GEORGIA PUBLIC SERVICE COMMISSION

2001 Annual Report

Chairman Lauren "Bubba" McDonald, Jr.
Vice-Chairman Stan Wise
Commissioner Robert B. Baker
Commissioner David L. Burgess
Commissioner Bob Durden

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LETTER TO THE GOVERNOR

January 1, 2002

Honorable Roy E. Barnes, Governor
Office of the Governor
State Capitol
Atlanta, Georgia 30334

Dear Governor Barnes:

It is a pleasure to present to you the 2001 Annual Report of the Georgia Public Service Commission (also referred to herein as “PSC” and “Commission”). This annual report contains an overview of the history and structure of the Commission and identifies its major achievements with respect to the state's utility industries during the past calendar year.

The Commission has undergone a major change this year with the transfer of the Transportation Division and its 65 employees to the new Department of Motor Vehicle Safety, effective July 1, 2001.

For over 120 years, decisions made by the Commission have contributed to the state’s economic growth and technological development. We look forward to serving Georgia’s citizens into this new century.

Respectfully submitted,

Lauren "Bubba" McDonald, Jr, Chairman

Stan Wise, Vice Chairman
Robert B, Baker, Jr., Commissioner
David L. Burgess, Commissioner
Bob Durden, Commissioner

HISTORY AND MISSION OF THE COMMISSION

HISTORY

On October 14, 1879, Georgia became one of the first states to establish a regulatory body to resolve complications resulting from increased railroad expansion and competition. Known at that time as the "Railroad Commission of Georgia," the members of this body originally were appointed by the governor for the purpose of regulating railway freight and passenger rates.

In 1891, telegraph and express companies came under the Commission's jurisdiction. Sixteen years later, the Commission was given authority over docks and wharves, as well as telephone, natural gas and electric companies. This jurisdiction was further expanded in 1931 when authorization to regulate the trucking industry was conferred upon the Commission. Cognizant of the changing role of this regulatory body, the name of the Railroad Commission of Georgia was changed by the Legislature in 1922 to the Georgia Public Service Commission.

MISSION

The PSC is a quasi-legislative, quasi-judicial agency comprised of five Commissioners elected on a statewide basis. Beginning with the election in the year 2000, a candidate for a seat on the Commission must meet an additional requirement of qualifying by residency in the appropriate district for which a Commission seat is available. The PSC's mission is to ensure that consumers receive the best possible value for the telecommunications, electric and natural gas services they receive and have available to them transportation and natural gas pipeline services that are safe and reliable. The regulatory side of the Commission's activities is most prevalent in relation to investor-owned natural gas and electric power utilities. The Commission has the authority to set rates, require long-range energy plans and projections, and provide for the safety of natural gas pipeline distribution systems.

Over the past decade, expansion and competition have significantly changed the Commission's purpose. With the onset of competition in these industries, the Commission's role is slowly being transformed from that of a traditional regulator to a body that is called upon to facilitate competition and arbitrate complaints among competitors. This is a trend that is expected to continue as these industries—and possibly one day the electric industry—move closer to being fully competitive.

PUBLIC SERVICE COMMISSIONER PROFILES

Lauren "Bubba" McDonald, Jr.

Commissioner Since: June 10, 1998

Chair: January 15, 2001 – January 14, 2002

Elected: 1998

Serves Through: December 31, 2002

Nonpartisan, **Forsyth County**

Chairman, Georgia Public Service Commission

Governor Zell Miller appointed Lauren "Bubba" McDonald, Jr. to fill a vacant Commission seat on June 10, 1998. At a special election held later that year, McDonald was elected by an overwhelming majority of voters to serve as Commissioner. He is serving his first term as Chairman in 2001. Commissioner McDonald is serving on two Committees of the National Association of Regulatory Utilities Commissions: the Committee on Electricity and the Nuclear Electric Insurance Limited Committee. Under Electricity he serves on two subcommittees (Subcommittee on Nuclear Issues Waste Disposal and the Subcommittee of Strategic Issues).

A graduate of the University of Georgia with a BBA in Business, McDonald brings to the Commission twenty years experience in the Georgia House of Representatives, where he chaired the Industry Committee for five years and the Appropriations Committee for eight years. McDonald is a former member of the Jackson County Board of Commissioners and the Board of Managers of the Association of County Commissioners of Georgia. He has also served as a member of the Board of Governors of Mercer Medical College, a director of the Small Business Development Center at the University of Georgia and as a member of the Board of the Advanced Technology Center at the Georgia Institute of Technology.

A Commerce native, McDonald is a partner in L.W. McDonald & Son Funeral Home with his son, Lauren III, in Cumming, Georgia. McDonald is married to Sunny McDonald (Nivens), formerly of Gainesville. He is an elder in the Presbyterian Church, a private pilot and an avid golfer.

Stan Wise

Commissioner Since: January 1, 1995

Elected: 1994; Re-Elected: 2000

Serves Through: December 31, 2006

Republican, Cobb County

Vice-Chairman, Georgia Public Service Commission

Stan Wise won re-election to his second six-year term on the Commission in November 2000. He served as Commission Chairman in 1997 and 1999. He was first elected to public office as a Cobb County Commissioner in 1990 and had previously served that county as a member of the Cobb County Planning Commission and the Board of Zoning Appeals. Wise was a Board Member of the ten-county Atlanta Regional Commission from 1992-1994.

Wise is currently Second Vice-President of the National Association of Regulatory Utility Commissioners (NARUC). He is a past President of the Southeastern Association of Regulatory Utility Commissioners (SEARUC) and serves on the Gas Committee of NARUC. He is also chair of the advisory council to the Gas Technical Institute. He has also served on the Board of Directors of the Cobb YMCA, the Boys Club of Cobb County and the Advisory Board of the North Georgia Law Enforcement Academy.

A former member of the Air Force Reserve, Wise was awarded his B.S. in Business Management from the Charleston Southern University in 1974. He and his wife, Denise, have been married for 27 years and have two children. His daughter Lindsay, 21, attends Georgia Southern University and his son Adam, 19, attends Georgia Perimeter College on a baseball scholarship.

David L. Burgess

Commissioner Since: April 8, 1999

Elected: November 2000

Serves Through: December 31, 2006

Democrat, DeKalb County

Commissioner, Georgia Public Service Commission

Governor Roy E. Barnes appointed David Burgess to fill a vacant Commission seat on April 8, l999. His appointment to the Commission is one of several “first.” Burgess is the first African-American person to serve on the vital utility board; the first former PSC staff member to hold a Commission seat; and according to the PSC Historian, the first Georgia Tech graduate on the Commission. He was elected to a full six-year term in November 2000.

Burgess graduated from Georgia Tech in 1981 with a Bachelor of Science Degree in Electrical Engineering. He served as a member of the PSC staff for 17 years. Burgess began as public utilities engineer, rose through the ranks in six years to become the PSC’s Director of Rates and Tariffs; and served as the Director of the PSC’s Telecommunication Unit for two years prior to his appointment. He has effectively resolved various electric, gas and telecommunications issues during his tenure at the commission. Burgess continues to lead the Commission’s efforts to implement the requirements of the 1996 Federal Telecommunications Act. Burgess currently serves as the Chairman of the Commission’s Telecommunications Committee, member of the Georgia Utilities Facility Protection Act Advisory Committee and the Advisory Board of the Georgia Center for Advanced Telecommunications Technology (GCATT).

An Atlanta native, Burgess and his wife Phyllis have been married for seven years. They have two daughters, Crystal, 5 and Christina, 2. Burgess is the Superintendent of Sunday School and a trustee at Turner Monumental A.M.E. Church.

Robert B. Baker

Commissioner Since: January 1, 1993

Elected: 1992; Re-Elected: 1998

Serves Through: December 31, 2004

Republican, DeKalb County

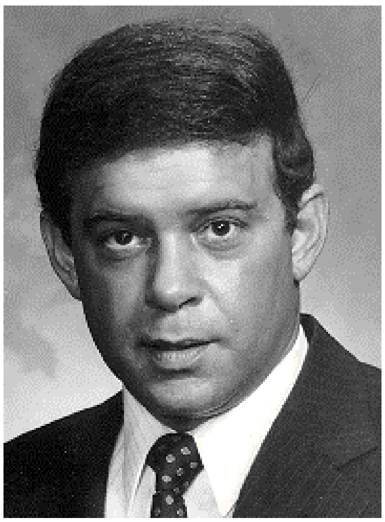
Commissioner, Georgia Public Service Commission

Bobby Baker was the first Republican elected to a statewide office since Reconstruction, and was re-elected in 1998. Bobby Baker grew up in DeKalb County and graduated from Oglethorpe University with honors. He received his law degree from the University of Georgia.

After graduating from law school, Commissioner Baker joined the Southeastern Legal Foundation, a regional conservative public interest law firm, and later entered private practice.

In 1994 Bobby Baker became the first Republican to serve as Chairman of the Public Service Commission. In 1998 he served his second term as chairman. During his tenure on the PSC he has worked aggressively to develop competitive markets for utility services, reduce regulation and expand toll free calling in Georgia.

In 1995, 1998 and 1999 he was selected as one of Georgia Trend's 100 most influential people in Georgia, and was honored to be the 1998 recipient of the Oglethorpe University Talmadge Award. Commissioner Baker served on the board of directors for the Georgia Center for Advanced Telecommunications Technology (GCATT) from 1994 to 1998, and served as Vice-Chairman of the Gwinnett County Planning Commission from 1991 to 1995. He is a member and director of the Peachtree-Atlanta Kiwanis Club.



Bob Durden

Commissioner Since: January 1, 1991

Elected: 1990; Re-Elected: 1996

Serves Through: December 31, 2002

Republican, Forsyth County

Commissioner, Georgia Public Service Commission

The longest serving member of the Commission and a native Georgian, Bob Durden is a graduate of Statesboro High and earned a B.A. (History), an M.A. (Political Science) and J.D. (Law) degrees from Emory University. Following military service in the Marine Corps, Bob taught courses in Economics, International Relations and American Government at Emory and was honored for his contribution to education as a recipient of Emory’s "Spokesman Award." Prior to his election, Bob was a trial attorney in private practice.

Bob was selected for membership in MENSA and has been named to "Who's Who in the South and Southwest," "Who's Who in American Law," *Georgia Trend's* "100 Most Influential Georgians," and "Who's Who in America." His plan to expand toll-free calling in Atlanta and 300 other Georgia communities and his successful fight to return $1.34 billion to Georgia ratepayers are hallmarks of his service.

Bob served as Chairman of the Commission in 1991, 1992, 1995 and 2000.

PUBLIC SERVICE COMMISSION MANAGERIAL PERSONNEL
DECEMBER 31, 2001

Commissioners

Lauren "Bubba" McDonald, Jr., Chairman
Stan Wise, Vice Chairman
David Burgess, Commissioner
Robert "Bobby" Baker, Jr., Commissioner
Bob Durden, Commissioner

Administrative Division

Deborah Flannagan, Executive Director
Reece McAlister, Executive Secretary
Bill Edge, Public Information Officer/Legislative Liaison
Glenda Knowles, Fiscal and Budget Officer
Jackie Thomas, Human Resources Officer
Phil Nowicki, Ph.D, Director of Consumer Affairs
Lamar Pearce, Director of Information Technology

Utilities Division

Tom Bond, Utilities Division Director
Ken Ellison, Assistant Utilities Division Director
Leon Bowles, Director of the Telecommunications Unit
Sheree Kernizan, Director of the Electric Unit
Nancy Tyer, Director of the Natural Gas Unit
Tim Hopkins, Director of the Utilities Finance Section

UTILITIES DIVISION

Historically, the Georgia Public Service Commission has been responsible for setting the rates charged by telecommunications, natural gas and electric companies through economic regulation and for establishing and enforcing quality of service and customer service standards. The telecommunications, natural gas, and electric industries previously were characterized as natural monopolies. Now a number of these industries is evolving from a monopoly market structure where a single provider serves customers to a competitive market that allows customers to choose among multiple providers for certain services. Other services will continue to be monopoly services regulated by the Commission.

The pace at which competition is being implemented varies among these industries. In the telecommunications industry, long distance service has been competitive since the mid-1980's. In 1995 and 1996, local telephone service was opened to competition by state and federal legislation, respectively. In 1998, Georgia opened the natural gas industry to competition. Restructuring of the electric utility industry has taken place in a number of states, with varying results, but there has been no action in Georgia. It appears unlikely that electric utility restructuring will take place in the state in the near future.

In spite of these changes in the regulatory environment, the Commission has continued to be active in differing roles to ensure that consumers receive the best possible value in telecommunications, electric and natural gas services and to improve natural gas pipeline safety and to protect utility infrastructure from damage. An overview of the roles that the Commission has played in each of these utility industries over the past year, as well as key decisions of this agency, are set forth in the following sections.

TELECOMMUNICATIONS

The telecommunications industry is indispensable to the economy of the state. Georgia's Telecommunications and Competition Development Act of 1995 and the federal Telecommunications Act of 1996 have had a great impact on the Commission's role in this vital industry. The primary goal of both of these statutes was to replace traditional regulated monopoly service with a competitive market. By the end of 2001, the Commission certificated a total of 260 competitive local exchange providers, 541 resellers, 150 alternative operator service providers, 93 inter-exchange carriers and 628 payphone service providers since competition was first introduced in 1995. The Commission also heard 6 arbitration cases, approved 179 interconnection agreements and continued to administer and prepare for the transition of the Universal Access Fund to its next phase.

Noteworthy developments in the Georgia telecommunications industry that occurred during calendar year 2001 are set forth in the following section.

SIGNIFICANT MATTERS IN THE TELECOMMUNICATIONS INDUSTRY IN 2001

Number Conservation and Area Code Relief

The Commission ordered 912 Area Code Relief in South Georgia and approved a three way split providing for 912 in the Savannah LATA; 229 in the Albany LATA; and 478 in the Macon LATA and the 912 portion of the Augusta LATA. After a 12-month trial the split was effective August 1, 2001 and the Commission further ordered carriers to observe certain number conservation measures. It is projected that with this relief and other number conservation measures, these area codes will not exhaust for over two decades.

The Commission ordered 678 Area Code Relief in the Atlanta Metropolitan Local Calling Area and approved an Overlay of the existing 404/770/678 NPAs with the new 470 NPA. This relief was effective September 2, 2001. The Commission further ordered carriers to observe certain number conservation measures. With number conservation, rate center consolidation and reclamation of unused numbers for reassignment it has not been necessary to open the new NPA 470.

Rate Center Consolidation

After a year of working with the telecommunications industry and coordinating with the GEMA PSAP 911 Administrators in workshops and conference calls, Rate Center Consolidation was implemented effective July 28, 2001. This reduced the present number of Rate Centers in the Atlanta Metropolitan Local Calling Area from 63 to 40. This will conserve the use of NXX Codes and extend the life of NPA Area Codes.

1000 Block Number Pooling

The Commission established number conservation measures in order that carriers could optimize numbering resources and begin to lay the groundwork to facilitate the transition to 1000 block number pooling.

The Commission filed a 1000 block number pooling petition with the Federal Communications Commission (FCC) for the Atlanta Metropolitan Local Statistical Area (MSA) to be included in the first MSAs for which 1000 block number pooling will be implemented. This was approved and is scheduled to be effective April 15, 2002. Also, the Commission has filed a supplement to the petition with the FCC for authority to conduct 1000 block trial pools in other areas of the state.

Reclamation of NXX Codes

The Commission established a Monthly Reclamation Process for statewide application consisting of 11 steps in which the Commission can reclaim unused NXX Codes to be turned back in to the system to be available for reassignment. Since beginning this procedure in April 2001, the Commission has caused 720,000 telephone numbers to be turned back in to the system to be available for reassignment.

BellSouth Telecommunications, Inc.'s Application for In-Region InterLATA Relief

On October 2, 2001, BellSouth filed an Application with the FCC to Provide In-Region InterLATA Services to Georgia Consumers. The Georgia Public Service Commission filed both direct and reply comments with the FCC in support of BellSouth offering long distance service. On December 20, 2001, BellSouth withdrew the application for InterLATA service in Georgia. BellSouth will file additional information requested by the FCC to supplement its previous filing.

Performance Measurements Review

On January 16, 2001 in Docket 7892-U, the Commission approved a well-defined, effective and meaningful set of performance measurements to provide the Commission with the information necessary to assess BellSouth's service to CLECs. This included comparative measurements that monitor all areas of support, i.e., pre-ordering, ordering, provisioning, collocation, maintenance and repair, operator services, directory assistance, E911, trunk group performance, and billing. Additionally, the Commission approved a self-effecting remedies plan to provide further incentive for BellSouth to allow nondiscriminatory access to its network and to offer customers at least the same level of service that they would receive from BellSouth. Between the months of March through November 2001, BellSouth paid nearly $20 million to competitors and $16 million to the State of Georgia Treasury for failure to meet Commission-set performance measures.

Third-Party Testing of BellSouth's Operational Support Systems Continues

On May 20, 1999, the Georgia Public Service Commission issued an Order requiring third-party testing of BellSouth's Operational Support Systems (OSS). In March 2001, the Commission asked KPMG Consulting, Inc. (KPMG) to terminate all except the metrics portion of the 3rd Party Test. On March 20, 2001 KPMG filed Master Test Plan, Supplemental Test Plan and Flow-Through Evaluation Final Reports with the Commission. The Commission held evidentiary hearings, in which all interested parties participated. On October 2, 2001 the Commission approved KPMG's final Reports that concluded that BellSouth's Operational Support Systems were operationally ready for competitors to use to order services.

NATURAL GAS AND PIPELINE SAFETY

Natural Gas

Natural gas is vital to the development and economic well-being of Georgia. Over 1,500,000 customers use natural gas that is delivered by the state's two investor-owned natural gas systems, Atlanta Gas Light Company (AGLC) and United Cities Gas Company (United Cities). In early 1997, the Georgia Legislature passed the "Natural Gas Competition and Deregulation Act" (the Act), O.C.G.A. §46-5-150 et seq., which gave both of these companies the option of electing to be governed under a new regulatory framework. More specifically, the Act provides for a transition of the natural gas commodity market from a regulated monopoly to a competitive marketplace. The Commission's role under the Act would be to facilitate this transition.

Although United Cities has not elected to be governed under the Act, AGLC filed notification of its intent to be subject to the new regulatory model in November 1997. In managing the transition to competition in what traditionally were AGLC's service areas, the Commission's main objectives have been to implement the Act in a manner that allows a majority of end users to realize the benefits of competition, which include a greater choice among gas providers and better customer service. The success of opening the natural gas market to competition ultimately will be judged on whether consumers benefit, economic efficiency is improved, fair competition is promoted, and safety and reliability are maintained or enhanced.

Important events in the Georgia natural gas industry that occurred during calendar year 2001 are set forth in the following section.

SIGNIFICANT MATTERS IN THE NATURAL GAS INDUSTRY IN 2001

PSC Response to High Gas Bills

On September 19, 2000 the GPSC approved a modification to Atlanta Gas Light Company's (AGLC) tariff, revising the way AGLC bills certificated marketers' distribution charges. As a result of deregulation, AGLC billed marketers one-twelfth (or 8.33%) of the annual cost of providing natural gas delivery each month. Previously, a volumetric design was utilized resulting in higher delivery charges in winter and lower in the summer when usage is low. At the direction of the Commission, AGLC formulated a seasonal or "sculpted" rate that mirrors historical volumetric charges, to be effective February 1, 2001.

In order to ease the transition to this revised rate, and in anticipation of above-normal natural gas prices during January through March, the Commission approved a $40 million refund from the Universal Service Fund to residential customers, effective for February and March 2001 natural gas bills (an additional refund of $10 a month for the period January 1, 2001 through March 31, 2001 for low income/senior citizen customers was also approved).

On February 20, 2001, the Commission approved an additional $50 refund to all senior citizen/low income customers (those 65 years of age and older with annual incomes of $10,000 or less).

At the March 6, 2001 Administrative Session, the Commission approved raising the income level of eligibility from $10,000 to $12,000 to qualify for Atlanta Gas Light Company's Senior Citizen/Low Income Discount Program.

On October 2, 2001, the Commission approved a $10 million, two-part proposal to assist low income/senior citizens: a $50 credit for the months of November 2001 through March 2002 ($8 million) and $2 million allocated to the Department of Human Resources (DHR) to match funds awarded through the Low Income Heating and Energy Assistance Program (LIHEAP).

On December 4, 2001, the Commission provided an additional $5 million grant from the Universal Service Fund to the Department of Human Resources, with $2 million to be used to assist low income/senior citizens and $3 million to assist other low income citizens that qualify through the DHR Program.

The Commission Adopts Rules Relating to Natural Gas Marketer Pricing Information, Billing Practices, Customer Service and the Universal Service Fund

On January 17, 2001, the Commission voted to enact Emergency Rules that would prohibit marketers from disconnecting gas customers who are in collection status or are currently eligible for disconnection. This Emergency Rule was an extension of the Commission's current rule on low-temperature disconnections where the marketers are prohibited from disconnecting customers, during the period from November 15 through March 15 if the forecasted local low temperature is below 32º F for a twenty-four (24) hour period prior to the proposed disconnection. The Emergency Rule expired on April 1, 2001.

On July 23, 2001, the Commission voted to modify the Disconnect Rules to extend the amount of time that the utility or marketer must wait prior to a service disconnection during the period of November 15 through March 15 if the forecasted local low temperature for a 72-hour period beginning at 8:00 a.m. on the date of the proposed disconnection is below 32º F. The original rule allowed for only a twenty-four hour period.

On April 28, 2001, Senate Bill 217 became law. The bill authorizes the Commission to adopt Rules and Regulations relating to natural gas marketer pricing information, billing practices and customer services. Additionally, the bill changes the provisions relating to the Universal Service Fund. On May 15, 2001, the Commission used a Notice of Inquiry requesting all certificated marketers and other interested parties to comment on the various issues addressed in SB 217. Final rules are expected to be in effect by January 7, 2002 (except for the USF portion, which has an effective date of December 10, 2001).

The number of natural gas-related complaints officially logged by the Commission during 2001 was 14,954 (down 15% from last year). In response to these complaints, the Commission approved a new rule (effective January 11, 2001) that addresses service quality standards for billing (and their enforcement) and consumer rights and remedies for untimely bills. The Commission's goal of a more consistent billing format should make it easier for consumers to compare prices of natural gas marketers.

Bankruptcy Filings Closely Monitored by the Commission

Peachtree Natural Gas filed Chapter 11 Bankruptcy in U.S. Bankruptcy Court on October 26, 1999. With procedures already in place, the Commission approved an interim pooler within a week, resulting in no interruption of gas service to any of Peachtree's 172,000 customers. Peachtree's certificate was subsequently revoked and a penalty of $10 per any customer slammed by the Company was imposed (in response to problems in this area identified by the Commission). The Commission continued to monitor the Peachtree Bankruptcy proceedings and joined with the U.S. Trustees Office in petitioning the Bankruptcy Court to place an Administrator over the Peachtree Estate. Peachtree subsequently filed suit against the Commission to gain access to the Universal Service Fund. Peachtree later voluntarily dismissed the suit; however, Peachtree continues to petition the Commission for access to USF Funds.

Titan Energy filed Chapter 11 Bankruptcy in U. S. Bankruptcy Court on July 1, 2000 and the case is still pending. The Commission successfully convinced the Bankruptcy Court to include customer protection requirements as part of the sale of Titan's customer base. The Commission has continued to monitor the Titan Bankruptcy proceedings.

Southeastern States Energy (SSE) filed Chapter 11 bankruptcy in U. S. Bankruptcy Court on August 11, 2000. PowerTrust.com purchased SSE in bankruptcy and entered the Georgia natural gas market, the sale being completed on December 8, 2000. An application for transfer of ownership was filed with the Commission and approved on November 21, 2000. PowerTrust's intent is to keep SSE as an operating company and honor all existing customer contracts.

Interim Pooler Designated

As a result of PowerTrust being unable to meet both the gas supply and the financial requirements to remain on AGL's natural gas intrastate system, the GPSC randomly assigned all of their 6,322 customers to the two (2) Interim Poolers (Georgia Natural Gas Services and SCANA Energy Marketing) on January 12, 2001, with no disruption of natural gas service. The PSC requires the Interim Pooler(s) to send notification to all affected customers by mail. The PSC Staff reviewed these letters prior to distribution.

On July 5, 2001, the Commission issued an order designating the New Power Company as the Interim Pooler for the period of July 1, 2001 through June 30, 2002. This designation was the result of an annual Request for Proposal (RFP) process in which all marketers have the option to apply to be the Interim Pooler. The Commission's decision was based on overall rates, terms and conditions most favorable to the consumer.

Operational Issues

In addition to the most recent filing of Atlanta Gas Light Company concerning capacity contracts, a number of certificated marketers petitioned the GPSC to manage their own capacity on AGLC's distribution system. On August 15, 2000 the Commission approved a tariff revision to allow AGLC to release 70% of its interstate capacity assets to the marketers for a 3-year trial period. Effective September 1, 2000 each marketer receives its proportionate share of assets based on its market share as of August 1, 2000. In addition, the Commission included numerous capacity release recall provisions in order to ensure system integrity and guarantee firm delivery service to Georgia ratepayers. At the end of the 3-year period, the Commission will decide whether the marketers may contract for their own interstate capacity.

On June 12, 2001, the Commission approved the procedural and scheduling order for AGLC's first Capacity Supply Plan filing.

On July 12, 2001, the Commission approved the Minimum Filing Requirements (MFR) for Capacity Supply Plans. The MFR requires AGLC to make certain information available in its Capacity Supply Plan Filing.

On August 1, 2001, AGLC filed its 2001-2004 Capacity Supply Plan. The Advocate Staff of the Commission pre-filed their testimony on August 24, 2001. AGLC then filed joint rebuttal testimony on August 31, 2001, six days prior the Commission hearings. On September 14, 2001, the Commission rendered a decision in this docket at a Special Administrative Session, meeting the statutory deadline of September 15, 2001.

Atlanta Gas Light Company Affiliate Transactions Audit and Earnings Review

The Commission Staff initiated an audit of Atlanta Gas Light Company and its affiliates to determine if the regulated utility was (and is) receiving an appropriate allocation of expenses. An audit report was issued in July 2001 and, based on its review, the Commission Staff concluded that, indeed, costs have been over-allocated to AGLC from its affiliates.

When the adjustments from the affiliate transactions audit are combined with staff analysis of AGLC monthly financial reports, AGLC appears to be earning between 4 to 7% over their authorized rate of return of 11%. Consequently, the Commission approved the initiation of an earnings review of Atlanta Gas Light Company and issued a procedural and scheduling order on August 21, 2001.

On November 16, 2001, the Commission Staff filed testimony recommending that The Commission reduce Atlanta Gas Light Company's revenues by $33 million. The rate reduction is based on Atlanta Gas Light Company's reduced operating expenses, combined with an over-allocation of costs from its affiliates. The Commission held a hearing on December 17, 2001 where the testimony of the Staff was presented. Atlanta Gas Light Company intends to file testimony on January 28, 2002, with hearings scheduled to begin February 11, 2002, and a decision by the Commission expected in late April 2002.

Natural Gas Pricing Studies

The Commission Staff has been monitoring the relationship between the retail and wholesale price of natural gas in Atlanta Gas Light Company's service territory. Since January 2001, higher retail prices can only partly be attributed to high wholesale prices. For the past 12 months, prices paid to natural gas marketers in Georgia were 2.6% higher compared with other southeaster states.

The Commission ordered the four top marketers to file financial and pricing information with the Staff. In turn, the Commission has directed its Staff to initiate a review to determine whether marketer bad debt is the reason retail rates are not tracking wholesale rates, to prepare an analysis of the impact of deregulation on various customer classes and compare Georgia's deregulated retail natural gas prices with those in other regulated jurisdictions. In addition, the Commission has requested the National Regulatory Research Institute (NRRI) to perform an analysis to determine marketers' ability to exercise market power in Georgia.

Pipeline Safety

The year 2001 marked the 33rd year of certification for the Pipeline Safety Section of the Georgia Public Service Commission in conjunction with the Research and Special Programs Administration of the federal Department of Transportation. The year also presented this Section with additional responsibilities and challenges.The responsibilities of the Pipeline Safety Section include monitoring and inspecting natural gas operators for compliance with the Pipeline Safety Regulations:

- Expending 1,152.5 person days performing 568 inspections.
- Overseeing more than 700 miles of transmission pipelines, 38,000 miles of distribution lines, transporting natural gas to over 2 million Georgia customers.

These include comprehensive, specialized and construction inspections along with follow-up inspections that monitor operators for violations of the law. Despite the move away from monopoly regulation of the sale of natural gas, the Georgia Public Service Commission retains responsibility for ensuring that all natural gas operators meet federal safety requirements.

Enforcement

The Commission's Pipeline Safety Section enforces those regulations contained in Parts 191, 192, 193, 199 and Part 40 of the Code of Federal Regulations, as well as applicable state regulations. The Commission has the authority, if the need arises, to adopt additional regulations. Under Part 192, a new section (800) was added that requires qualification of operators' personnel. Due to numerous accidents attributed to personal error, section 800 now requires facility operators to qualify their employees to perform various functions on their pipeline systems. Beginning April 27, 2001, operators were required to have written qualification plans on file. To assist operators in achieving compliance, the Pipeline Safety Section provided training throughout Georgia (99 person days were spent providing training to over 350 attendees). By October 28, 2002, operators must complete the qualification of individuals performing covered tasks under their plan. This will require additional training by the inspectors, along with facilitating seminars throughout the state.

As in previous years, the Pipeline Safety Section continues to conduct investigations of all natural gas incidents that result in property damage of $5,000 and over. The Commission will also investigate all incidents that require notice to the Federal Office of Pipeline Safety in accordance with our annual certification and Federal Regulations. These investigations will culminate in written reports and pertinent photographs and kept on file with copies available to any interested parties.

The cause of most incidents investigated by the Pipeline Safety Section is third-party damages to natural gas facilities. These damages continued at an alarming rate. With the implementation of the Georgia Utility Facility Protection Act, the Commission's Pipeline Safety Section investigated over 60 incidents. During the calendar year, over 1,500 incidents were reported with probable violations of the Act; the actual number of damages to operators' facilities exceeded 6,135.

Training

The Pipeline Safety Section continues to be extensively involved in training. With the enforcement requirements, the Commission's Pipeline Safety Section offers training throughout Georgia to assist private, municipal and master metered operators to comply with both state and federal laws. Additionally, operator personnel learn cost savings techniques through this training. With additional regulations adopted each year, the Pipeline Safety Section must keep operators apprised of all changes to ensure compliance.

The Pipeline Safety Section's qualified instructors, in conjunction with the University of Georgia:

- Graduated 143 students, completing 46 courses each
- Provided instruction to 304 attendees participated at our annual seminar
- Awarded 56 certificates for Drug/Alcohol training.

Training has had a positive effect by improving communication throughout the industry. Training in Operator Qualification, Best Practices and Facility Protection Act is the most effective method of achieving compliance.

Georgia Utility Facility Protection

On September 16, 2001, the Utility Facility Protection Section of the Georgia Public Service Commission became operational. The Utility Facility Protection Section is charged with the responsibility of enforcing the Georgia Utility Facility Protection Act (GUFPA). The section is staffed with a case manager, a database administrator, one in house investigator, and one field investigator,

One of the first objectives pursued by the section was the creation of a database to track all probable violations through the Commission process. The GUFPA Advisory Committee had been operational since July 2000 hearing and making recommendations as to the settlement of probable violations, but processing their recommendations were slowed by insufficient Commission staffing. After the database was established and cases were entered, the new section set about bringing closure to those cases that had been heard by the Advisory Committee and were pending Commission action.

Since September 16, 2001, the Utility Facility Protection Section has brought closure to 65 cases before the Commission resulting in the collection of $27,650 in fines and loss prevention training for 84 people representing 26 companies. There are presently 36 cases pending before the Commission representing $65,750 in potential fines. Twenty-five of those 36 outstanding cases have been offered the opportunity to mitigate all or part of their fines through completion of loss prevention training.

The building and maintenance of the GUFPA database has also enabled the Utility Facility Protection Section to identify those areas and those individuals, whether it be excavators or facility owner/operators, that require additional scrutiny either through education or penalties. This information will allow the section to identify the egregious and/or repeat offenders so that proper corrective actions might be recommended to the Commission.

The most pressing situation facing the Commission as related to the enforcement and administration of the GUFPA is a change in rules to allow Commission staff the lead role in fielding and investigating probable violations of GUFPA. Once this rule change is accomplished and with the information available in the database, the Commission is poised to make its presence felt in the protection of the utility infrastructure in the State of Georgia.

ELECTRIC

Electricity is an energy form that is vital to the economy of the state and to the quality of life of Georgia's citizens. Of the three utility industries, the electric industry is the most universally utilized and perhaps the most essential. Like the natural gas and telecommunications industries, the electric industry is in a state of change on a national level. The Georgia Public Service Commission had expected that the electric industry in Georgia would possibly be restructured at some point in the future. However, due to the recent failures of electric restructuring experienced in other states and the unprecedented increase in natural gas prices, this view has changed. It now appears, absent federal legislative action, the electric industry in Georgia will remain traditionally regulated in its present form. The industry has provided benefits to Georgia's citizens and industries. The two investor-owned electric utilities, Georgia Power Company and Savannah Electric and Power Company, are fully regulated by the Commission. Together these companies serve approximately 2 million consumers and collected retail revenues of approximately $5 billion in 2000. The Commission has limited regulatory authority over the 42 electric membership corporations (EMCs) and 52 municipally owned electric systems in the state.

SIGNIFICANT MATTERS IN THE ELECTRIC INDUSTRY IN 2001

Commission Approves Plan for New Resources and Participates in Green Power InitiativePursuant to O.C.G.A §46-3A-1 et seq., the Integrated Resource Planning Act, the Commission is responsible for evaluating and approving integrated resource plans filed by these investor-owned utilities on a three-year cycle and for granting applications for certificates for supply and demand side resources as indicated by need. During 2001, the Commission certified: (1) a Purchased Power Agreement between Georgia Power and Southern Power for 1140MW of combined-cycle generation capacity to be available beginning in 2003, (2) a Purchased Power Agreement between Georgia Power and Southern Power Company for 610MW of combined-cycle generating capacity to be available beginning in 2004, and (3) certain upgrades at the existing Goat Rock Hydro facility to increase capacity by 12MW.

Of particular significance is that the Commission placed a cap on the amount of total generation capacity requirements that can be met through Purchased Power contracts. The cap was set at 30 percent so that Georgia does not become overly reliant on purchased power.

The Commission modified Georgia Power's Residential Direct Load Control program and continued the program through 2010. This program provides for customer participation in reducing the need to acquire additional resources by cycling air conditioning usage during the summer months. Additionally, customers are compensated for their participation. Savannah Electric was also directed to participate in the program.

Georgia Power was directed to continue providing assistance to low-income customers to weatherize their homes and therefore reduce their energy bill through the Low-Income Weatherization Assistance Program. Savannah Electric was directed to study and file with the Commission a Residential Low-Income Weatherization Program within 180 days.

A significant move in the area of "Green" power occurred this year when the General Assembly passed Senate Bill 93. The legislation provides for the sale and purchase of "green", or renewable power, in the state after these resources have been accredited. The Georgia Green Pricing Accreditation Group in which the Commission Staff participates has developed criteria for these resources and is in the final stages of accreditation these. The Commission supports the concept of the Green Pricing Program and will initiate a rulemaking after the accreditation committee has completed its work. The Green Pricing Program would allow customers the option of receiving some of their electricity from renewable resources (solar, wind, landfill gas, etc.).

The Commission also oversees territorial assignments for all electricity suppliers pursuant to the Georgia Territorial Electric Service Act, O.C.G.A. §46-3-1 et seq., by reviewing and authorizing requests for transfers of retail electric service, resolving disputes over territories and customer choice and maintaining the electric supplier territorial maps for each of the one hundred and fifty-nine (159) counties in the state. The Commission also approves the financing applications of electric membership corporations.

The Commission Continues Investigations for a Potentially Restructured Electric Industry

The Georgia Public Service Commission is active unilaterally as well as in concert with its national organization, the National Association of Regulatory Utility Commissioners (NARUC), to ensure that any federal restructuring legislation will be beneficial to Georgia ratepayers. In 1997, the Commission completed a series of electric restructuring workshops and published a report in January 1998 that identified issues that must be resolved for competition to succeed in Georgia's electric industry.

During 2001, the Commission continued to address these complex issues. The Commission continues to investigate the performance of the regulated utilities' generating plants to ensure that they are being operated in an efficient manner. On the national front, the Federal Energy Regulatory Commission (FERC) required electric utilities to file a plan to implement a Regional Transmission Organization (RTO) by October 2000. Southern Company filed its comments, which were reviewed by the Commission Staff. The staff filed its comments on the Southern Company proposal with the FERC in November 2000. Several important developments occurred in 2001 on RTO formation. The FERC ordered utilities in the country to file plans to join one of four super RTOs. As a result, the FERC also ordered the utilities in the southeast to mediation in order to develop a Southeast RTO. Plans were filed and resulted in two different models – the GridFlorida/GridSouth model and the SeTrans model, which Southern Company along with other utilities formed. The SeTrans sponsors continue to develop components of plan to file with FERC by April 2002.

Commission Approves Additional Rate Reductions

After analyzing Georgia Power's 2000 earnings and determining that the Company had over earned approximately $43 million, the Commission voted unanimously to provide additional benefits to Georgia Power's customers In 1998, the Commission reduced Georgia Power's revenues by more than $1 billion over three years, with $834 million being applied directly to rate reductions starting in January 1999 in a three-year accounting plan. In 1999, an additional $120 million in over earnings provided benefits to customers in refunds and set-asides for the recovery of potentially stranded costs. Also, at the end of 2001, the Commission approved a rate case settlement that resulted in approximately $354 million in rate reductions to customers.

In 2001 Savannah Electric and Power Company filed its request for an increase in its electric rates. This comes as the Company reaches the end of its four-year accounting plan which provided approximately $12 million of rate reductions to small business customers and set-asides for potentially stranded costs should deregulation occur.

During 2001, both utilities applied for and were granted increases in the fuel cost recovery rates due to the dramatic increase in natural gas prices experienced nationwide. The Commission also approved a hedging program for Savannah Electric to mitigate the potential for high natural gas fuel costs. The Commission Staff continued its investigation into the fuel procurement practices used by both Georgia Power Company and Savannah Electric and Power Company to determine the cause(s) of rising fuel costs.

PSC Seeks To Protect Ratepayer Interests In Environmental Policy Decisions

The Commission continued to monitor the progress of Georgia's Environmental Protection Division (of the state Department of Natural Resources) as well as the federal Environmental Protection Agency rulemaking proceedings to improve Georgia's air quality. The Georgia Department of Natural Resources approved a plan that requires

Georgia Power Company to install new emission controls on seven of its generating plants. Georgia Power Company estimates these requirements will cost approximately $800 million. The Commission Staff continues to monitor developments in the federal Environmental Protection Agency's lawsuits against Georgia Power Company and Savannah Electric and Power Company for violations of the New Source Performance Standards. In May 1999, The Commission provided comments to the Environmental Protection Division of the Georgia Department of Natural Resources in response to proposed rules regarding nitrogen oxide compliance and that agency's plans for stricter controls on utility coal burning plants. In doing so, the Commission expressed a desire to support metropolitan Atlanta's clean air initiatives in a manner that would not adversely affect customers' utility rates.

The Commission began a formal investigation into issues concerning ratepayer payments into the federal Nuclear Waste Fund as a result of: (1) the federal Department of Energy's violation of its contract to begin accepting spent nuclear fuel from Georgia Power Company's nuclear plants and from nuclear plants in other states; and (2) the President's veto of legislation to correct this situation. The Commission continues to take a strong stance against the Department of Energy for its failure to comply with laws that require the Department to remove spent nuclear fuel from nuclear plants in Georgia beginning in January 1998. The Department of Energy's inaction has resulted in the need for Georgia Power Company to construct, at ratepayers' expense, additional on-site storage facilities to handle the accumulation of spent nuclear fuel and to engage in activities to construct an interim storage site. The Commission has addressed the Department of Energy at formal hearings and in written documents to emphasize the severity of this situation. The Commission continues to work on a national level to ensure that any proposed federal legislation that seeks to address this problem provides and appropriate solution.

TRANSPORTATION DIVISION

Effective July 1, 2001, the Transportation Division functions were transferred to the new Department of Motor Vehicle Safety pursuant to an executive order from Governor Roy Barnes. The Commission continued to perform administrative, fiscal and personnel functions during the transition period that ended on November 1, 2001.

ADMINISTRATION DIVISION

During 2001, the Commission continued to maintain the highest standards in performing those administrative functions that serve the public. By making the most prudent use of its resources, the Commission has been able to work within the constraints of its budget to hire and retain quality staff members committed to serving the public sector.

The five offices of the PSC's Administrative Division responsible for the agency's ability to fulfill its mission include the Commission's Budget and Fiscal Office, Consumer Affairs Office, Executive Secretary's Office, Human Resource Office, and the Information Technology Office. An overview of the responsibilities of each Office is set forth below.

BUDGET AND FISCAL OFFICE

Three employees staff the Fiscal Office of the PSC. Duties for the Unit range from developing the agency's various budgets, meeting fiscal responsibilities for the agencies state and federal funding, purchasing for the agency, asset management, mail distribution to reporting on behalf of the agency to Federal, State, and other agencies as required or requested.

The Fiscal Office began in FY2001 to test an electronic accounting system for the Georgia Public Service Commission. The system was run dual with the manual system from March through June of 2001. The PSC began July 1, 2001 using Quick Books for their accounts payable, receivable, and general ledger system. Accounting and budget reporting will be supplemented by Excel spreadsheets.

The Fiscal Office also began to prepare for the separation of the Transportation Division from the PSC to the Department of Motor Vehicle Safety after July 1, 2001. The Transportation Division remained under the PSC for fiscal support until the end of October 2001.

FY2001 was a year that brought several fiscal changes for the PSC. We look forward to the coming year and the changes it will bring.

CONSUMER AFFAIRS OFFICE

The Consumer Affairs Office answers consumer inquiries, mediates resolutions to utility complaints and enforces violations of utility laws and Commission rules. During calendar year 2001, Consumer Affairs responded to 108,003 calls, letters, faxes, emails and walk-ins, an 8% increase from the previous year. Consumer Affairs received 21,505 complaints, constituting more than a 9% decrease from the previous year. Of this total, 14,954 (69.5%) involved natural gas, while telephone, (5,884) and electric (667) complaints respectively comprised 27.4% and 3.1%.

Of the 14,954 natural gas complaints, nearly half, 7,045 (47.1%), involved high bills, certain charges on the bills or billing errors. Gas shutoff-related complaints comprised the second highest category, with the Commission receiving 2,570 (17.2%) complaints. Most involved marketer failure to provide proper notice; to record payments; or to correct reported billing errors resulting in the disconnection of service. Many of these consumers also complained about unreasonable terms imposed by marketers in order to have service restored. An additional 2,507 (16.8%) complaints were lodged against marketers over contractual matters, predominantly involving fixed rate pricing plans, pay arrangements and budget billing agreements. Complaints about untimely bills were down significantly from the previous year. Still, the Commission received 1,016 (6.8%) of these complaints. A significant number of consumers, 558 (3.7%), complained about AGL base charges and incorrect meter reads. Another noteworthy number, 518 (3.5%), reported problems in either reaching their marketer or getting switched to their preferred marketer. Finally, slamming and deceptive sales practices complaints dropped dramatically from the previous year, amounting to 372 (2.5%) complaints.

Of the 5,884 telephone complaints, nearly a third, 1,935 (32.9%) involved charges. Most of these consumers questioned either the amount of the charge or the nature of the charge. Some of these complaints resulted from the carrier's inability to adequately explain the charge. More than a fourth of the complaints, 1,492 (25.4%) stemmed from dissatisfaction with repair and installation service. One out of six, 978 (16.6%) complainants alleged the carrier signed them up or billed them for a feature without their authorization or engaged in some other deceptive sales practice in soliciting their business. A significant number of consumers, 463 (7.9%), reported problems in either reaching their carrier or getting switched to their preferred carrier. Finally, the Commission received 234 (4.0%) complaints regarding exorbitant charges for collect calls made by inmates from correctional facilities.

Of the 667 electric complaints, 258 (38.5%) involved high bills and charges. Ninety (13.5%) consumers were dissatisfied with pay arrangements, while 73 (11.0%) found fault with service regarding installation, outages and repairs.

Much of the decline in the number of natural gas late billing complaints can be attributed to the billing rule approved by the Commission on January 25, 2001. The rule requires marketers to render accurate bills to consumers within 45 days of receipt of the meter reading information from Atlanta Gas Light. Under the rule, consumers who receive late bills are given the same amount of time to pay the bill, as it took the marketer to send the bill. During the 2001 legislative session, the Georgia legislature enacted SB 217 providing additional consumer protection provisions for natural gas customers.

SCANA Energy generated the fewest complaints among the gas marketers for the year, 2001. Compared to SCANA, NewPower generated 2.10 times as many complaints, Infinite Energy 2.13 times, Georgia Natural Gas, 2.23 times, Energy America 2.46 times, Shell Energy 2.99 times, ACN Energy 6.04 times, and GasKey 7.54 times. However, for the second half of 2001, GasKey had the most improvement, finishing second to SCANA in its ratio of complaints to customers. Conversely, NewPower and Shell had the greatest decline in performance, respectively finishing fifth and seventh among the eight certificated marketers.

Among the gas marketers, the practices of Shell Energy drew the most scrutiny. In January 2001, Shell increased its variable rate price per therm from 78 cents to a $1.29. Several hundred consumers complained about the retroactive application of this price increase to gas that had been consumed in December 2000. Since April 2001, more than a thousand Shell consumers have complained about being disconnected without notice, being disconnected even though they had honored the terms of their pay arrangements, and being required to pay unlawful deposits in order to have their service restored. As a result of these complaints, the Commission in October 2001 ordered a four-week restriction on the number of consumers' service Shell could have disconnected. Several Shell practices are still under investigation.

Of the other three major marketers, staff has received several hundred complaints regarding Georgia Natural Gas' budget billing true up policies, with some consumers reporting monthly payment amount increases in excess of 500% from the previous year. Hundreds of NewPower customers are complaining about untimely bills, erroneous charges, and a $25 late fee that was implemented in the fall. In October 2001, the Commission issued a media advisory regarding the late fee charge, informing dissatisfied consumers how they could cancel their agreement with NewPower without penalty. Hundreds of SCANA customers have complained about being placed on a split-rate plan due to low gas consumption. They indicate this was implemented without their consent, after they became SCANA customers. This practice is currently under investigation.

On the third Wednesday of each month, NewPower and GNG representatives meet with staff respectively in the morning and afternoon. The informal meetings were designed to encourage discussion and resolution of root causes of complaints. The process has been largely successful with GNG, resulting in a significant decline in the number of complaints.

During 2001, staff commenced several audits and investigations of telecommunications carriers. In September 2001, staff concluded its investigation of alleged slamming and deceptive sales practice complaints against Talk.com. Talk.com entered into a consent agreement, requiring staff approval of its telemarketer verification scripts and paying a fine of $140,000. The Commission has also taken adverse actions against AT&T Broadband, Georgia Comm South and Global Crossing for problems associated with consumer complaints and poor customer service. The actions have resulted in delays in certificate-related requests until improvement was demonstrated. Georgia Comm South is still under investigation for its allegedly poor service practices and its failure to respond to complaints in a timely manner.

Since September of 2001, the Commission has received a large increase in complaints against MCI. The increase is predominantly attributed to alleged slamming complaints and complaints involving exorbitant charges for collect calls made from correctional facilities. The Commission has commenced a proceeding reviewing the rates charged by telecommunications carriers for collect calls made by inmates. On a positive note, staff has noticed a substantial improvement from BellSouth, following a series of meetings at the beginning of the year. BellSouth complaints have declined more than 30% from the year 2000, and its complaint resolution response time has improved significantly.

In August 2001, staff completed an audit of the complaint resolution performance of the twelve telecommunications carriers that had 40 or more complaints filed against them for the first six months of 2001. ALLTEL had the best performance, resolving 68.6% of its complaints in full or in part. Z-Tel Communications finished second with a 65.6% success rate and BellSouth third with 60.4%. The complaint resolution success rates for the other nine carriers were as follows: Network Plus, 54.3%; Talk.com, 53.8%; AT&T, 47.5%; Qwest Communications, 42.6%; Mpower, 40.3%; MCI, 34.3%; Allegiance Telecom, 34.1%; AT&T Broadband, 34.0%; and, Georgia Comm South, 22.7%. The audit also included an analysis of the carrier's response time to the Commission within five business days. For this performance factor, Z-Tel Communications and BellSouth finished first and second, respectively responding within the five-day window 83.6% and 65.2% of the time. Conversely, Allegiance Telecom and Georgia Comm South had the worst performance. Allegiance Telecom only responded within five business days, 12.2% of the time, while Georgia Comm South's timely response rate was a dismal 11.4%

Fortunately, staff has received relatively few complaints against the two regulated electric utilities, Georgia Power and Savannah Electric. In October 2001, staff, at the request of the Governor's Office of Consumer Affairs, met with Georgia Power regarding its policy of holding all adult occupants liable for unpaid electric service. Since then, staff has engaged in several meetings and communications with Georgia Power. At the conclusion of the year, this issue was still pending.

EXECUTIVE SECRETARY'S OFFICE

The Executive Secretary's Office is responsible for receiving all public documents filed at the Commission each day. In 2001, staff members in this Office opened 1,579 new case dockets and processed 8,349 documents that were filed at the Commission. In addition to handling filings made at the Commission, the Executive Secretary's Office is responsible for scheduling commission proceedings, assigning hearing officers, signing and certifying official orders, and preparing lists of interveners for docketed matters.

HUMAN RESOURCES OFFICE

The Human Resources Office has remained committed to maintaining a high level of professionalism and development of the PSC's staff. Professional development is critical to maintaining and enhancing the professional competence of the staff. Over the next three to five years several key employees at the Commission will be eligible for retirement. Efforts are underway to cross-train staff so that adverse effects of these anticipated retirements would be minimized.

One of the major accomplishments in the office in 2001 was the completion of a completely paperless recruitment and applicant records system. This development coincides with the Governor's strategic initiatives technology to provide better customer service to our stakeholders, applicants and hiring managers. The web address is http://www.psc.state.ga.us/jobopenings/index.htm.

INFORMATION TECHNOLOGY OFFICE

The overall strategy of the Commission's Information Technology (IT) Office in 2001 has been to use information technology in order to make the agency more accessible to the public and to improve the internal operations of the agency. Two primary means for implementing this strategy have been to develop a wide area network and an on-premises web site. The agency has an advanced IT platform that connects internal users in a way that has improved communications, enabled data sharing, reduced paper records, promoted the redesign of work processes, enhanced data analysis and refined project management. Similarly, improvements made to the PSC's on-premises web site have increased electronic transfer of documents, improved public access to Commission orders, expanded consumer and public education and encouraged a greater number of external communications. Due in large part to these advancements, the public has even greater access to the tens of thousands of documents on file at the PSC.

AGENCY BUDGET

	Fiscal Year 2000	Fiscal Year 2001	Fiscal Year 2002 Projected
Appropriations			
General Assembly Appropriations	$ 9,356,109.00	$ 9,847,341.00	$ 8,916,905.00
Federal & Other Funds	$ 4,397,319.00	$ 3,511,940.00	$ 314,074.00
Total	$ 12,868,049.00	$ 13,871,394.00	$9,230,979.00
Budgeted Expenses			
Personal Services	$ 8,371,427.00	$ 9,086,428.00	$ 6,377,817.00
Regular Operating Expenses	$ 641,542.00	$ 696,304.00	$ 311,711.00
Travel/Per Diem/Fees & Contracts	$ 2,330,524.00	$ 2,636,506.00	$ 1,715,415.00
Computer Charges	$ 454,171.00	$ 456,655.00	$ 252,586.00
Motor Vehicle Purchases	$ 325,124.00	$ 207,184.00	$ 30,000.00
Real Estate Rental	$ 327,795.00	$ 439,157.00	$ 409,782.00
Other	$ 417,466.00	$ 349,160.00	$ 130,668.00
Total	$ 13,951,618.00	$ 12,868,049.00	$12,792,350.00
Associated Revenue			
Regulatory Assessment Fees Paid Directly to Dept. of Revenue	$ 1,050,000.00	$ 1,050,000.00	$ 1,050,000.00
Regulatory Fees Collected and Remitted to State Treasury	$ 4,423,458.00	$ 4,035,277.00	$ 16,653,789.82
Total	$ 5,473,458.00	$ 5,085,277.00	$ 17,703,789,82

Footnotes:
FY2000 Figures per Audit Review
FY2001 Figures per Audit Review
FY2002 Budget is per Amendment #4
FY 2002 Figures are different due to the transfer of Transportation unit to DMVS.
Funds remitted to the State Treasury are as of 12/20/01.
Ga. No Call $295,000 and Fines & Penalties $16,358,789.82

ORGANIZATIONAL CHART