



Spring
2015



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GPSC News

Volume 13 Issue 3

**Legislature adjourned April 2, 2015*

**Commission receives additional funds for new utility position to monitor Plant Vogtle construction*

**Commission receives funds to upgrade IT infrastructure*

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2015 Legislature Improves Commission Budget

The 2015 session of the Georgia General Assembly adjourned sine die on April 2, 2015 after 40 days of work under the Gold Dome. It was a successful session for the Commission, as lawmakers added nearly \$300,000 to the Commission's budget in both the Amended Fiscal Year 2015 and the Fiscal Year 2016 Budgets. The legislature added money to fund another position for monitoring the Plant Vogtle construction project and money to fund new information technology infrastructure purchases in both the Amended FY 2015 Budget, House Bill 75 and in the FY 2016 Budget,



Commission Chairman Eaton presents the Commission Budget request to members of the Senate Budget Subcommittee

House Bill 76. The FY 2016 Budget begins July 1, 2015. We want to especially thank House Appropriations Chairman Terry England, House Economic Development

Subcommittee Chair Penny Houston, Senate Appropriations Chairman Jack Hill and Senate Economic Development Subcommittee Chairman

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Commission Sets Next Schedule for Vogtle Construction Monitoring Hearings

The Commission on April 7 approved the schedule of hearings for the 12th Vogtle Construction Monitoring Report, which Georgia Power filed on February 27, 2015 in Docket 29849.

The first hearing will be Tuesday June 2, 2015 following the regular Administrative Session at 10



Plant Vogtle under construction in March 2015

a.m. Georgia Power will present their direct testimony at this hearing. The approved hearing and filing schedule is as follows:

- May 1, 2015- Georgia Power files direct testimony

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2015 Legislative Wrap-up

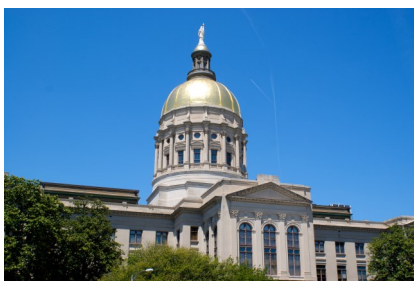
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Jeff Mullis for their support of our budget requests.

The Governor's budget recommendation did not include any increase in funding despite the critical need for replacing and upgrading much of the Commission's IT infrastructure. The Governor also did not recommend additional funding to fill vacant positions in the Commission's Utility Unit.

However, legislators responded to the Commission's requests and added the funding to the budgets.

One other major piece of legislation to come out of the 2015 General Assembly is House Bill 57. This measure, known as the



Solar Free Market Financing Act, would allow homeowners and commercial businesses to finance solar panels without violating the Territorial Act. The bill is described in more detail on page 6. Other legislation we followed included:

- H.B. 170: This is the Transportation Bill. It eliminates the state income tax credit for electric vehicles and levies

an excise tax to fund transportation improvements. Passed and awaiting the Governor's signature.

- H.B. 200: Eliminate electric vehicle tax credit. Held but part of H.B. 170
- H.B. 201: Allows distribution of wireless equipment for hearing impaired. Held in Senate Rules.
- H.B. 241: Would place city owned gas systems under deregulation. Held in committee.
- H.B. 556: would limit PSC ability to change UAF contributions. Held in committee
- H.R. 613: Calls on EPA to withdraw Clean Power Plan. Passed.

Vogle Schedule

(Continued from page 1)

- June 2, 2015-Commission hearing on Georgia Power testimony
- June 10, 2015-Commission Staff and Interveners may file direct testimony
- June 23, 2015- Commission hearing on Staff and Interveners' testimony
- July 10, 2015-Georgia Power may file rebuttal testimony

- July 23, 2015-Commission hearing on Georgia Power rebuttal testimony

- August 7, 2015-Briefs due from all parties

- August 18, 2015-Commission issues decision at regular Administrative Session

In the order, the Company and the Commission agree that any request to amend the certified cost of \$6.113 billion will be postponed until the completion of Vogtle Unit Three scheduled for

late 2019. The Commission Order also recognizes that "the certified cost approved by the Commission does not constitute a cost recovery cap. The Commission also recognizes that neither the certificate itself nor the Stipulation in VCM 8 should be construed as creating a cost recovery cap." The Commission set the certified cost in its order approving the construction of Vogtle Units Three and Four on March 17, 2009.

Commissioner Tim Echols

said, "With the EPA bearing down on our coal plants, finishing these reactors is paramount if we are to comply with their new rule," said Echols. "This vote preserves our agreement to deal with any added costs after unit three is online and generating electricity."

"This is a good project and remains a good project for Georgia," added **Commissioner Doug Everett**.

"I am pleased that we will have the first two new nuclear facilities in the country that I believe will serve the ratepayers into the next century," said **Commissioner Stan Wise**.

In other action, the Commission approved a \$54 million credit for the approximately 1.4 million residential natural gas customers on the Atlanta Gas Light (AGL) distribution system. Residential customers will receive

the monthly credit on their AGL base charge beginning with their June 2015 natural gas bills for the next ten years, or about \$5.4 million a year. The credit is the result of savings achieved as a result of the AGL Resources merger in 2011 with Nicor Corporation; an Illinois based Natural Gas Distribution Company. The Commission approved a motion by **Commissioner Lauren**

(Continued on page 5)

April 2015 Is Dig Safely Month

The Commission reminds all Georgians that April is National Safe Digging Month. The law requires anyone who plans to excavate where underground utilities are located to call 8-1-1 before they dig. The process is simple and can prevent major damage that can endanger and inconvenience our communities and cause economic disruption. Damage from excavation activities to gas and water pipelines, along with sewer systems and buried distribution power lines, remains a leading cause of utility incidents resulting in death or injury.

Commission Chairman Chuck



Eaton said, "We are pleased to work together with Georgia 811, our federal partners, and the National Association of Regulatory Utility Commissioners (NARUC) to prevent damages from occurring to the state's underground utility facilities. Our common goals are to prevent the disruption of utility services and personal injuries that result from accidents which damage underground facilities." The Commission is charged with the enforcement of the state's un-

derground utilities damage prevention programs as a result of state legislation approved in 2000. The Commission also enforces federal pipeline safety standards under an agreement with the Pipeline and Hazardous Materials Safety Administration. The Commission's program is rated one of the top five in the nation and serves as a model for other states to follow in reducing damages to underground utilities.

Using these programs, the Commission provides training and education for excavators and utilities in order to avoid accidents that can cause expensive and often dangerous

damage to buried utilities. The Commission also works closely with Georgia 811, Inc. which accepts calls from the national federally mandated "Call before You Dig" Number 8-1-1. This "one call" system is free to contractors and excavators as well as homeowners and helps all excavators comply with the law.

Commission Vice-chair Lauren "Bubba" McDonald said, "I want to remind anyone who excavates to call before you dig by placing a call to 8-1-1. It's free



when underground utilities are damaged."

"Calling 8-1-1 is the best way to prevent damage to our underground utilities," said **Commissioner Stan Wise**, "Everyone los-

es when underground utilities are damaged." and it's the law. A simple phone call can prevent the disruptions and economic losses that can occur

es when underground utilities are damaged."

Commissioner Doug Everett added, "For those states that do not currently have a damage prevention program, I challenge them to follow Georgia's lead and begin such a program because it is the right thing to do."

"Excavators are only as good as the marks on the ground," said

Commissioner Tim Echols.

"That is why calling before you dig is so important."

"Every day underground utility

lines are damaged in Georgia. Not only can these damages cause utility outages, they can also cause serious injuries or death. It is vital that Georgians contact Georgia 811 at least two days before digging to have their underground lines marked," Georgia 811 President & CEO Claudette Campbell explains. "Contacting Georgia 811 is free and so is having your underground lines marked. For



each person who contacts us about a digging project we notify on average 8 member utility companies. These members dispatch locate techs to mark underground lines.

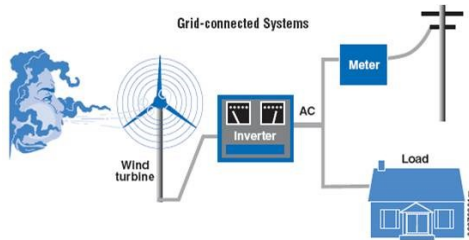
The public, excavators and others can find resources available at www.call811.com and at



If you have a story for the next GPSC News, please send to Bill Edge, bille@psc.state.ga.us. Next issue deadline is June 15, 2015.

Commission Approves Selection Process for Georgia Power Company's 2015 Distributed Generation Program

The Commission March 17 took another step forward in bringing renewable energy resources to Georgia Power customers by its unanimous approval of 100 Megawatts (MW) of Distributed Generation (DG) as part of Georgia Power's 2015 Advanced Solar Initiative (ASI) Program. Distributed Generation refers to power generated on site, usually at a site where it will be used and interconnects to the utilities' distribution system therefore reducing the need to transport the power elsewhere. This DG program is part of a



total of 525 MW of solar capacity that was approved in Georgia Power's 2013 Integrated Resource Plan.

The Commission approved a motion by **Commissioner Lauren "Bubba" McDonald** that sets parameters on how projects will be selected, the pricing to be paid, and sets guidelines on how the DG projects will interconnect

with Georgia Power's distribution system.

"This is just another step as we move toward a very solid plan for solar distribution in Georgia. All parties are taken care of, from customer sited to large utility scale," said McDonald.

"Georgia continues to provide leadership to the nation on how to do solar in a big way without a renewable portfolio standard," said **Commissioner Tim Echols**.

"This last batch of 100MW will take us up to our Integrated Resource Planning period in 2016 where we will have the chance to evaluate our ASI methodology to

see how we move forward from here."

McDonald's motion also divides the DG projects into three groups as follows:

- **Group A-** 40 MW will be allocated for projects greater than 1 MW but less than 3 MW and 10 MW will be allocated for projects sized 500 kilowatts (kW) to 1MW
- **Group B-** 40 MW will be allocated for projects greater than



100 kW but less than or equal to 500 kW for non-customer sited and 100kW to 1MW for customer sited projects

Group C- 10 MW will be allocated for projects less than 100 kW.

The proposals in Group A will be competitively bid with the Commission Staff and Georgia Power to finalize the bid evaluation process within 30 days. Group B will not be competitively bid but customer sited projects will have first priority. A customer sited project must have a peak generating capacity that is less than or equal to 125% of the actual annual peak demand of the customer's premise. Any remaining MW will be allocated to non-

customer sited projects using a lottery process. If the 10 MW available for Group C are not used, after 90 days, the remaining MW will be allocated to Group B, non-customer sited projects.

In addition, the application fee per project is reduced to \$3 per kW although the application fee of \$25 for residential customers will remain in place. To cover interconnection costs, projects selected through the bidding



process will be required to pay \$75 per kW due upon execution of the power purchase agree-

ment. Of this amount, \$25 per kW is designated as earnest money and shall be credited toward the interconnection costs. For projects not competitively bid, earnest money in the amount of \$25 per kW will be due within 21 days of a binding interconnection agreement.

This earnest money will be credited toward the projects' interconnection costs.

Commission Verifies and Approves Expenditures from the Eleventh Vogtle Construction Monitoring Report

The Commission February 19 unanimously approved Georgia Power Company's request to verify and approve the expenditures in the Eleventh Vogtle Construction Monitoring Report for the period between January 1, 2014, and June 30, 2014, in Docket Number 29849.

The total amount approved today for the Vogtle expansion is \$198 million, bringing the total construction cost verified to date to \$2.797 billion. The decision follows hearings on November 5,



2014, for the Company's testimony and on December 16, 2014, for the Public Advocacy Staff's testimony. According to the Company's latest filings with the Security and Exchange Commission, Unit Three will begin commercial operation in late

2019, and Unit Four will begin operation during the fourth quarter of 2020.

The Commission on March 17, 2009, certified Georgia Power's share of the cost for the Plant Vogtle Nuclear Construction Project as \$6.114 billion.

The Commissioners continue to acknowledge the benefits of this project. **Commissioner Tim Echols** noted, "Not only will this facility produce carbon-free energy for decades, but should the price of natural gas go up substantially, we will have a hedge against increased fuel costs."

Commissioner Wise: Making Informed Solar Choices

The ink isn't dry yet on legislation making it easier to finance solar systems for Georgia consumers, and already unscrupulous marketers are misleading consumers with offers to go solar and "eliminate" the electric bill. If Georgia's experience is anything like California, Arizona or



even Louisiana, the Governor's Office of Consumer Affairs will soon be busy with complaints of deceptive marketing. Rest assured, solar consumers will still get an electric bill. And when you consider all capital and finance costs, so-

Commission Action on Plant Vogtle

(Continued from page 2)

"Bubba" McDonald that requires natural gas marketers to notify their customers of the credit either through a message on their bill or a bill insert. The credit will continue until June 2025.

lar isn't cheaper than residential and small commercial electric rates offered by Georgia utilities. Even after applying rebates and tax credits, it would take close to 14 years to break even on a \$16,800 7kW roof-top system being considered for my own family cabin served by a Georgia EMC member.

Study the offers – Beware of sales gimmicks that predict

electric rates will rise 4-6% annually. Over the last 25 years the average annual increase has been less than 2% for the state's investor-owned electric utility. Ask for a good faith estimate of the kilowatt hours to be delivered by the system over time. Request plain language explanations of pricing terms over the life of the contract, warranties, and operation and maintenance costs and responsibilities. The lowest cost option for

solar arrays may not even be a lease, but paying cash or using a home equity loan and taking the 30% Federal tax credit oneself.

Think Twice about solar back-up systems – Before investing in a solar battery back-up system at \$5-\$10,000 every 10 years or so, be sure to weigh that cost against more practical investments in non-perishable

(Continued on page 6)

2015 NARUC Winter Meeting

Commissioners and staff participated in the February 2015 Winter meetings of the National Association of Regulatory Utility Commissioners in Washington, D.C.

The sessions included an update in the Electric Committee on the construction of the two new units at Plant Vogtle.

Commissioner Lauren

"Bubba" McDonald introduced Georgia Power Vice President for Nuclear Buzz Miller, who then gave his update to the committee. McDonald is also Vice-chairman of the Nuclear Waste Subcommittee.



Commissioner Wise participates in closing panel at NARUC

Commissioner Stan Wise

chaired his first Gas Committee since being named as Gas Committee Chairman in January. His committee heard presentations on market conditions, the Clean Power Plan rules effects on natu-



Commissioner McDonald takes part in Electric Committee panel on Plant Vogtle

ral gas supplies and a panel of natural gas industry CEOs. Wise also took part in the closing panel which discussed the convergence in the electricity, gas and water industries and its impact on consumers.

Solar Choices

(Continued from page 5)

foods and other goods necessary to ride out those rare power outages. If backup power is necessary, a natural gas standby generator is likely more cost effective.

Talk to real estate appraisers

– Even if cost calculations suggest you will break even in 15 to 20 years, it may not be a good idea to install solar if you may move before then. Selling a



home with a solar array may be a selling-point in some parts of California, but here in Georgia it can be a liability that harms resale value. Only a small universe of buyers are willing to have an ar-

ray on their house, much less willing to assume a lease of older, less efficient equipment.

Be aware of restrictions –

Some developments may require that solar arrays not be visible from the road. Considering the arrays perform best when facing south, this may limit your options. If you have trees that shade your home, your house may stay cooler with the shade and save you more money than if you cut the trees down for solar.

Rate structures may change

– Solar customers must be connected to the grid for backup power and to sell excess power back to the system, which means they still need power plants and all the network infrastructure necessary to serve the home 24-hours a day. However, residential solar customers do not pay all these fixed costs. Efforts are underway in some states, such as Wisconsin and Arizona, to roll back the cost shifts that result. In California, a 2013 study estimates that roof top solar has

caused a \$1.2 billion cost shift onto non-solar customers because solar customers pay about 19% less than what it costs the utility to serve them. For these reasons, Georgia should consider restructuring the fixed infrastructure costs into a demand component on residential customer bills so that everyone who uses the grid pays their fair share of the costs of keeping it operational. Before investing a large amount of money in a home solar system in hopes of saving a few dollars a month, have an energy audit per-

formed on your home to see if you can save energy costs every month.

As consumer protections develop, technology improves and prices decline, solar energy shows great promise under the right application.

Note: This op-ed appeared in the Atlanta Journal Constitution (edited) on April 8, 2015 and the Marietta Daily Journal on April 9, 2015.

Employee News



(left to right) Representative Houston, Deborah Flannagan, Speaker Ralston

Executive Director Deborah Flannagan

joined Georgia House Speaker David Ralston and State Representative Penny Houston on the floor of the House on February 10, 2015. Ms. Flannagan received an invitation for her work in helping more children receive hearing aids through the Commission administered hearing aid program.



(L to r) Rep. Doug Belton, Rep. John Deffenbaugh, CAPT Bill Edge, RDML Kent Davis, Governor Deal, Master Chief C.D. Crawford, CAPT David Fritz, Rep. Joe Wilkinson, Rep. Tom Taylor, LT Cheryl Collins

Staff Changes

The Commission March 17 approved moving **Shemetha Jones** from the Energy Efficiency and Renewable Energy Group to the Vogtle project and moving **Nick Cooper** from the Electric Unit to the EERE Group. Congratulations to both!



Sympathy

To: **James Gibson** on the passing of his mother on March 19. From James: "I want to thank all of you for your many kind words, cards and contributions following the death of my Mother. It is a blessing to work with such wonderful people. A donation was made to the Douglasville First Baptist Church, where she was a member for many years. My family and I thank you very much for all of your kindness and thoughtfulness."



Reserve Recognized

Public Information Officer Bill Edge, (third from left) a Captain in the Navy Reserve, joined Rear Admiral Kent Davis, Governor Nathan Deal, Navy officers in the Atlanta area and Navy Veterans in the Georgia House on March 3, 2015 to celebrate the 100th anniversary of the U.S. navy Reserve. Governor Deal issued a proclamation to recognize the Navy Reserve on this date. The Georgia House also adopted House Resolution 293 to honor the Navy Reserve 100th anniversary.



Solar Financing Measure Passes Legislature

State Lawmakers this year gave unanimous approval to legislation that for the first time would allow homeowners and commercial businesses to finance solar panels from third parties. House Bill 57, sponsored by State Representative Mike Dudgeon of Johns Creek, passed both the House and Senate without a single no vote. Representative Dudgeon

had introduced legislation in the 2014 session but it failed to pass. Instead, Dudgeon worked in the interim to work out a compromise that the utilities, solar energy companies and lawmakers could agree on. Under the legislation, a homeowner could finance the solar installation if his energy use is no more than 10 kilowatts while a commercial business is limited to no

more than 125 per cent of their normal usage. The installation must meet all national and state safety standards.

Governor Nathan Deal is expected to sign the legislation into law. It would take effect July 1, 2015. The Commission is reviewing the legislation to determine what actions may be needed to either react to or implement this legislation.

Georgia State Holidays for 2015

Commission Calendar



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

January 1
January 19
April 27
May 25
July 3
September 7
October 12
November 11
November 26
November 27
December 24
December 25

April 2015

2-Committees
 7-Administrative Session
 12-Committees
 21-Administrative Session
 27-Holiday
 30-Committees

May 2015

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

Commission Calendar

June 2015

2-Administrative Session
 2-Vogtle Hearing
 11-Committees
 16-Administrative Session

July 2015

2-Committees
 3-Holiday
 7-Administrative Session
 16-Committees
 21-Administrative Session

NARUC

Summer Meetings 2015

July 12-15, 2015
 New York City, N.Y.

Annual Meeting 2015

November 8-11, 2015
 Austin, Texas

Winter Meeting 2016

February 2-5, 2016
 Washington, D.C.

SEARUC

Annual Meeting 2015

June 14-17, 2015
 San Antonio, Texas



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