgia Power customers who will see their average power bill drop by nearly \$100 a year." Georgia Power filed on March 30, 2012 to implement the new rate effective July 1, 2012. The

Company filed a request to reduce fuel rates by \$567 million annually or a monthly reduction of approximately six percent for the typical residential consumer averaging 1,000 kilowatt-hours (kWh).

The reduced energy costs, anticipated to be in effect for a two-year period based on current fuel price projections, are mainly the result of conservative fiscal planning by the Commission and lower natural gas prices.



Employee News

Congratulations

To Commissioner Lauren “Bubba” McDonald, Jr. and Shelley Hailey on their marriage May 26 at the Orchard in North Georgia.



The McDonalds ride off in style

Sympathy

To Commissioner Chuck Eaton on the passing July 19 of his mother, Janet Kay Eaton. The family held a private service.

mother-in-law Bonnie Albrecht on July 12. Services were held July 15.



James Gibson, Consumer Affairs Manager, on the passing of his sister Barbara Ann Murdock. Ms. Murdock passed away on May 7. The family held a memorial service May 10 in Douglasville, Georgia.

To Mike Shemasky on the passing of his aunt, Mary Nell Pike, on July 15. The funeral was held July 18 in Smyrna.

To William Morgan, Consumer Affairs, on the passing of his

Commissioner McDonald Hosts Forum with Federal Environmental Officials

Commissioner Lauren “Bubba” McDonald, Jr. hosted a meeting July 12 at the Commission with regional officials from the U.S. Environmental Protection Agency and the Department of Defense to brief Commissioners and Staff on the latest federal government renewable energy initiatives in the southeast.



EPA Region 4 Deputy Administrator Stan Meiburg, EPA Manager Ken Mitchell and Susan Mitchell

EPA Region 4 Administrator Stan Meiburg addresses the group

with the U.S. Army Energy Initiatives Task Force all made presentations to over 30 people from the Commission and other interested groups. McDonald invited the group to return in the future.

Commissioner Everett Tours Welding School for Plant Vogtle Construction Workers

Commissioner Doug Everett toured the Mechanical Trades Institute Welding Technology Center in Lithia Springs on May 17 to get a firsthand look at the training for welders and pipefitters who work on the Plant Vogtle Nuclear Construction Project. The institute is operated by the United Association, a joint venture of several trade unions to provide training in various pipefitting trades.



Commissioner Everett gets a look at training equipment

MXenergy Fees

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days prior to the beginning of such a marketing campaign. The Commission’s approval of the agreement terminates Staff’s investigation and limits the customers subject to the terms of the agreement to the 138 the Staff found had been switched without their authorization. MXenergy now is doing business in Georgia as Constellation Energy Gas Choice, Inc.

Commission News

Commission Calendar



Georgia State Holidays For 2012

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 2
January 16
April 23
May 28
July 4
September 3
October 8
November 11
November 22
November 23
December 24
December 25



August 2012

2-Committees
 7-Administrative Session
 9-Public Service rate hearing
 13-Telecom rate hearings
 16-Committees
 21-Administrative Session
 30-Committees
September 2012
 3-Holiday
 4-Administrative Session
 13-Committees
 18-Administrative Session

Commission Calendar

27-Committees
October 2012
 2-Administrative Session
 8-Holiday
 11-Committees
 16-Administrative Session
November 2012
 1-Committees
 6-Administrative Session
 12-Holiday
 15-Committees
 20-Administrative Session

NARUC

Annual Convention 2012
 November 11-14, 2012
 Baltimore, Maryland

Winter Meeting 2013
 February 3-6, 2013
 Washington, D.C.

Summer Meeting 2013
 July 13-17, 2013
 Denver, Colorado

SEARUC

Annual Meeting 2013
 June 9-12, 2013
 Asheville, North Carolina



GPSC ONLINE: psc.state.ga.us

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