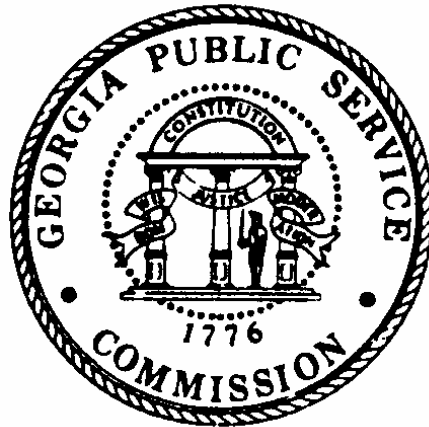


GEORGIA PUBLIC SERVICE COMMISSION

2003 Annual Report



**Chairman Robert B. Baker, Jr.
Vice-Chairman H. Doug Everett
Commissioner David L. Burgess
Commissioner Angela Elizabeth Speir
Commissioner Stan Wise**

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LETTER TO THE GOVERNOR

January 1, 2004

The Honorable Sonny Perdue
Governor of Georgia
Office of the Governor
State Capitol
Atlanta, Georgia 30334

Dear Governor Perdue:

It is a pleasure to present to you the 2003 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.

This past year at the Commission has been an active one. The Commission approved a Green Power Energy Program for both Georgia Power and Savannah Electric and restructured Savannah Electric's fuel cost recovery rider. We continue to monitor the competitive natural gas industry in Georgia through rule revisions and other proceedings. Like other state agencies, we have reduced our budget and expenditures to streamline our operations as the state faces tough budget decisions.

Since 1879, decisions made by the Commission have contributed to the state's economic growth and technological development. We look forward to serving Georgia's citizens during the Commission's 125th year.

Respectfully submitted,

Robert B. Baker, Jr., Chairman
H. Doug Everett, Vice Chairman
David L. Burgess, Commissioner
Angela Elizabeth Speir, Commissioner
Stan Wise, 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 1906, the Legislature allowed the voters to elect the Commission.

In 1891, telegraph and express companies came under the Commission’s jurisdiction. Sixteen years later, the Legislature gave the Commission authority over docks and wharves, as well as telephone, natural gas and electric companies, and increased the number of Commissioners from three to five. The Legislature further expanded the Commission’s jurisdiction in 1931 when it authorized the Commission to regulate the trucking industry. Cognizant of the changing role of this regulatory body, the General Assembly in 1922 changed the name of the Railroad Commission of Georgia to the Georgia Public Service Commission. In 2001, pursuant to new legislation, the Commission handed over trucking regulation to the newly created Department of Motor Vehicle Safety.

MISSION

The Commission is a quasi-legislative, quasi-judicial agency comprised of five Commissioners elected on a statewide basis. The Commission’s mission is to exercise its authority and influence to ensure that consumers receive safe, reliable and reasonably priced telecommunications, electric and natural gas services from financially viable and technically competent companies. 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, provide for the safety of natural gas pipelines and protect underground utility systems from damage.

Over the past decade, growth, competition and technological advances have significantly changed the Commission’s purpose. With the onset of competition in the telecommunications and natural gas industries, the Commission’s role has expanded. In addition to traditional regulation, the Commission facilitates competition and arbitrates complaints among competitors. This trend is expected to continue as these industries—and possibly one day the electric industry—move closer to being fully competitive.

PUBLIC SERVICE COMMISSIONER PROFILES



Robert B. Baker, Jr.

Commissioner Since: January 1, 1993

Elected: 1992; Re-Elected: 1998

Serves Through: December 31, 2004

Republican, Clarke County

Chairman, Georgia Public Service Commission

Robert B. Baker, Jr., is completing his third term as Commission chairman. He was the first Republican elected to a statewide office since Reconstruction, and was re-elected in 1998. 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 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. He and his wife, Joselyn, are members of Christ the King Church.



H. Doug Everett

Commissioner Since: January 1, 2003

Elected: November 5, 2002

Serves Through: December 31, 2008

Republican, Albany

Vice-Chairman, Georgia Public Service Commission

A native of Cordele, Georgia, Commissioner Doug Everett is the first Republican elected to the Commission from Southwest Georgia. In 1996, he was elected to the Georgia House from Albany and served three terms before his election to the Commission in 2002. As a State Representative, he served on the House Industry Committee and the Subcommittee on Utilities.

Commissioner Everett was born in Cordele, Georgia but moved to Sylvester where he graduated from high school. He entered Georgia Tech but later transferred to Georgia Teachers College (now Georgia Southern University) and majored in math.

After moving to Albany, Commissioner Everett first worked for Albany First Federal Savings and Loan before starting his own business in 1974, Southern Appraisal Company that specializes in appraising large commercial and industrial properties. In 1980, he received his MAI appraisal, the highest appraisal designation one can receive.

Prior to serving as a legislator, Everett served on the Albany Zoning and Planning Board of Appeals, the Board of Tax Assessors and three terms on the Albany City Commission, including two years as Mayor Pro Tem.

Everett is married to Janice Perry Johnson of Montezuma. The couple has three grown children, Mitch, Mike and Denice Delk, and three grandchildren. Everett is a former member of the Albany Rotary Club, the Sylvester JAYCEES and the Sylvester Kiwanis Club.



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, 1999. His appointment to the Commission is one of several “firsts.” 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 Telecommunications 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, a 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 two daughters, Crystal and Christina. Burgess is the Superintendent of Sunday School and Vice-Chairman of the Steward Board at Turner Monumental A.M.E. Church.



Stan Wise

Commissioner Since: January 1, 1995

Elected: 1994; Re-Elected: 2000

Serves Through: December 31, 2006

Republican, Cobb County

Commissioner, 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 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 also serves on the U.S. Department of Energy's State Energy Advisory Board and on the Cobb County Public Schools Educational Foundation, Inc. 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.

Wise was awarded his B.S. in Business Management from the Charleston Southern University in 1974. He owned and operated an insurance agency in Cobb County for over twenty years. He and his wife, Denise, have two grown children.



Angela Elizabeth Speir

Commissioner Since: January 1, 2003

Elected: November 5, 2002

Serves Through: December 31, 2008

Republican, Duluth

Commissioner, Georgia Public Service Commission

Angela Elizabeth Speir made Commission history in November 2002 as the first woman elected to the Public Service Commission and the second Republican woman elected to a statewide office. A Georgia native, Commissioner Speir grew up in DeKalb County and graduated from Agnes Scott College with a B.A. in Biology. She is also a graduate of CEO International. After graduation from Agnes Scott, Ms. Speir served as the Assistant Administrator of the medical complex at the United Methodist Children's Home providing medical aid and counseling to abused children. She first ran for public office in 1992 as a candidate for the Georgia State Senate. Ms. Speir's interest in helping others led her to a career in the employment industry. Through positive leadership and mentoring, Ms. Speir is recognized as a leader in the field.

Ms. Speir is a member of the Gwinnett County Chamber of Commerce and the CEO Executive Roundtable. Ms. Speir is a supporter of the Gwinnett County Children's Shelter, The United Methodist Children's Home, and Children's Healthcare of Atlanta. Ms. Speir is a member of the National Association of Regulatory Utility Commissioners Committee on Telecommunications.

**PUBLIC SERVICE COMMISSION
MANAGERIAL PERSONNEL**

DECEMBER 31, 2003

Commissioners

Robert B. Baker, Jr., Chairman
H. Doug Everett, Vice Chairman
David L. Burgess, Commissioner
Stan Wise, Commissioner
Angela Elizabeth Speir, Commissioner

Administration Division

Deborah Flannagan, Executive Director
Reece McAlister, Executive Secretary
Bill Edge, Public Information Officer/Legislative Liaison
Greg Peacock, Fiscal and Budget Officer
Margie Conley, Human Resources Officer
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
Cynthia Johnson, Director of Consumer Affairs Unit

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 continue to be monopoly services, fully regulated by the Commission.

The pace at which competition is being implemented varies among the regulated industries. In the telecommunications industry, long distance service has been competitive since the mid-1980s. 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; however, 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 continues to ensure that consumers receive the best possible value in telecommunications, electric and natural gas services, to improve natural gas pipeline safety and to protect utility infrastructure from damage. An overview of the role that the Commission has played in each of these utility industries over the past year, as well as key decisions of this agency, is set forth in the following sections.

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 the electric industry in Georgia to 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 two million consumers. 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 UTILITY INDUSTRY IN 2003

Commission Continues Its Involvement In The Selection Of New Resources And Its Support Of Companies' Green Power Initiative

Pursuant 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 (IRP) filed by the investor-owned utilities on a three-year cycle and certifying applications for supply and demand side resources as indicated in the approved IRP. During 2003, the Commission began its involvement in the utilities' Request For Proposals for new resources beginning in 2007. Due to a decrease in its load projections, the Companies decided, however, to withdraw the request. The new load forecast is one of the issues that will be addressed in the Companies' 2004 IRP filings.

The ability to buy "Green" power comes closer to reality with accreditation of Georgia's Green Pricing Initiative received from the Center for Resource Solutions this year. In 2001, the General Assembly passed Senate Bill 93, which provided for the sale and purchase of "green" or renewable power in Georgia once these resources have been accredited. The Green Pricing Program would allow customers the option of receiving some of their electricity from renewable resources (solar, wind, landfill gas, and other

sources). The electric utilities in the state have been actively developing their programs, with input from the Commission's Electric Staff.

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 159 counties in Georgia. The Commission also approves the financing applications of electric membership corporations.

The Commission Continues Its Involvement In Federal Activities That Affect The Electric Utility Industry

The Georgia Public Service Commission is active with its regional association, the Southeastern Association of Regulatory Utility Commissioners (SEARUC), as well as with its national organization, the National Association of Regulatory Utility Commissioners (NARUC), to ensure that any federal restructuring legislation will benefit Georgia ratepayers. Commissioners and Staff serve on the committees of several national and local groups including NARUC, SEARUC, Southeast Electric Reliability Council (SERC), SeTrans Regional Transmission Organization (RTO), Georgia Green Pricing Accreditation Group, Georgia Energy and Environment Group, Governor's Energy Task Force and the Southern States Energy Board. During this past year, the Staff participated in NARUC's annual conference that was held in Atlanta, Georgia, during November 2003.

The Federal Energy Regulatory Commission (FERC) required electric utilities to file a plan to implement a RTO by October 2000. 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 into 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, formed by Southern Company and other utilities. The SeTrans sponsors decided not to file their proposal with FERC at this time. The Commission has been active in many of FERC's Rulemaking dockets to ensure that Georgia's regulated consumers are not unduly harmed by policies that could lead to an increase in electric rates.

The Commission continues to monitor the performance and reliability of the regulated utilities' generating plants to ensure that they are being operated in an efficient manner.

Commission Approves Restructured Fuel Rate For Georgia Power And Continues To Investigate The Operations Of The Regulated Utilities

The Commission restructured Georgia Power's fuel rates to align recovery of fuel costs when the costs are actually incurred. Specifically, the Commission has established a summer and non-summer fuel rate for Georgia Power's customers. This change in the rate should avoid extreme under collection or over recovery of costs, which impact the Company and customers alike, since interest charges accrue to the under recovered or over collected balances. The Commission Staff continues to investigate several matters concerning the earnings and operations of the regulated utilities.

The Commission monitors the effectiveness of hedging programs for Georgia Power Company and Savannah Electric and Power Company to mitigate the potential for high natural gas fuel costs. The Commission Staff completed its investigation and issued a report regarding the fuel procurement practices used by both companies.

The Commission approved a Flat Billing tariff for Savannah Electric's residential and commercial consumers. This optional program provides stability for customers during fluctuating market conditions. The Commission issued its biennial rate surveys during the winter and summer for all electric utilities in Georgia.

PSC Seeks To Protect Ratepayer Interests In Environmental Policy Decisions

The Commission continued to monitor Georgia's Environmental Protection Division (of the Georgia 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 Review 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.

Although President Bush approved Yucca Mountain as the repository for nuclear waste, which the Commission applauds, 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's position on this matter 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 an appropriate solution.

Natural Gas

Natural gas is vital to the development and economic well being of Georgia. Over 1,500,000 customers in Georgia use natural gas that is delivered by the state's two investor-owned natural gas systems, Atlanta Gas Light Company (AGLC) and Atmos Energy (formally know as United Cities Gas). 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 allowed 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 is to facilitate this transition.

Although Atmos Energy 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.

In 2002, the Legislature passed the Natural Gas Consumers' Relief Act (House Bill 1568). The Commission dedicated this past year to enforcing the provisions of House Bill 1568 by ensuring compliance with all of the newly enacted Commission Rules and creating additional protection for natural gas consumers and continuing to implement and administer other provisions of Senate Bill 215, The Natural Gas Deregulation and Competition Act of 1997.

Important events in the Georgia natural gas industry that occurred during calendar year 2003 are set forth in the following sections:

SIGNIFICANT MATTERS IN THE NATURAL GAS INDUSTRY IN 2003

Certificated Natural Gas Marketers

Currently, there are ten active certificated natural gas marketers and one Regulated Provider operating in Georgia. During 2003, a few companies expressed an interest in becoming a marketer; however, no applications were filed. Also, in 2003 the Commission approved a "change of ownership" for one marketer.

On December 19, 2003 Energy America, LLC, filed a petition with the Commission seeking approval to transfer all of its customers to SCANA Energy Marketing. Energy America decided that they no longer wanted to do business in Georgia. The Staff is in the process of reviewing all pertinent information and the Commission hopes to render a decision in the first quarter of 2004.

Regulated Provider

On June 20, 2002 the Commission designated SCANA Energy as the Regulated Provider for a two-year term. As of December 29, 2003, the Regulated Provider had approximately 22,785 Group 1 customers and 22,631 Group 2 customers. As a result of the Commission's selection, the low-income Group 1 customers are receiving natural gas at rates below the market average. Group 1 customers must meet the federal income guidelines established by the Georgia Department of Human Resources (DHR) for the federal Low-Income Housing Energy Assistance Program (LIHEAP), and Group 2 customers must be unable to obtain natural gas service as a result of poor credit or have been refused service by another marketer. The Commission was required to select the Regulated Provider through a competitive bid process among certificated marketers.

The Commission Adopts and Revises Several Rules

During 2003, the Commission revised and adopted regulations through several rulemaking proceedings to meet the statutory requirements of House Bill 1568.

On January 9, 2003 the Commission adopted amendments to the Residential Natural Gas Service Disconnection Rules. These amendments made a number of changes, the most important being that a disconnection in error need not be part of a billing dispute subject to Commission action. The remaining amendments adopted refined the language contained in the rule without altering its meaning.

On May 15, 2003 the Commission approved rules for determining whether prices are constrained by market forces. Under these rules, the Commission can impose temporary directives and price regulations if it is determined that prices are not constrained by market forces. In addition, the Staff continually monitors rates in the Southeast to ensure that the prices in Georgia are not significantly higher than those in other states in this region.

On November 18 and December 4, 2003, respectively, the Commission adopted the final rules regarding service quality standards for the electing distribution company, certificated marketers and the regulated provider. The purpose of these rules was to

make minor modifications to the rules to ensure continuity and compliance with the Commission's Final Orders.

In December 2003 the Commission approved amendments to the Billing Practices section of the Natural Gas Marketers Rule. Pursuant to Georgia law, marketers are prohibited from imposing unreasonable late fees to a customers with a past due balance. The purpose of this amendment was to establish a minimum amount past due balance prior to assessing a late fee to a customer. The Commission established that assessing a late fee to customers with a past due balance of less than \$10.00 was unreasonable, and therefore prohibited.

During 2003 the Commission issued three Notices of Proposed Rulemaking to amend the approved Marketers' Terms of Service Rule. The proposed revisions were intended to: (1) require marketers to provide 60 days (or two billings cycles), and no less than thirty 30 days notice to consumers at the conclusion of a fixed term contract or when a marketer proposes to change its terms of service in any agreement; (2) prohibit automatic renewals of fixed term-contracts without the consumer's expressed consent; and, (3) provide a default variable-term plan to those consumers who either do not express their consent to enter into a new fixed contract with their current provider or make arrangements to receive gas service from another provider. The Commission will consider the adoption of these rules during the first quarter of 2004.

Bankruptcy Filings Monitored By The Commission

There were no bankruptcy proceedings during 2003. The Commission Staff continually monitors the financial viability of all of the certificated marketers through monthly and quarterly reporting requirements and data interrogatives.

Interim Pooler Designated

On July 3, 2003 the Commission issued an order designating Infinite Energy, Inc., as the Interim Pooler for the period July 1, 2003, through June 30, 2004. 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 consumers.

Audits

The Commission Staff continues to conduct quarterly audits of Atlanta Gas Lights Company's Pipeline Replacement Rider and Environmental Recovery Rider, as well as

Atmos Energy's Pipeline Replacement Rider. The purpose of these audits is to ensure that all of the expenses that are charged to the respective riders are appropriate.

Capacity Issues

The Commission conducted a hearing regarding interstate capacity assets, as required by House Bill 1568. On August 6, 2003, the Commission approved a three-year capacity assignment plan, supported by Atlanta Gas Light Company, nine of the ten marketers, the interstate pipeline companies and the Commission Staff.

As a result of this decision, the Commission's jurisdiction over permanently assigning interstate capacity assets to the marketers has been questioned. If the assets were permanently assigned to the marketers, as one proposal suggested, then the Federal Energy Regulatory Commission (FERC) may have jurisdiction over those assets rather than the Commission. If the Commission no longer has jurisdiction over the assets, then the Commission may not necessarily be able to ensure that Georgia ratepayers would have natural gas delivered to their homes. In light of these concerns, the Commission on November 19, 2003 petitioned the FERC for a jurisdictional ruling on the interstate capacity assets. This issue may be resolved in 2004; however, it is uncertain when the FERC will make a determination.

Service Quality Standards Monitoring

House Bill 1568 required that the Commission develop a service quality standard for Atlanta Gas Light Company and marketers/regulated provider. During 2002, the Commission adopted rules that established the parameters for service quality standards; however, the specific standards themselves were established in 2003.

The Commission held hearings for AGLC and the marketers/regulated provider in February 2003. As a result of the hearings, the Commission determined the minimum service standards AGLC and the marketers/regulated provider must meet in order to avoid sanctions by the Commission. The Commission issued a Final Order for AGLC and the marketers/regulated provider on April 14, 2003, with an effective date for compliance of July 1, 2003. The Commission has been monitoring the approved standards for the marketers and AGLC since July 2003. Each month, both must file reports that provide information on the approved standards.

If a marketer or AGLC fails to meet the minimum service standards set by the Commission, then they must file a remediation plan that details why they failed to meet the standard and how they will remedy the problem. If the marketer or AGLC continues to violate the approved standard, then the Commission may fine the marketer or AGLC

until they comply. As of December 2003, neither AGLC nor any of the marketers have been fined for failure to meet any of the approved service quality standards.

AGLC's Affiliated Transactions Audit And Earnings Review

As a result of the Natural Gas Competition and Deregulation Act of 1997, AGLC elected to become a "pipes-only" company. As such, AGLC was only required to maintain a safe and reliable distribution system and not required to bring natural gas into its system. The Commission established AGLC's rates for distribution service at the beginning of the deregulation process and subsequently reduced these rates in 2002. In addition, the Commission approved a Performance-Based Ratemaking plan for the company.

Since the new rates went into effect, the Staff has been reviewing AGLC's monthly reports to ensure compliance with the final order and to monitor AGLC's earnings. In December 2003, the Staff began the process of conducting an affiliate audit in preparation AGLC's next rate case, which will be filed on November 1, 2004.

Atmos Energy's Gas Supply Plan

On September 12, 2003, the Commission approved Atmos Energy's 2003 to 2004 Gas Supply Plan. The purpose of this plan is to provide the Commission with information regarding Atmos' plan for supplying its nearly 70,000 firm customers with natural gas. As part of the plan, the company describes its capacity and supply portfolios, as well as all storage assets. During the hearing in this docket, it was discovered that Atmos' asset manager was using the Georgia ratepayer assets for its own purposes and not returning any of the benefits to the ratepayers. This led to the Commission opening a new docket to further explore these issues.

Atmos Energy's Affiliate Audit

As a result of the 2003 Capacity Supply Plan, the Commission opened a docket to investigate affiliate transactions between Atmos Energy and its marketing affiliate, Woodward Marketing. In November 2003, the Staff began its investigation of Atmos regarding certain affiliate transactions involving ratepayer assets. During 2004, the Staff will make a recommendation to the Commission on this issue.

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 2003, the Commission had certificated 977 resellers, 236 alternative operator service providers, 249 competitive local exchange providers, 122 interexchange service providers and 912 payphone service providers. The Commission also heard two arbitrations, 12 technical related complaints and approved 149 interconnection agreements.

SIGNIFICANT MATTERS IN THE TELECOMMUNICATIONS INDUSTRY IN 2003

Digital Subscriber Line (DSL) Service

Until this year, BellSouth would not allow voice customers of another Competitive Local Exchange Carrier to receive BellSouth's DSL service. On October 21, 2003, the Commission ruled that BellSouth must cease this policy and provide DSL service to its competitor's voice customers. The Commission found that BellSouth violated its interconnection agreement with MCI as well as the State Telecommunications and Competition Development Act of 1995 by forcing customers into an illegal tying arrangement in which they must purchase BellSouth's voice service in order to receive high-speed internet service.

BellSouth Wholesale Interconnection Rates

On June 24, 2003, the Commission issued an Order establishing Cost Based rates for Interconnection and Unbundling of BellSouth Telecommunications, Inc.'s Services. The Commission found the rates, terms and conditions for unbundling to be compliant with the Georgia Telecommunication and Competition Development Act of 1995 and the Telecommunications Act of 1996. The result of the Commission decision produced lower wholesale Unbundled Network Element Rates charged to Competitive Local Exchange Carriers, which allowed many of the major carriers to provide its Local Service offering to compete with BellSouth in its entire service area.

Performance Measurement Review

The Commission's Service Quality Measures (SQMs) include comparative measures that monitor all areas of support (pre-ordering, ordering, provisioning, collocation, maintenance and repair, operator services, directory assistance, E911, trunk group performance and billing) to assess BellSouth's service to Competitive Local Exchange Carriers (CLECs). During 2003, BellSouth paid over \$5 million to the State of Georgia Treasury for failure to meet Commission set performance measures.

Telecommunications Relay Service (TRS)

A new three-year Georgia TRS service provider service agreement with AT&T began on April 1, 2003. As a part of this service agreement, AT&T is funding an enhanced TRS advertising and outreach effort which is being provided by Devaney and Associates, a Maryland advertising firm with extensive experience in TRS advertising. The Georgia Relay is now providing both Internet Relay and Video Relay. The use of the 711 dialing access code to Georgia Relay continues to grow in popularity with relay users.

Telecommunications Equipment Distribution Program (TEDP)

In accordance with the provisions of HB 1003, passed by the 2002 General Assembly, the Commission established the Georgia TEDP, which became operational on March 31, 2003. This program provides specialized telecommunications equipment on long term loan to Georgians who, because of physical impairments, particularly hearing and speech impairments, cannot otherwise communicate over the telephone. Receipt of telecommunications equipment under this program is subject to medical and financial eligibility screening.

Universal Access Fund (UAF)

The Telecommunications Act of 1995 approved by the Georgia General Assembly mandated a Universal Access Fund (UAF) for the State of Georgia and required the Commission to hold hearings which the Commission held in the spring of 1996. The Commission issued its full Order in Docket No. 5828-U to establish and administer the UAF on August 30, 1996.

Initially, the Commission required the submission of affidavits by wire telecommunications companies in Georgia stating each company's annual gross revenues from sales to end users of telecommunications services pursuant to O.C.G.A.

§ 46-5-167(b). These affidavits were used by the Commission to estimate each potential participant's revenue relationship to the total revenues of the telecommunications companies providing service in Georgia and to estimate the subsequent factor to be applied to the revenues in order to determine contributions to the UAF.

Hearings were held to give Local Exchange Companies an opportunity to make application for and demonstrate eligibility for disbursements from the UAF under O.C.G.A. § 46-5-167. It was also designed to give parties an opportunity to address the issue of what standards should be utilized to determine whether and how contributions and disbursements should be made. At the conclusion of these hearings the Commission remained unconvinced that there was a need for an explicit subsidy and subsequent disbursements in the near term. Accordingly, the Commission deferred any final decision on this until a later date.

Hearings were also held on the proper interpretation of O.C.G.A. § 46-5-166(f) (2). This Section gave Tier 2 companies an opportunity to recover revenues lost through the concurrent reduction of intrastate switched access rates mandated in the above-cited legislation. The Commission found that any real loss of revenues by Tier 2 companies due to the lowering of access charges as mandated by the General Assembly could be recovered by either change in rates or through a UAF disbursement. The Commission established the interim UAF for the specific purpose of addressing switched access revenue losses mandated by the legislation.

Assessment notices were sent to all wire providers of telecommunications service in the State to include Local Exchange Companies (LEC), Competitive Local Exchange Companies (CLEC), Interexchange Carriers (IXC), Resellers of telecommunications services and Coin Operated Customer Owned Telephones (COCOT). A lockbox account was established at SouthTrust Bank to receive contributions. Additionally, an account was established at the State Treasury with the Georgia Fund One Account to invest funds until disbursement. Deposits have been received and disbursements made on a quarterly basis.

Some Incumbent Local Exchange Companies (ILEC) recovered revenue losses through rate rebalancing allowed by the Act and approved by the Commission. Other ILECs recovered access parity related revenue losses by a combination of rate rebalancing and receipts from the UAF, as approved by the Commission. There have been three \$1.00 per access line rate increases mandated by action of the Commission, which have reduced the amount of UAF contributions otherwise needed. The Commission set the contribution factor at .5% to .7% initially and subsequently to 1.5%. This factor has been applied to the gross Georgia end-user revenues to determine the contribution amount for each contributor.

On December 15, 1998, the Commission decided that the term of the interim UAF as contemplated by O.C.G.A. § 45-5-166 (f)(2) was five years, ending June 30, 2001, and that any claims for disbursement by Tier 2 LECs thereafter should be filed under O.C.G.A. § 46-5-167 by demonstrating a need for disbursement. Subsequently, many of the smaller ILECs argued that filing under Section 167 would not be an efficient use of time or resources to conduct a formal hearing on their cost studies. The Commission agreed and determined that it was appropriate to create a procedure where any LEC intending to claim below a cap amount of \$1.5 million annually may elect to bypass a formal hearing and proceed under a workshop process.

Disbursements have been made under O.C.G.A. § 45-5-166(f) (2) on a quarterly basis under the interim UAF. The last disbursement under the Interim UAF was scheduled to take place in July 2001; however, the Commission chose to extend the life of the Interim fund for an additional three years through June 30, 2004. Any Tier 2 LECs applying for funds from the UAF were ordered to file the necessary data to determine if there existed a need for continued support under O.C.G.A. § 46-5-167. Subsequently, on January 25, 2004, the Commission voted to continue disbursements of funds to five Tier 2 LECs under Section 167. There will be an annual disbursement in aggregate of approximately \$2.9 million going forward under Section 167 and LECs desiring continued relief after June 30, 2005 must again apply to continue receiving funds. The Commission will consider requests for funds by other parties at a future date.

Consumer Affairs

The Consumer Affairs Unit responds to consumer inquiries, resolves complaints and investigates probable violations of state laws and Commission rules. Consumer Affairs also educates consumers regarding their rights under the law and the utility industries the Commission regulates.

The Consumer Affairs Unit is the primary entry point for consumers wishing to make their interests and issues known to the Commission. Consumers may communicate with Consumer Affairs via telephone, fax, regular mail, email, and the internet. In addition, at least two representatives are assigned to assist consumers who choose to file their complaints in person.

Staff members in the Consumer Affairs Unit regularly interact with representatives from the utility industries to mediate resolutions to any consumer complaints, discuss complaint trends (and possible courses of action to address problematic trends) and ensure mutual understanding of business processes and policies.

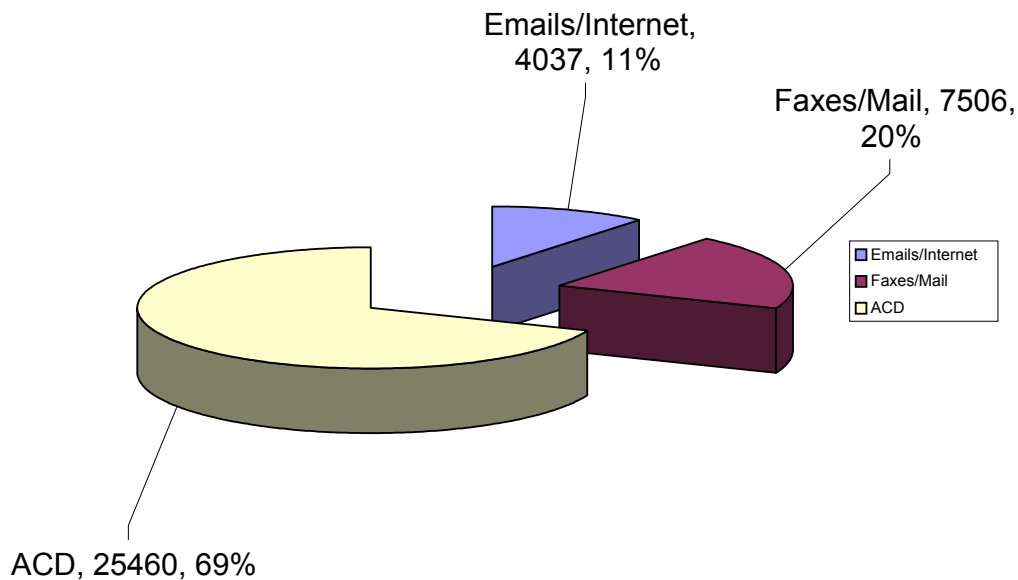
Having direct involvement with both the general public and industry representatives gives the Consumer Affairs Unit a unique perspective that makes it a source of valuable information for other work groups within the Commission.

In 2003, Consumer Affairs expanded its role to include consumer education and outreach, enforcement activities, and rulemaking. An overview of the major activities undertaken in 2003 is provided in the following sections.

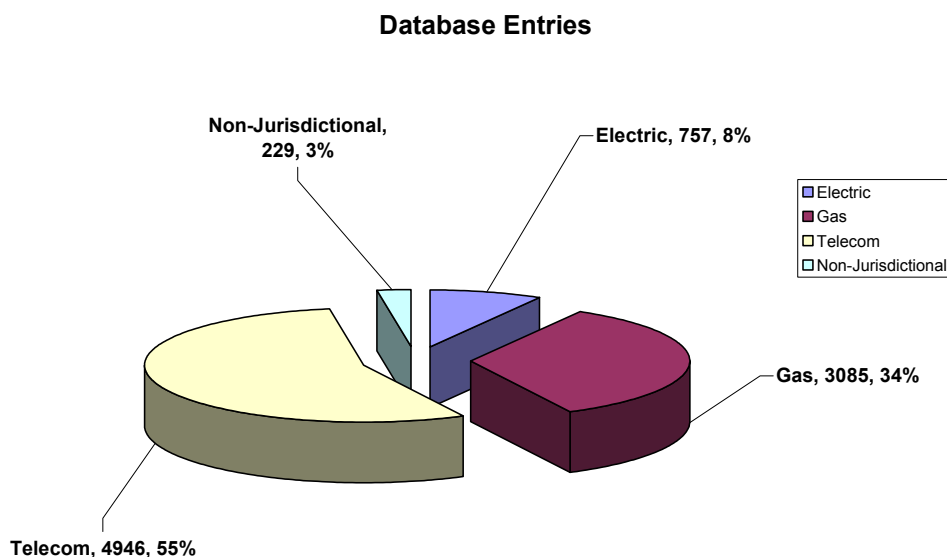
Consumer Complaints and Inquiries

Consumers' telephone calls are processed by an Automated Call Distributor (ACD). This PC-based system places calls in a queue and then forwards them to the first available representative. Telephone calls comprise sixty-nine percent (69%) of the total communication volume. Complaints that are filed online through the Commission's website are forwarded to the Georgia PSC email inbox, gapscc@psc.state.ga.us. Consumers can also send emails directly to this address. Eleven percent (11%) of our volume comes from these electronic sources. Regular mail and faxes are still popular forms of communication among Georgia consumers, accounting for twenty percent (20%) of the total. In all, Consumer Affairs representatives received **37,003** inquiries, complaints, and opinions offered by the general public through these various mechanisms in 2003.

Consumer Affairs Communication Volume

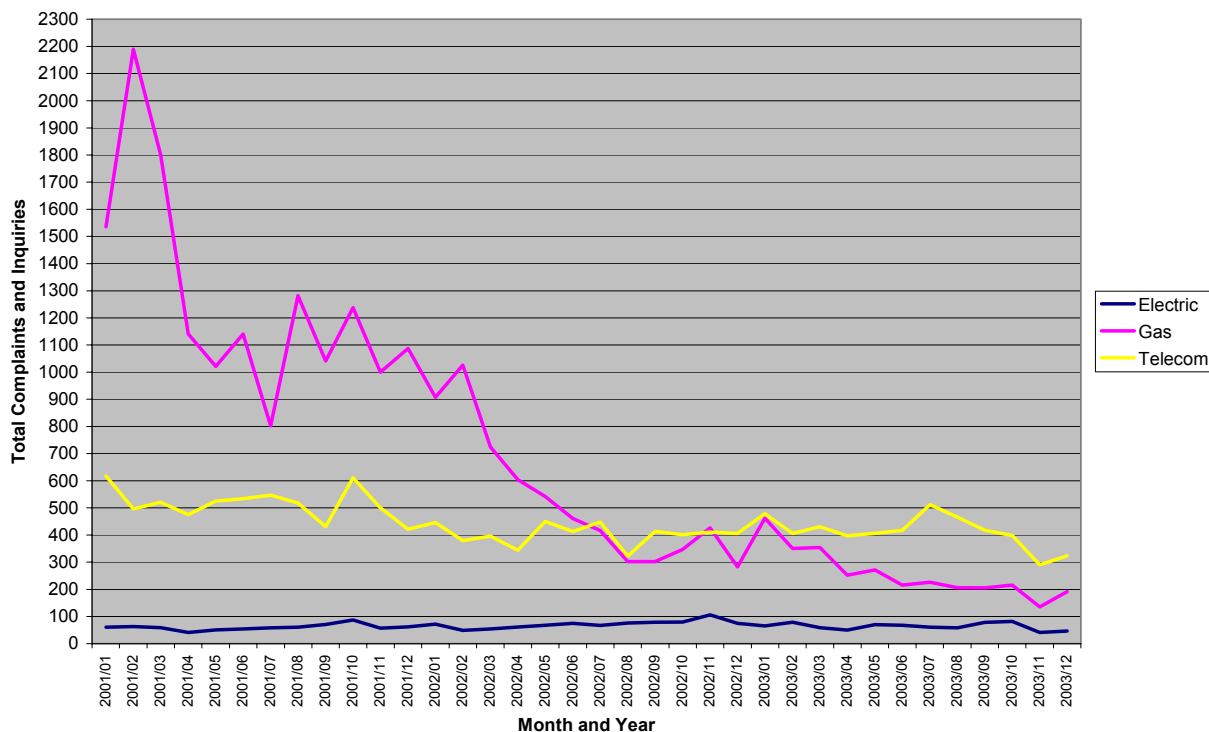


Contacts requiring referral and follow-up are recorded in the Consumer Response System (CRS) database. Of the **9,017** contacts that were recorded in 2003, telecommunications issues comprised the majority at fifty-five percent (55%), followed by natural gas issues with thirty-four percent (34%), and electric at eight percent (8%). Consumer Affairs representatives assisted consumers in non-jurisdictional matters as well, and these contacts comprised three percent (3%) of the total recorded contacts.



The number of telecommunications contacts declined by about twenty percent (20%) from 2001 to 2002, but 2003 saw a two percent (2%) increase over 2002. Nevertheless, the trend for both electric and telecommunications contacts have remained relatively flat in comparison to the trend for natural gas contacts. After spiking to an all time high in February 2001, the number of natural gas contacts has dramatically declined.

Complaints and Inquiries by Industry



This decrease is directly attributable to the Natural Gas Consumers’ Relief Act (House Bill 1568) and the Commission rules promulgated under that Act. When the rules took effect in September 2002, natural gas marketers changed business processes and information systems in order to comply with the law and Commission initiated enforcement actions against companies that failed to comply. There were eighty percent (80%) fewer natural gas-related contacts in 2003 than in 2001 and forty-eight percent (48%) fewer than in 2002.

Staff Development

“Knowledge is power” emerged as a driving theme for the Consumer Affairs organization in 2003. We continued our emphasis on staff development to support representatives in transitioning from a passive, limited role in the complaint resolution process to a more active, dynamic role.

Educational opportunities offered to Consumer Affairs representatives in 2003 included two presentations by utility company representatives. Georgia Power provided an

overview of the company's customer service standards. BellSouth representatives explained their role in the telephone switching and customer service processes.

Consumer Affairs staff attended internal classes on the following topics:

- Georgia Power's Green Power Tariff
- Atmos Energy's Budget Billing Plan
- Atlanta Gas Light's Annual Dedicated Design Day Capacity Recalculation
- Georgia Relay Service Campaign

Consumer Affairs staff members developed documentation to increase their understanding of terms and conditions of service offered by the ten certificated natural gas marketers, including a binder containing the most recent version of each marketers' terms and conditions and a chart summarizing, comparing and contrasting provisions of their terms and conditions of service.

Consumer Education And Outreach

"Knowledge is power" is true for consumers as well, and the Consumer Affairs staff carried that theme forward in developing its consumer education and outreach programs. We focused on providing timely, well organized information on our website via consumer alerts and advisories. The topics featured on the website included:

- "True Cents" A narrative explaining the components of a natural gas bill and how to calculate the "true cents per therm" to accurately compare marketers' natural gas price plans
- An advisory explaining the Federal and State No Call programs
- An advisory on natural gas fixed rate plans
- A matrix comparing "other" gas marketer fees

Consumer Affairs staff developed presentations, hosted or participated in workshops for consumers and/or consumer advocates, and participated in several radio interviews. Community outreach activities allowed Consumer Affairs staff members to directly educate hundreds of consumers and indirectly impact thousands more.

Outreach activities included the following:

- Consumer Affairs hosted a "dialogue" between Commission staff, the Georgia Department of Human Resources (DHR), and social service agencies from the metropolitan Atlanta area (The Salvation Army, Buckhead Ministries, The Sullivan Center, and Midtown Assistance Center).
- Breath of Life Church
- Participation in H.E.A.T. (Heating Energy Assistance Team) quarterly meetings
- Presentations made at DHR-sponsored training for Community Action Agencies
- Presentation to the Heart of Georgia Community Action Agency and the Macon Housing Authority

- Presentations at the request of the DeKalb Council on Aging at the following centers:
 - North DeKalb Senior Center
 - Lithonia Senior Center
 - South DeKalb Senior Center
 - Hamilton Center
 - DeKalb-Atlanta Senior Center
- Presentations at the request of the Fulton County Office on Aging at the following centers:
 - Harriet G. Darnell Senior Center
 - HJC Bowden Senior Center
 - Helene Mills Senior Center
 - Dorothy C. Benson Senior Center
- Presentation to the City of Atlanta Recreation Center Directors
- Presentation to Foster Grandparents and Senior Partners
- Workshop presentation at the annual meeting of the Georgia Community Action Agency Association

No Call List Management

The implementation of the Federal No Call List in September 2003 triggered changes in the management of the State's No Call registry that resulted in savings of over \$1 million to Georgia consumers.

The Georgia No Call law, anticipating the creation of a national registry, contains provisions that require Georgia telephone numbers registered on the national list to be automatically included in the State list. Because registration on the national list is free to consumers, the Commission initiated changes in the management of the Georgia list that would eliminate the need for consumers to pay a fee to the State. Georgians would register on the national list and telemarketers would obtain listings directly from the national registry.

Consumer Affairs participated in a cross-functional team that designed new processes for the management of the State list and transitional processes to facilitate registration for Georgia consumers who were unaware of the free national list. Consumer Affairs developed a database to record registrations and a process to return consumers' payments and inform them of the free national registry.

Consumer Affairs processed 5,000 registrations between September and December. As of December, 2003, 1.7 million Georgia telephone numbers were registered on the national No Call database, 1.3 million more than were previously registered with the State.

Enforcement Of Service Quality Rules

Consumer Affairs representatives are encouraged to objectively investigate each complaint, ask probing questions of both the consumer and the utility company, and make a determination as to whether they believe a violation of State law or Commission rules has occurred. These individual complaints are sometimes indicative of a larger, even systemic, problem—what Consumer Affairs calls the “tip of the iceberg.”

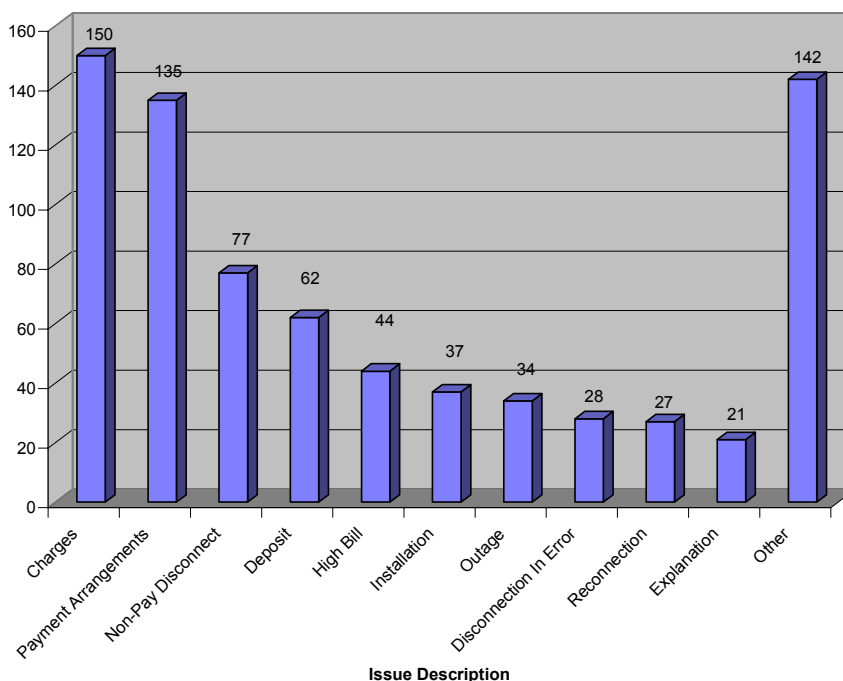
Such was the case with several natural gas complaints received in late 2002 and early 2003. Investigations into complaints filed against Georgia Natural Gas, ACN Energy, Southern Company Gas, and Energy America resulted in enforcement actions that affected approximately 20,000 consumers. Settlements in these cases netted approximately \$1 million in credits and refunds to these consumers and \$527,108 in contributions to the Low Income Home Energy Assistance Program (LIHEAP).

Consumer Affairs staff members also initiate rulemakings and serve as consultants to other units. In 2003, Consumer Affairs staff led the project team that initiated changes to the Natural Gas Marketers’ Terms of Service Rule to prohibit the automatic rollover of fixed rate contracts. Consumer Affairs also alerted the Commission’s Natural Gas Staff that several marketers appeared to be out of compliance with the Billing Rule and collaborated on a resolution that assures billing practices will be consistent among all marketers.

Electric Consumer Issues

The categories of Charges and Payment Arrangements continue to hold the top two positions in the top ten electric issues, and the Installation category replaced Repair in the top ten. The types of concerns included in the Charges category include questions about meter reading accuracy, the budget bill plan, and the flat bill plan. Within the Payment Arrangement category are consumer requests for payment arrangements to avoid disconnection, appeals for more lenient arrangements or requests for extensions. In the Installation category, most consumers are complaining about encountering delays in having electric service established at newly constructed homes.

Electric Contacts



After receiving a number of complaints from consumers who alleged that Georgia Power was attempting to collect on account balances that were more than four years old and that the Company was unwilling to consider their disputes, Staff met with Company representatives to review their collection processes and policies. The Company subsequently agreed to cease its current practice and develop new policies that will be reviewed by Commission staff and implemented in 2004.

Savannah Electric filed a request for approval to implement a flat bill tariff in 2003. After analyzing consumer complaints regarding Georgia Power's flat bill program, Consumer Affairs staff advised Savannah Electric to modify its offer letter and other marketing materials in order to fully disclose terms and conditions of the program, including the fee structure, provisions for early termination, and renewal options.

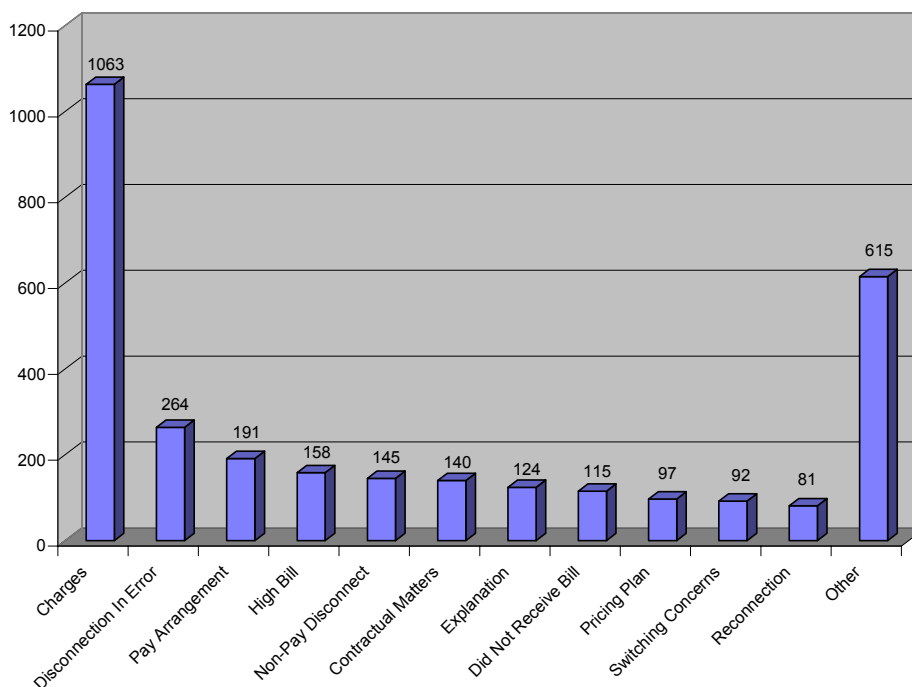
Natural Gas Consumer Issues

Consumer Affairs met individually with all ten natural gas marketers and Atlanta Gas Light Company to ensure their understanding of the Consumer Affairs complaint investigation processes as revised pursuant to House Bill 1568 and to discuss complaint trends and other topics of interest to the company.

Consumer Affairs also collaborated with the Commission's Natural Gas Staff in reviewing new product offerings from Georgia Natural Gas, Shell Energy, and Southern Company, and revised terms and conditions of service from SCANA Energy, Shell Energy, and Georgia Natural Gas. Staff also met with Georgia Natural Gas to discuss proposed changes to their disconnection notice.

Consumer Affairs hosted a workshop for marketers on June 27, 2003, whose primary purpose was to discuss aspects of the Notice of Proposed Rulemaking (NOPR) for the Terms of Service rule that prohibits rollover of fixed-term contracts. Staff subsequently revised the NOPR, and it is expected that the Commission will adopt it in early 2004.

Natural Gas Contacts



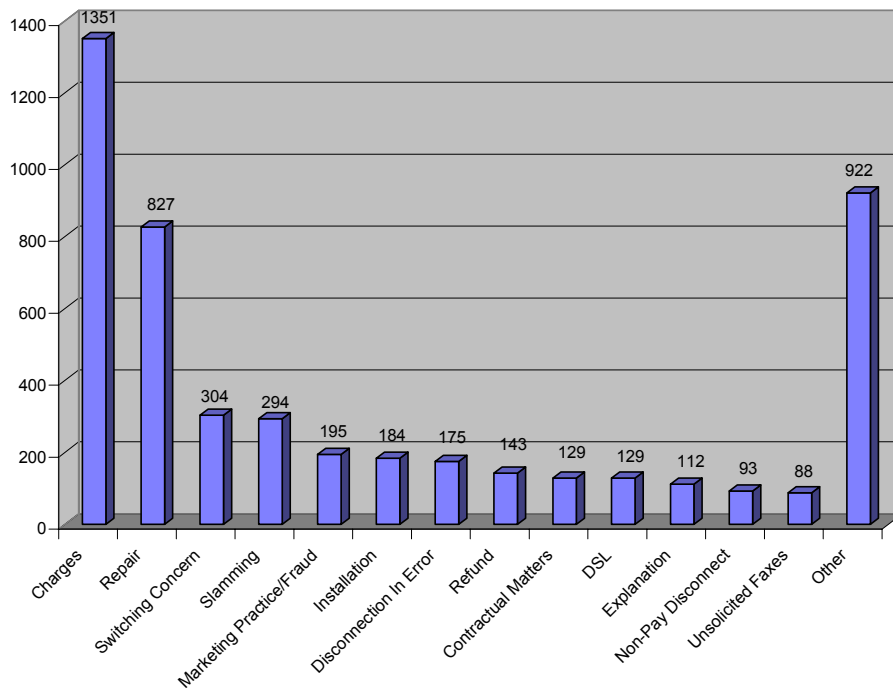
There were forty-eight percent (48%) fewer inquiries and complaints about natural gas providers in 2003 than in 2002. Of the 3,085 contacts recorded in 2003, those related

to billing charges continue to comprise roughly one-third of the total. This category includes contacts about various components of gas bills, including late fees, base charges, seasonal reconnection fees, and estimated consumption charges. Reconnections, Refunds, and Budget Billing were replaced by Contractual Matters, Pricing Plans, and Switching Concerns in the top ten categories. The Contractual Matters and Pricing Plans categories are largely comprised of issues regarding fixed-term contracts—early terminations, failure to activate, expiration dates, and lack of notice. Within the Switching Concerns category are complaints from consumers whose switches were delayed due to processing errors or incomplete information.

Telecommunications Consumer Issues

As mentioned earlier, the trend line for telecommunications contacts received since 2001 is comparatively flat. Furthermore, eight of the top ten categories are the same as in 2002. However, in 2003, Contractual Matters and DSL replaced Billing Explanations and Reconnections in the 9th and 10th places, respectively. Business customers alleging that companies were failing to honor signed contracts and consumers who encountered problems with bundled services filed the majority of complaints and inquiries included in the Contractual Matters category.

Telecommunications Contacts



Consumer Affairs received an average of ten complaints each month about the delivery of DSL services or its inclusion in a bundled package, a 50% increase in the number of similar complaints filed in 2002. Even though the Commission does not regulate DSL services, Consumer Affairs representatives recorded these complaints and assisted consumers in resolving their issues.

Facilities Protection

2003 Presented Additional Challenges And Responsibilities For Pipeline Safety

Calendar year 2003 marked the 35th year of certification for the Pipeline Safety Section of the Georgia Public Service Commission with the Research and Special Programs Administration of the Federal Department of Transportation. In 2003 this office continued regulating all pipeline safety matters involving private and municipally-owned natural gas distribution systems, including liquefied natural gas facilities, master-meter operators, direct sales customers and propane facilities that operate in the state of Georgia.

During 2003 the Pipeline Safety Section monitored and inspected natural gas operators having more than 700 miles of transmission pipelines and 38,000 miles of distribution lines, transporting natural gas to over 2 million Georgia customers. Operator compliance with the Pipeline Safety Regulations was evaluated during 604 inspections, expending 1,096 person days. These inspections included 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.

Pipeline Safety 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 also has the authority, if the need arises, to adopt additional regulations. Under Part 192, a new section (800) was added that requires qualification of operator personnel. Due to numerous accidents attributed to personnel error, Section 800 now requires facility operators to qualify their employees to perform various functions on their pipeline systems. Beginning October 28, 2002, operators must have completed the qualification of individuals performing covered tasks.

Training For Natural Gas System Operators

The Pipeline Safety Section continues to be extensively involved in training. With the enforcement requirements, the Commission's Pipeline Safety Section continues to offer training throughout Georgia to assist private, municipal and master-meter operators to

comply with both state and federal laws. To assist operators in achieving compliance, the Pipeline Safety Section provided 110 person days of training to over 350 attendees. Additionally, operator personnel learn cost-saving techniques through this training. With new regulations adopted each year, it is the Section's responsibility to keep operators apprised of all changes to ensure compliance.

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

- Graduated 31 students—completing 46 courses each.
- Provided instruction to 320 attendees participating in our annual seminar.
- Awarded 20 certificates for Drug/Alcohol training.

Training has had a positive effect through improved communication within the industry. Training in Operator Qualification, Best Practices and the Facility Protection Act is the most effective method of achieving compliance with both state and federal laws.

Georgia Utility Facility Protection Act (GUFPA) Enforcement

During calendar year 2003, the Georgia Utility Facility Protection Section added one full-time position and made significant progress toward fulfilling its responsibilities under the Act. The existing database was streamlined to address more reported violations, various functions were automated to decrease delays in processing cases, and a customized GUFPA enforcement management system was implemented.

During June 2003, the SQL Server Database was completed, facilitating the reporting of damages through the internet and providing Staff a valuable tool to better manage the increasing volume of reports of probable violations. By year's end, one hundred seventeen (117) public users requested password access to the database.

The Commission Staff continues to educate both excavators and facility owner/operators; education concerning GUFPA continues to be an important part of the Staff's commitment. During calendar year 2003, Commission Staff qualified two additional companies to conduct these training courses.

GUFPA Case Data For Calendar Year 2003

Total Reports of Facility Damages	2,945
Consent Agreements Issued	676
Informational Packets Issued	239
Warning Letters Issued	58
Cases Closed	3,213
Fines Collected	\$100,250
Total Fines Recommended:	\$882,750
Total Fines Mitigated with Training:	\$764,500

ADMINISTRATION DIVISION

During 2003, 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 Commission's Administration Division responsible for the agency's ability to fulfill its mission are the Budget and Fiscal Office, Executive Secretary's Office, Human Resource Office, Public Information Office and the Information Technology Office. An overview of the responsibilities and accomplishments of each Office is set forth below.

Budget and Fiscal Office

Three employees staff the Fiscal Office of the Commission. Duties for the Unit include developing the agency budget, meeting fiscal responsibilities for the agency's state and federal funding, purchasing, asset management, mail distribution, and reporting to Federal, State and other agencies as required or requested.

The Commission uses QuickBooks for its Accounts Receivable, Payable and General Ledger. Purchase Orders are made using the GTA-administered PeopleSoft system. Asset Management for items costing over \$1,000 is also accomplished using the PeopleSoft system. The agency budget, amendments and allotments are developed using Excel spreadsheets.

These were the major challenges in 2003 met by the Budget and Fiscal Office. We look forward to serving this agency in the coming year.

Executive Secretary's Office

The Executive Secretary's Office is responsible for receiving all public documents filed at the Commission each day. In 2003, staff members in this Office opened 1,804 new case dockets and processed 8,985 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 in 2003 experienced the retirement of its long-time Director, Ms. Jackie Thomas. During her more than thirty-year tenure, she brought many innovative changes to the Human Resources office and contributed immeasurably to insuring that the Commission maintained a highly qualified staff. In addition to Ms. Thomas, 2003 saw the retirement of several other PSC employees. The Human Resources staff recruited and facilitated the hiring of individuals to fill the positions vacated by these retirees. The electronic recruitment and applicant records system was an invaluable tool in this process.

The Human Resources staff remains committed to a high level of professionalism and development of the Commission staff. Retention of staff and succession planning are on-going challenges facing the Public Service Commission and the Human Resources staff. The Human Resources web address is <http://www.psc.state.ga.us/jobopenings/index.htm>.

Public Information Office

The Public Information Office coordinates official Commission news releases and media relations, maintains the Commission's public information files and supervises the Commission's website content. The Public Information Officer also serves as the Commission's Legislative Liaison and coordinates the Commission's legislative agenda. In this capacity, the Office responded to Legislator inquiries relating to constituent concerns.

During 2003, the Office issued 28 news releases, 32 media advisories and 10 consumer advisories and conducted numerous news media interviews. The Office coordinated two major consumer education campaigns using print and electronic advertising as well as producing several educational brochures.

Information Technology Office

The overall strategy of the Commission's Information Technology (IT) Office in 2003 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 2002	Fiscal Year 2003	Fiscal Year 2004
Revenue			
General Assembly Appropriations	\$8,529,128	\$8,820,806	\$9,027,853
Federal and Other Funds	\$429,802	\$788,469	\$273,311
Total	\$8,958,930	\$9,609,275	\$9,301,164
Budgeted Expenses			
Personal Services	\$6,176,963	\$6,539,306	\$6,571,487
Regular Operating Expenses	\$345,819	\$248,724	\$250,711
Travel	\$131,680	\$11,876	\$86,876
Motor Vehicle Purchases	\$48,300	\$22,214	\$0
Equipment	\$5,300	\$15,430	\$15,300
Computer Charges	\$262,586	\$208,791	\$208,791
Real Estate Rental	\$409,782	\$511,428	\$501,964
Telecommunications	\$230,784	\$127,787	\$117,773
Per Diem and Fees	\$1,047,760	\$943,719	\$628,262
Contracts	\$300,000	\$880,000	\$920,000
Total	\$8,958,930	\$8,609,275	\$9,301,164
Associated Revenue			
Regulatory Assessment Fees Paid Directly to Dept. of Revenue	\$1,050,000	\$1,050,000	\$1,050,000
Regulatory Fees Collected and Remitted to State Treasury	\$19,875,926	\$9,504,403	\$3,112,184
Total	\$20,925,926	\$10,554,403	\$4,162,184

Footnotes:

FY 2002 Budget is per preliminary audit report

FY2002 Deposit to Treasury (Utilities \$19,087,926; Ga No Call \$788,000)

FY2003 Per Amend Budget Request # 4

FY2003 Deposit to Treasury through Jan 31, 2003 (Utilities \$5,718,401; Ga No Call \$785,000)

FY2004 Deposit to Treasury through Jan. 31, 2004 (Utilities \$2,883,184; Ga No Call \$229,000)

ORGANIZATIONAL CHART

