



# GPSC News

*Making Business and Safety decisions affecting tomorrow*

## Georgia Power Files Rate Case

- \*Georgia Power Rate Case
- \*Commission hearings, September 10-14, October 22-25, November 19-21.
- \*Commission decision December 20
- \*Georgia Power Seeks 1.2 % annual increase over five years



Utilities Director Tom Bond and Electric Unit Director Sheree Kernizan look over Georgia Power's rate case filing

rate increase request on June 29. Three sets of hearings are scheduled for September 10-14, October 22-26 and November 19-21.



The Commission will first hear the testimony of public witnesses. Next they will hear applications to intervene, any objections and any appropriate motions concerning Georgia Power Com

pany's pre-filed testimony. Following these motions, the Commission will conduct hearings on Georgia Power Company's direct testimony. The Commission will continue the hearings on October 22nd to hear direct testimony (continued p. 2)

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**T**he Commission will begin hearings into Georgia Power Company's request for a rate increase on September 10, 2001. The electric utility filed its

## Commission Fines BellSouth

**T**he Commission has turned over a check to the state for \$4,537,029, the amount of BellSouth's fine for failing to meet Commission mandated performance standards in providing service to Competitive Local Exchange Carriers during March, April and May as provided for in the Commission's January 16, 2001 order.



Commissioners present BellSouth fine check to Governor Roy Barnes in his office.

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## BellSouth Fine

*(Continued from page 1)*

The Commissioners personally presented Governor Barnes with the check on July 23. Commissioner David Burgess said, "These fines show this Commission's commitment to a truly competitive local telephone market in Georgia." Georgia is the first state to have penalties for Performance Standards prior to a Bell Operating Company's certification for interstate long distance service. BellSouth's long distance certification petition is still pending before the Commission. The fine will be paid into the State Treasury.

## Japanese Delegation Visits Commission



Tom Bond speaks to Japanese delegation

curity analysts to discuss Japanese efforts to deregulate the natural gas industry in Japan. Utilities Director Tom Bond and Commission staff members spoke to the delegation and answered their questions. Ken Ellison, Jamie Barber, Michelle Thebert, Danny McGriff, and Lynn Buffington also met with the delegation.

The Commission on July 11 hosted a delegation of Japanese natural gas company executives, journalists and se-

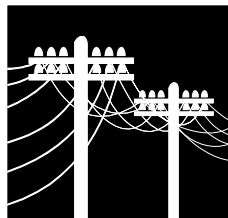
from the Staff and interveners.

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

## Georgia Power Rate Case (con'd)

The hearings will continue on November 19<sup>th</sup>. The Commission will first hear public witnesses, then any outstanding motions followed by Georgia Power Company rebuttal. The Commission is scheduled to issue a final decision in this case in a specially set Administrative Session on December 20 at 10:00 a.m. Georgia Power has filed a five-

year rate plan that the company says would increase rates by 1.2 percent annually over the five-year period. The



Company also wants to establish an earnings range of 11% to 13.5 %

return on equity. The Commission required Georgia Power to file a rate case this year as part of the Commission's 1998 Accounting Order. Under that order, Georgia Power has returned nearly \$1 billion to ratepayers.

The Commission honored several employees July 23

## Commission Honors Employees

during the Annual PSC Awards and Recognition Day. Those receiving longevity awards included: 30 years: **Dayle Perry**; 25 years: **Al Hatcher, Lillian E. Johnson**; 20 years: **Garry Bingham, John E. Harrison, Donna Hortman,**

**Clarence Lanier, Robert Bruce Morgan, Mike Russell**; 15 years: **Wayne Beck, Bruce Bugg, Ricky Chambless, Mickey Davis, Gene Davis, Bolin Killings, Ralph Trammell**; 10 years: **Billy Donaldson, Bob**

**Durden, Priscilla Wade.** The Commission presented a special Lifesaving award to **Lamar Pearce** and recognized Transportation Division with a special resolution.

Effective July 1, 2001, Governor Roy Barnes transferred the Transportation



# PSC Bids Goodbye to Transportation



Division to the new Department of Motor Vehicle Safety, ending a 26-year relationship with the Public Service Commission. The Governor's Executive Order transfers 65 employees, 47 vehicles plus \$1.7 million in state funds and \$2.5 million in federal funds to DMVS. The new agency is expected to be fully operational on September 1, 2001 though the Commission will continue to provide administrative support to DMVS until further directed by the Governor. The General Assembly created the DMVS during its 2000 session.

During its July 3, 2001 Administrative Session, Commission Chairman Lauren "Bubba" McDonald wished the Transportation Division well and noted their long service as part of the Commission. Tim Burgess is heading up the new agency as its first commissioner. Burgess formerly served as the chief financial officer of the Georgia Technology Authority and director of the state Office of Planning and Budget. The new agency combines functions from the Public Service

Commission, Department of Transportation, Revenue Department and Department of Public Safety.



# Commissioners, Staff Attend NARUC

Commissioners and staff members attended the NARUC Summer meetings recently held in Seattle, Washington. The annual meeting dealt with a number of regulatory issues. NARUC board of directors adopted a resolution urging the Administration to remain on target to submit the Yucca Mountain Nuclear



## NARUC

*Serving the consumer interest by seeking to improve the quality and effectiveness of public utility regulation in America.*

Repository recommendation to the President this year. The Board also passed a resolution urging the Federal Energy Regulatory Commission to conduct a review of the proper

scope and geographic boundaries of Regional Transmission Organizations. The NARUC Annual Convention will be in Philadelphia, November 11-15, 2001.

# Commission Rulings

## Commission Approves Reduction In Long Distance Charges

The Public Service Commission July 3 unanimously approved the agreement between BellSouth and AT&T that will save

Georgia consumers and businesses \$19 million a year in long distance charges. The lower fees will be effective July 15, 2001. The Commission's decision will reduce "access charges," the fees BellSouth collects from AT&T and other

companies for originating and completing long distance calls. The access charge reductions will result in lower long distance charges from long distance providers.

This agreement covers access charges for calls made within the

## Commission Rulings (continued)



state of Georgia. Commissioner Stan Wise praised the agreement, saying "I want to commend BellSouth and AT&T for working to lower the phone bills of Georgia consumers and businesses." Georgia will have among the lowest regional Bell operating company rates in the nation and the lowest in the southeast.

### **PSC Fines Excavator In Piedmont Road Incident**

Commissioners on June 21 handed down a \$15,000 fine against B & O Boring, Inc.

for violations of the Georgia Utility Facility Protection Act. The violations stemmed from a July 9, 2000 incident in the 2700 block of Piedmont Road in Atlanta. In its decision the Commission found that B & O Boring, Inc. violated the law when it struck and damaged a 16-inch water line and a 4-inch natural gas line, causing severe traffic disruption for days and economic losses for area businesses. Specifically, the Commission found that the company "failed to exercise reasonable care while

excavating" and "failed to notify the Utilities Protection Center after having damaged and struck utility facilities" as required by the Act.

### **Rule Nisi Set For AGL**

The Commission will hold a Rule Nisi for Atlanta Gas Light Company on August 22, 2001 to hear allegations the Company violated the Georgia Underground Facilities Protection Act.

### **PSC Approves \$44.6 Million Refund for Georgia Power Customers**

## Commission Rulings

The Commission June 11 approved a \$44.6 million refund for Georgia Power customers effective for the July billing cycle. The Commission ordered refund would be approximately \$10.33 for the average residential user provided that he or she was an active customer of Georgia Power on

January 2, 2001. The Commission's order in Georgia Power's 1998 rate case requires that the refund be made because the utility is earning more than its allowed return on equity.

### **Commission Issues Decision In Georgia Power Fuel Cost Recovery Case**

The Commission issued a decision May 24 in Georgia Power's Fuel Cost Recovery Allowance (FCR) case. Georgia Power had requested an increase in fuel rates to its customers, which, if approved, would have resulted in increases in residential electric bills of approximately \$1.25

## Commission Rulings

per month. The Commission made significant reductions and adjustments to the Company's annual proposed fuel costs and to the under recovery of prior costs claimed by the Company. Even with these reductions and

adjustments, residential customers could see rate increases ranging from \$0.35 to \$0.56 per month. State law requires the Commission to allow electric utilities to recover their prudently incurred fuel costs through the FCR.

The FCR increase took effect June 1, 2001.

### **BellSouth Facing Fines of \$7 million**

BellSouth is asking the Commission to place in escrow a \$7 million fine levied

# Commission News



for falling short of standards for handling orders from competitors during March and April. BellSouth is awaiting Commission approval of its request to enter into the long distance business in Georgia.

## Commission Rules on Utilities' Forecasts

The Commission July 12 approved Georgia Power Company's and Savannah Electric's Integrated Resource Plans (IRP) that includes the utilities' long-range forecast of the state's generation needs

for the next twenty years. The IRP ensures that the state will have adequate electric power capacity to meet Georgia's needs into the foreseeable future. The Commission decision limits the amount of electric power capacity the utilities can acquire through purchased power contracts to 30 percent of the utilities' total capacity requirements. The remaining capacity needs must be acquired through utility owned generating plants. The Commission decision also requires the utilities to consider all op-

tions, including self-built new generation as well as purchased power agreements, when evaluating projects to meet future capacity needs.

Georgia Power and Savannah Electric are required by law to file an updated IRP every three years.

## Consumer Advisory: Start Shopping Today for Next Winter's Natural Gas

Even though summer is in full swing,



# Commission News

the Commission advises natural gas consumers to begin planning for the upcoming winter heating season by checking pricing options available from their gas marketers. Most marketers offer several pricing options: 1. Market or variable rate: The variable price of gas consists of several components, such as the current price of natural gas and the

cost of transporting the gas to Georgia. The variable price is subject to wide swings without prior notice. 2. Fixed rate: This price remains constant for a fixed period of time, usually 12 months, though some marketers offer a fixed price for as long as 24 months. Locking into a fixed rate now protects

consumers against drastic increases in natural gas prices this winter heating season. On the other hand, customers on a fixed rate will not benefit if gas prices fall below the fixed rate. 3. Discounted rate: Some marketers also offer senior citizen discounts. Fixed and variable



rates are priced per therm. The average residential customer uses 162 therms per month in winter and 22 therms per month in summer. In addition to charging customers for the therms of natural gas they use, most marketers include addi-

tional, separate charges. Some marketers charge an exit fee for leaving a fixed term contact prior to the term expiring. Unless the customer notifies the marketer prior to the expiration date of a fixed rate plan, the marketer may switch the

customer to a variable rate. Because no two marketers have the same terms and conditions, consumers should get all the details before they agree to any pricing plan. Consumers should request verification of their

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## Commission News

*(Continued from page 5)*

choice and terms in writing.

Consumers can find the latest natural gas marketer price information and marketer contact information on the PSC website: [www.psc.state.ga.us](http://www.psc.state.ga.us).

### AGA Finds Significant Growth in Natural Gas Reserves

**D**espite recent increases in the wholesale price of

## Energy News

natural gas, demand for this efficient, domestic fuel will grow by a robust 53 percent during the next 20 years, according to an update of an American Gas Foundation study. The original report, *Fueling the Future: Natural Gas and New Technologies for a Cleaner 21st Century*, was issued by the American Gas Foundation in February 2000. That report and the new update both assume the implementation of government policies to reduce barriers to increased use of natural gas, the

adoption of policies to promote its use and continued increases in the efficiency of natural gas equipment and advances in exploration and production technology.

"Homes, businesses, industrial energy managers and power generation-plant owners value natural gas for much more than price, so we project that demand growth for natural gas will continue to be strong during the next 20 years," said Paul Wilkinson, American Gas Association vice president for policy analysis. "Certainly, re-



## Energy News

cent increases in the wholesale price of natural gas have reduced demand, but the fundamental strength of the natural gas resource base – coupled with new technologies and competition – will ensure long-term growth for this abundant, efficient fuel."

### Consumer Affairs

### Registers Record Number of Calls and Letters

**D**uring the first half of 2001, the Office of Consumer Affairs handled 61,036 calls, letters and emails from consumers. This surpasses the previous record total of



50,647, handled by the Commission during the second half of 2000. The latest tally continues an upward trend of consumer contacts with the PSC since deregulation of long-distance and local telephone service and natural gas. As recently as 1997, the PSC received 33,643 contacts for the entire year.

## Consumer Affairs Sets Record

Consumers contact the Commission for assistance primarily involving billing, service and sales disputes with telecommunication carriers and natural gas marketers. During the first quarter of 2001, many of the contacts were expressions of

opinions from consumers about the high price of natural gas and inquiries about selecting a different gas marketer. Recently, the Commission has received an increase in calls from consumers about telephone charges and providers.

Long-distance service providers will soon cease filing tariffs with the Federal Communications Commission and are notifying their customers of their terms and conditions of service.



*(Continued on page 7)*

# Consumer Affairs Sets Record (cont'd)



*(Continued from page 6)*

Until these competitive markets stabilize, they will continue to generate high volumes of calls and complaints to the Commission for information and assistance. New issues will continue to arise. At Consumer Affairs, it is safe to say there is never a dull moment.

## Commission Hosts Seminars

Commission staffers got a chance June 13 to get the

"inside" scoop on hedging and futures trading in the energy markets thanks to a day long seminar here. Deniese Palmer-Huggins of the Houston office of the New York Mercantile Exchange, Inc. presented an informative day long session on the ins and outs of the NYMEX. National Regulatory Research Institute researchers on June 6-7 provided Commission staffers with a detailed view of the current state of deregulation in power, natural gas and telecom. Frank

Darr, Ed Rosenberg and Ken Rose presented valuable insights into deregulation. Rosenberg's lecture was especially enlightening on the current plight of electric deregulation in California.

## Retirements

## Employee News

Lucia



Ramey

the Commission after 34 years. She was Director of Compliance and Safety in the Transportation Division.

## New Employees



Welcome to **John Cogburn**, who joined the Commission June 1 as an Economist in the Utilities Division. John comes to us from Oak Ridge National Research Laboratory where he was a Research Assistant. He has also worked in the Reapportionment Office of the Georgia General Assembly. He has a Masters from the University of Tennessee and is a native of Griffin, Georgia.

**Scroggs** retired June 27 from

## Promina Corporate Challenge

**CALLING ALL WALKERS AND RUNNERS:**  
Join Team PSC and take part in the Promina Corporate Challenge. This is a fun run/walk race to be held at 7:00 pm on September 25, 2001 adjacent to Turner Field. It is anticipated that more than half of the participants will be walkers. So all you lunch time

walkers come on out and have fun walking. The course is 3.5 miles. Registration fee is \$18 and must be paid by each individual. You can register as an official member of the Georgia Public Service Commission Team by going to the web site below: <http://prominacorpchallenge.com/> Click on registration. Click on Individuals, register now. To register as a member of the

Commission Team you will need to use the password below:  
Password: regulators  
Use the drop down arrow to choose your team:  
Georgia Public Service Commission  
If you have any problems, contact Dan Cearfoss 404-656-0948. Proceeds from the race go to help the Boy and Girls Club of Atlanta and the Atlanta Braves Foundation.

# Legislative Update



State lawmakers will convene in special session on August 1 to redraw state legislative and Congressional districts. Governor Roy Barnes called the special session. Lawmakers will first deal with state House and Senate districts followed by a session to redraw Congressional districts. Both sessions are expected to last up to two months.



## August

# Commission Calendar

2-

Committees  
 7-Administrative Session  
 9-AGL Capacity Hearing  
 16-Committees  
 21-Administrative Session  
 22-AGL Rule Nisi  
 30-Committees

## September

4-Administrative Session  
 10-14 Georgia Power Hearings  
 13-Committees  
 18-Administrative Session  
 27-Committees

## October

# Commission Calendar

2-Administrative Session  
 11-Committees  
 16-Administrative Session  
 22-26 Georgia Power Hearing

## November

1-Committees  
 6-Administrative Session  
 15-Committees  
 19-21 Georgia Power Hearings

20-Administrative Session  
 29-Committees

## December

4-Administrative Session  
 15-Committees  
 18-Administrative Session  
 20-Special Admin Session  
**NARUC**  
 Annual Convention  
 November 11-15, 2001

Philadelphia, PA  
**PSC ONLINE**  
 GPSC Home page  
[www.psc.state.ga.us](http://www.psc.state.ga.us)



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