

# **GEORGIA PUBLIC SERVICE COMMISSION**

## **2013 Annual Report**



**Chairman Chuck Eaton**  
**Vice Chairman H. Doug Everett**  
**Commissioner Tim Echols**  
**Commissioner Lauren "Bubba" McDonald, Jr.**  
**Commissioner Stan Wise**

## Georgia Public Service Commission 2013



Commissioners (left to right): Doug Everett, Tim G. Echols, Chuck Eaton, Stan Wise, and Lauren "Bubba" McDonald, Jr.

Georgia Public Service Commission  
244 Washington Street, S.W.  
Atlanta, Georgia 30334  
404-656-4501 (telephone)  
404-656-2341 (facsimile)  
800-282-5813 (toll-free within Georgia)  
[www.psc.state.ga.us](http://www.psc.state.ga.us)

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## LETTER TO THE GOVERNOR

January 1, 2014

The Honorable Nathan Deal  
Governor  
203 State Capitol  
Atlanta, Georgia 30334

Dear Governor Deal:

The Georgia Public Service Commission presents its 2013 Annual Report, pursuant to O.C.G.A. §46-2-31, which highlights the agency's major activities and achievements during the past year regarding the state's regulated utilities. In 2013, the Commission decided a major Georgia Power rate case, continued to monitor the ongoing Plant Vogtle nuclear power plant construction project, expanded the use of solar energy, and approved major natural gas distribution system improvements.

In the face of continuing agency budget cuts, the Commission has implemented strategic initiatives and prioritized available funds to ensure that Georgia consumers receive the best possible value in utility and telecommunication services, while enforcing natural gas pipeline safety and protecting the utility infrastructure from damage.

The Commission contributed over \$2.2 million to the state's treasury in fiscal year 2013, primarily as a result of its enforcement activities.

As the Commission enters its 135<sup>th</sup> year, we eagerly look forward to serving Georgia's citizens in 2014 and contributing to the state's dynamic economic growth and development.

Respectfully submitted,



Chairman Chuck Eaton  
Vice Chairman H. Doug Everett  
Tim G. Echols, Commissioner  
Lauren "Bubba" McDonald, Jr., Commissioner  
Stan Wise, Commissioner

## **HISTORY AND MISSION OF THE COMMISSION**

### **MISSION**

The Commission is a quasi-legislative, quasi-judicial agency comprised of five Commissioners elected statewide. 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 Commission's regulatory activities are primarily focused on investor-owned natural gas and electric power utilities. The Commission has the authority to set rates, require long-range energy plans, provide for the safety of natural gas pipelines and protect underground utility systems from damage.

Over the past two decades, growth, competition and technological advances have significantly changed the Commission's role. With some retail market segments of the telecommunications and natural gas industries open to competition, the Commission facilitates market development, educates consumers, arbitrates complaints among competitors and monitors the effectiveness of the competitive markets.

### **HISTORY**

On October 14, 1879, Georgia became one of the first states to establish a regulatory body to resolve complications resulting from railroad expansion and competition. Created as the Railroad Commission of Georgia, the Governor originally appointed the three members of this body for the purpose of regulating railway freight and passenger rates.

Major expansions of the Commission's jurisdiction took place between 1890 and 1935. In 1891, legislation added telegraph and express companies to the Commission's jurisdiction. In 1906 and 1907 the legislature made two major changes to the Commission by allowing the voters in 1906 to elect the Commissioners for six-year terms and in 1907 expanding the Commission to five members. Also in 1906 the Legislature gave the Commission authority over docks and wharves, as well as telephone, natural gas and electric companies. 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. The Legislature further expanded the Commission's jurisdiction in 1931 when it authorized the Commission to regulate the trucking industry.

In 1943, the Commission became a constitutional body (Article 4, Section 1, 1983 Georgia Constitution). Its powers and duties are established by legislation and described in Title 46 of the Official Code of Georgia. The Legislature in 1998 required the five Commissioners to reside in separate districts though they remain elected by the voters statewide. This change was effective for the 2000 elections.

The years between 2001 and 2012 saw major changes in the Commission's jurisdiction over transportation. In 2001, due to legislation, the Commission's Transportation Division became part of the new Department of Motor Vehicle Safety. In 2005, the Commission resumed regulatory jurisdiction over household goods movers, limousines for hire, passenger carriers and nonconsensual towing following passage of House Bill 501. Seven years later in 2012, the Legislature transferred Commission jurisdiction over household good movers, passenger buses, limousines and non-consensual towing to the Department of Public Safety, pursuant to House Bill 865.

In 2002, Earleen Sizemore became the first woman to serve on the Commission following her appointment to the Commission after the death of longtime Commissioner Bob Durden in May. Later that year in the general election, Angela Speir became the first woman elected to the Commission.

In 2009, the Commission approved the construction of Georgia's, and the nation's, first new nuclear-powered generation facilities since the 1970s. Both of the two units under construction at Plant Vogtle will be operating by 2018 or 2019. In addition to monitoring this \$14 billion nuclear construction project during 2013, the Commission decided a major Georgia Power rate case, approved Georgia Power's Integrated Resource Plan and expanded Atlanta Gas Light Company's pipeline distribution system improvement program. Other cases and activities are highlighted in the next section and detailed throughout this annual report.

## **HIGHLIGHTS OF 2013**

The Commission's major activities and achievements during 2013 regarding utility regulation, pipeline safety, facilities protection and administration are set forth below. A more detailed report from each Commission organizational unit follows this summary.

### **ELECTRIC**

During 2013 the Commission held hearings about Georgia Power's nuclear power plants in the Seventh and Eighth Semi-Annual Vogtle Construction Monitoring (VCM) proceedings. The Commission approved in September 2013 a stipulated agreement to resolve several issues in the Eighth Semi-Annual VCM Report in Docket 29849.

In February 2013, Georgia Power, as required under Georgia law (O.C.G.A. §46-3A-2), filed an updated Integrated Resource Plan in Dockets 36498 and 36499, which detailed how it will supply the state's electric generation needs for the next 20 years. The plan's purpose is to ensure that Georgia Power customers have an adequate and reliable electric supply, establish measures to conserve energy, and promote alternate energy supplies. In July 2013, the Commission approved a stipulated agreement to resolve all issues in these IRP dockets and to add over 500 MW of solar generation to the mix by 2016, an amount equivalent to half of the generating capacity of Georgia Power's share of the two new nuclear units.

In December 2013, the Commission approved a settlement in the Georgia Power Company rate case that will save electric consumers \$573 million over a three-year period compared to rates in the Company's initial request. The settlement will increase the Senior Citizen Discount by \$4 a month, keep electric rates affordable, protect reliability of service and allow recovery of the cost of complying with pollution control regulations.

### **NATURAL GAS**

As 2013 came to a close, Georgia has twelve Commission-certified natural gas marketers actively serving firm customers in the Atlanta Gas Light Company (AGLC) delivery area. Throughout 2013 the Staff conducted audits of several system improvement and expansion programs: AGLC's Manufactured Gas Plant; AGLC's Pipe Replacement Program (PRP); AGLC's Integrated Customer Growth Program (i-CGP); AGLC's Integrated System Reinforcement Program (i-SRP); Liberty's Cast Iron and Bare Steel Retirement Program; and AGLC's Universal Service Fund (USF).

In September 2013 the Commission issued an Order approving Liberty's 2013 to 2014 Gas Supply Plan. On December 12, 2013, the Commission approved AGLC's 2013 to 2017 Integrated Customer Growth Program (i-CGP 2.0) for AGLC to invest \$46 million in a combination of projects ranging from the creation of new strategic corridors to providing supplemental funds for line extensions to customers beyond AGLC's existing infrastructure. On that same date, the Commission approved AGLC's Integrated System

Reinforcement Program Plan (i-SRP 2.0), a plan for AGLC to invest \$214 million in three projects in Metro Atlanta. At the end of 2013, the Regulated Provider had a total of 68,896 customers with 22,369 designated as Group 1 and 46,527 designated as Group 2 customers.

## **TELECOMMUNICATIONS**

In 2013, the Commission granted certificates of authority to five long-distance resellers, nine competitive local exchange providers, one inter-exchange service provider and two payphone service providers. The total number of active certificates in 2013 was 1,003, comprised of: 257 resellers, 57 alternative operator service providers, 217 competitive local exchange providers, 85 inter-exchange service providers, 333 payphone service providers, 24 institutional telecommunication service providers and over 30 incumbent local exchange service providers. The Commission approved 48 interconnection agreements and designated eight companies as competitive eligible telecommunications carriers (ETC). The Commission approved disbursements of \$15,907,654 to all applicants for the 18th Universal Access Fund (UAF) year.

## **FACILITIES PROTECTION**

During 2013 the pipeline safety inspectors of the Facilities Protection Unit monitored and inspected over 1,200 miles of transmission lines, nearly 44,000 miles of distribution pipeline, and more than 2 million service lines for transporting natural gas to Georgia customers in 147 counties. The pipeline safety inspectors evaluated operator compliance with state and federal pipeline safety regulations by conducting 412 inspections over 960 inspection days.

The Commission continued its damage prevention efforts in 2013 by giving 20 Georgia Utility Facilities Protection Act (GUFPA) presentations to over 415 attendees, and overseeing the administration of 256 Commission-approved dig law training presentations to 1,850 locators, excavators and facility owner/operators. The GUFPA investigators' participation in these meetings continued to strengthen the Commission's relationship with those groups across the state dedicated to damage prevention, such as, the Georgia Utility Contractor's Association, Plumbing Mechanical Association, the Georgia Onsite Wastewater Association and the Georgia Utility Coordinating Council.

The year 2013 was challenging for the Commission as it continued to enforce GUFPA and implement new public awareness and integrity management regulations, while facing reduced state funding. Impairment from the shortfall was mitigated when the Commission received two grants—the One Call Grant and the Damage Prevention Grant—to support of its continuing enforcement of the GUFPA. These two grants totaling \$143,000 from Pipeline and Hazardous Materials Safety Administration (PHMSA) of the federal Department of Transportation allowed the Commission to retain both a field investigator and an administrative assistant.



## **REGIONAL AND NATIONAL REGULATORY ISSUES**

The Commission monitored electric, natural gas and telecommunications issues at the federal level that could impact Georgia utility companies and their customers. Two critical issues for 2013 were the Mercury and Air Toxics Standard (MATS) portion of the American Clean Energy and Security Act, and the Yucca Mountain project, a proposed national nuclear waste repository.

## **CONSUMER AFFAIRS**

The total number of calls reported by the Commission's automated call distributor (ACD) for 2013 was 14,776 with 316 calls to the Spanish line. Inbound telephone calls to Consumer Affairs Unit decreased 23%, but phone calls were still the preferred method of contacting the PSC. Internet and e-mail contacts, the second most popular method, grew by 20% to 5,116 complaints and contacts in 2013. Regular mail and faxes ranked third with 492 people sending letters and faxes.

The Consumer Affairs Unit received 17 in-person complaints from consumers who visited the Commission to discuss their utility bills and deposits, and to share information on energy assistance and Lifeline services. Walk-in visitors represent less than one percent of all contacts. In all, Consumer Affairs representatives received 20,401 inquiries, complaints, and comments from the public in 2013, a decrease of 11% from 23,023 contacts the year before.

## **ADMINISTRATION DIVISION**

During 2013 the Administration Division promoted efficiency to maximize the benefits derived from taxpayers' monies used to fulfill the Commission's mission. The Division consists of the Executive Secretary, Budget and Fiscal Office, Human Resources Office, Public Information Office and Operations Support. During 2013 local, state and national news media's interest in Commission decisions and activities remained high. The Commission's Public Information Officer returned from active military service in June 2013. The Commission uses social media by posting video clips of Commission statements and news media coverage on its YouTube Channel and by using Twitter to release information and updates in a timely manner.

## **PUBLIC SERVICE COMMISSION PROFILES**



**H. Doug Everett**

**Commissioner Since: January 1, 2003**

**Elected: 2002, Re-elected: 2008**

**Serves Through: December 31, 2014**

**Republican, Albany, Georgia**

### **Vice-Chair, 2013 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.

Prior to serving as a state legislator, Everett served three terms on the Albany City Commission, including two years as Mayor Pro Tem.

Commissioner Everett is a past president of the Southeastern Association of Regulatory Utility Commissioners (SEARUC), a non-profit corporation for the advancement and education of commission regulation and the promotion of cooperation among the commissions of the 12 member states. He also serves on the Board of Directors of the Georgia Agrirama Development Authority. He is also a past member of the Advisory Board of Directors of the Institute of Nuclear Power Operations.

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.

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



**Chuck Eaton**

**Commissioner Since: January 1, 2007**

**Elected: 2006, Re-elected: 2012**

**Serves Through: December 31, 2018**

**Republican, Fulton County, Georgia**

**Chair, 2013 Georgia Public Service Commission**

Chuck Eaton was elected to his first term on the Public Service Commission in December of 2006 and re-elected in November 2012. He was one of only two statewide Republican candidates in the entire country to beat an incumbent in 2006. In November 2012 his colleagues elected him to serve as Chairman in 2013 and 2014. Prior to moving to Atlanta, he was an Account Executive for a packaging manufacturer in LaGrange, Georgia. Commissioner Eaton has an Accounting Degree from the University of Alabama and a Law Degree from Georgia State University.

He is the past President of the Buckhead Forest Civic Association and was also a representative to the Atlanta Neighborhood Planning Unit "B," a citizen group that makes recommendations on zoning, land use, public safety and community issues. In Troup County he served on the Board of Directors for Troup Haven House, a children's shelter.

Commissioner Eaton has been involved in the political process for a long time. In 1992, he served as Congressman Phil Crane's Deputy Campaign Manager. In Troup County he successfully managed multiple campaigns for former State Representative Jeff Brown. He is a graduate of the Coverdell Leadership Institute, a statewide organization founded by the late U.S. Senator Paul D. Coverdell to strengthen leadership and political skills.

Due to the judicial nature of the Commission, he enrolled at Georgia State Law School in 2009 in night classes and paid for this education out of his own pocket. He is admitted to practice law in Georgia.

Chuck lives in Atlanta with his wife, Erika, their daughter, Lydia, and their three rescued dogs. He enjoys playing golf, target shooting, and boating with his family on Lake Lanier. The Eaton's are members of Peachtree Road United Methodist Church.



**Tim G. Echols**

**Commissioner Since: January 1, 2011**

**Elected: November 4, 2010**

**Serves Through: December 31, 2016**

**Republican, Clarke County, Georgia**

### **Commissioner, 2013 Georgia Public Service Commission**

Tim Echols was elected to the Commission in the general election of November 2010 after spending 15 years in the non-profit sector. Echols founded "TeenPact" and grew the mock legislative youth program to 38 states in his tenure. He continues to serve on the Board of Directors. He served as Commission Chairman in 2012.

Tim's campaign focused on consumer protection, clean energy, and accountability. He travels the state speaking to students, civic groups and businesses about the importance of the Commission's responsibilities especially providing accountability to those the agency regulates.

Commissioner Echols has been outspoken about Georgia's nuclear waste—still sitting on both sites. He supports a Heritage Foundation plan that would privatize the reprocessing and disposal of commercial nuclear "material." He believes if the space program can be privatized, then certainly nuclear waste disposition can too.

Tim has three degrees from the University of Georgia and still makes his home in the Athens area with his wife Windy and their seven children.



**Lauren "Bubba" McDonald, Jr.**

**Commissioner Since: January 1, 2009**

**Elected: December 2, 2008**

**Serves Through: December 31, 2014**

**Republican, Clarkesville, Georgia**

### **Commissioner, 2013 Georgia Public Service Commission**

McDonald, who served 20 years as a state Representative, was appointed to the PSC by Governor Zell Miller to fill a vacated post and then re-elected in a special mid-term election in 1998. He held the seat until 2002. On December 2, 2008, Georgians elected McDonald to serve on the Commission again.

McDonald has a deep knowledge of the energy industry. During his previous term, he served on the Committee on Electricity of the National Association of Regulatory Utility Commissioners, chairing that body's subcommittee on Nuclear Issues and Waste Disposal in 2001 and 2002. Today he is a member of the NARUC's Electric Committee where he is Vice-Chair of the Nuclear Waste Subcommittee.

McDonald has spent decades serving the residents of Georgia. As a State Representative, he chaired the Industry Committee for five years and the powerful Appropriations Committee for eight years. He also served as a commissioner in Jackson County, served on the Board of Managers of the Association of County Commissioners of Georgia, and volunteered as a firefighter for the city of Commerce for 35 years.

A native of Commerce who now resides in Clarkesville, McDonald is a graduate of the University of Georgia with a BBA in Business. He has long been a supporter of higher education, serving on the Board of Governors of Mercer Medical College and the Board of the Advanced Technology Center at the Georgia Institute of Technology. He was also a director of the Small Business Development Center at the University of Georgia.

McDonald has lived his entire life within District Four of the Commission. Currently, he is a partner in L.W. McDonald & Son Funeral Home in Cumming, with his son, Lauren III. He is married to Shelley McDonald. He was married to the late Sunny Nivens McDonald for 45 years. 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, 2006, and 2012**

**Serves Through: December 31, 2018**

**Republican, Cobb County, Georgia**

### **Commissioner, 2013 Georgia Public Service Commission**

Stan Wise has served on the Public Service Commission since January 1995, having been elected statewide four consecutive times. He was reelected for his fourth term as Commissioner in November 2012. His first elected public office was Cobb County Commissioner in 1990 and he served the 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 through 1994.

Stan was elected by his regulatory peers as President of the National Association of Regulatory Utility Commissioners (NARUC) in 2003 and 2004, furthering his responsibilities and interaction with Congress, federal agencies, state officials, industry leaders, Wall Street, consumer groups and the news media. Stan has testified multiple times before Congress. Wise is a past President of the Southeastern Association of Regulatory Utility Commissioners (SEARUC) and serves on the International Relations Committee and the Gas Committee of NARUC. He is also on the Advisory Council for the New Mexico State University Center for Public Utilities. He is a member of the Board of Trustees for the Feed the Hungry Foundation, a faith-based charity, and a member of the Action Ministries Board of Directors.

His alma mater, Charleston Southern University, named Wise the Outstanding Alumnus of the Year in 2006. In addition, he was named the Bonbright Center of the University of Georgia Terry College of Business Honoree of the Year in 2005.

He has also served on the U.S. Department of Energy State Energy Advisory Board, the Cobb County Public Schools Educational Foundation, Inc., the Cobb YMCA Board of Directors, the Boys Club of Cobb County and the Advisory Board of the North Georgia Law Enforcement Academy. He owned and operated an insurance business in Cobb County for twenty years. Wise was awarded his B.S. in Business Management from the Charleston Southern University in 1974. He also served in the U.S. Air Force Reserve for six years. He and his wife Denise have two grown children.

**PUBLIC SERVICE COMMISSION LEADERSHIP TEAM**  
**DECEMBER 31, 2013**

**Commissioners**

Chuck Eaton, Chairman  
H. Doug Everett, Vice-Chairman  
Tim G. Echols, Commissioner  
Lauren "Bubba" McDonald, Jr., Commissioner  
Stan Wise, Commissioner

**Administration Division**

Deborah Flannagan, Executive Director  
Jada Brock, Director, Office of Operations Support  
Bill Edge, Public Information Officer and Legislative Liaison  
Reece McAlister, Executive Secretary  
Terry Pritchett, Fiscal and Budget Officer  
Margie Conley, Human Resources Officer (through April 30, 2013)  
Cheryl Vinson, Human Resources Officer (effective May 1, 2013)

**Utilities Division**

Tom Bond, Director, Utilities Division  
Leon Bowles, Director, Telecommunications Unit  
Pandora Epps, Director, Internal Consultants Unit  
James Gibson, Manager, Consumer Affairs Unit  
Sheree Kernizan, Director, Electric Unit  
Mike Nantz, Director, Facilities Protection Unit (through February 28, 2013)  
Michelle Thebert, Director, Facilities Protection Unit (effective March 1, 2013)  
Nancy Tyer, Director, Natural Gas Unit

## UTILITIES DIVISION

During the past year the Commission continued monitoring the \$14 billion Plant Vogtle nuclear construction project in east Georgia where Georgia Power Company is building Units 3 and 4. The Commission concluded the electric rate case by significantly reducing Georgia Power Company's request to change its base rates. It approved a major natural gas pipeline distribution system improvement project for Atlanta Gas Light Company (AGLC), the state's largest investor-owned natural gas distributor.

Historically, the Georgia Public Service Commission has been responsible for setting the rates charged by telecommunications, natural gas, and electric companies, ensuring the reliability and availability of utility services, and establishing and enforcing quality of service standards. The telecommunications, natural gas, and electric industries are natural monopolies, but some segments of these markets have been opened to retail competition that allow customers to choose among multiple providers for certain services and pay rates set by the provider. Other services, such as distribution of natural gas and electricity by investor-owned companies, are still regulated by the Commission, which sets the rates charged for these services.

The pace at which competition was implemented varied among the regulated industries. In the telecommunications industry, long distance service has been competitive since the mid-1980s. In 1995 and 1996, authorities opened local telephone service by federal and state legislation, respectively. Local telephone competition was redefined due to technological advances of broadband, VoIP and wireless telephone. State legislators and federal agencies recognized that local telephone companies face intermodal competition from cable TV companies and wireless providers, not just intramodal competition from other telephone companies. In 1998, Georgia opened the natural gas commodity market to retail competition. Only one of the two investor-owned natural gas companies elected to open its territory to competition and now twelve Commission-certified marketers sell gas commodity service to customers in the AGLC territory. Marketers set their own prices, but the Commission sets the rates charged by AGLC for distributing the natural gas for the marketers.

In spite of these changes in the regulatory environment, the Commission's mission remains the same: to ensure that consumers receive the best possible value in telecommunications, electric and natural gas services, to enforce natural gas pipeline safety laws and to protect utility infrastructure from damage. In the sections that follow are an overview of the role that the Commission has played in each of these utility industries over the past year and the key decisions of this agency.



## Electric Unit

Reliable and affordable electricity is vital to the economy of Georgia and to the quality of life of its citizens. The investor-owned electric utility, Georgia Power Company (Company), is fully regulated by the Commission and serves approximately two million consumers. The Commission has limited regulatory authority over the 41 electric membership corporations (EMCs) and 52 municipally-owned electric systems that serve the rest of the state.

### **SIGNIFICANT MATTERS IN THE REGULATION OF THE ELECTRIC UTILITY INDUSTRY IN 2013**

#### **Commission Monitors Progress of Nuclear Plant Construction**



The Commission, on March 17, 2009, approved the Company's request to certify the construction of two nuclear reactors at its Plant Vogtle near Waynesboro, Georgia. Under this agreement, the Company must file semi-annual monitoring and monthly status reports with the Commission. The semi-annual monitoring report includes any proposed revisions to the cost estimate, construction schedule, or project configuration, as well as actual costs incurred during the reporting period and a reassessment of the economics of continuing the project.

The Commission Staff and Construction Monitor continue to actively monitor the construction of the two new units. In 2013, The Commission unanimously approved a stipulated agreement to resolve several issues in Georgia Power Company's Eighth Semi-Annual Vogtle Construction Monitoring (VCM) Report in Docket 29849.

Under the 2013 agreement:

- The Company will delay its current and future requests to increase the certified cost of the project until the completion of Vogtle Unit 3; and,
- The Company will file no later than February 28, 2014, a combined Ninth and Tenth VCM covering the period from January 1, 2013, through December 31, 2013.

## **Commission Approves Agreement to Resolve Georgia Power's 2013 Integrated Resource Plan and Expands Use of Solar Energy**

Georgia law (O.C.G.A. §46-3A-2) requires Georgia Power Company to file an updated Integrated Resource Plan every three years detailing how it will supply the state's electric generation needs. The plan ensures that Georgia Power customers have an adequate and reliable electric supply, establishes measures to conserve energy, and promotes alternate energy supplies. On July 12, 2013, the Commission approved a stipulated agreement resolving all issues in the Georgia Power Company 2013 IRP filed in Docket 36498 and Application for Certification of Its Demand Side Management (DSM) Plan in Docket 36499. The Commission approved a motion that requires that 260 MW of solar-powered generation be brought online by 2015 and 265 MW of solar by 2016. This new solar generation will be composed of 100 MW of distributed generation and 425 MW of utility scale solar that requires competitive bidding.

Other provisions of the stipulated agreement include:

- Closing and decertifying 16 coal-fired electric generation units;
- Converting two coal-fired units to burn natural gas;
- Bringing 13 coal-fired generation units into compliance with the Environmental Protection Agency (EPA) Mercury and Air Toxic Standards (MATS); and,
- Changing the closing date of Plant Branch Unit 1 to coincide with the closing of Plant Branch Units 3 and 4.

## **Commission Approves Reduction in Georgia Power Rate Request and Increases Senior Citizen Discount**

On December 17, 2013, the Commission approved a settlement in the Georgia Power Company rate case that will save electric consumers \$573 million over a three-year period compared to rates in the Company's initial request. The settlement will increase the Senior Citizen Discount by \$4 a month, keep electric rates affordable, protect reliability of service and allow recovery of the cost of complying with pollution control regulations.

Among other provisions the settlement:

- Increases the monthly senior citizen discount from a maximum of \$14 to \$18 a month for qualifying low-income customers 65 years and older;
- Reduces the Company's requested increase by \$573 million over a three-year period;
- Lowers the Company's authorized return on equity to 10.95%;
- Sets an earnings band of 10% to 12%. Any earnings above the band will be shared—two-thirds for the customers and one-third for the Company. The Company will not file a general rate case unless its earnings drop below the floor of the earnings band;
- Provides for a three-year rate plan that increases the average monthly residential rate by \$2.19 effective January 1, 2014;

- Withdraws a proposed Supplemental Power Services Tariff, known as the “solar tariff”; and,
- Allows the Company to implement an electric service pre-pay program for eligible customers in the second quarter of 2014.

### **Monitoring Activities**

The Commission Staff continues to investigate and monitor the following:

1. Effectiveness of hedging programs of Georgia Power in mitigating potentially high natural gas fuel costs;
2. Flat bill tariffs for residential and commercial customers, designed to provide price stability during fluctuating market conditions;
3. Performance and reliability of the utility’s generating plants; and,
4. Company’s earnings for excess revenues available for sharing, as defined in the approved accounting orders.

### **Territorial Matters and EMC Financing Requests**

The Commission 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 service territories and maintaining the electric supplier territorial maps for each of the 159 counties in Georgia. The Commission approves financing applications from electric membership corporations.

### **The Commission Continues Its Involvement in Regional and Federal Activities That Impact the Electric Utility Industry**

The Commission is active in its regional association, the Southeastern Association of Regulatory Utility Commissioners (SEARUC), as well as its national organization, the National Association of Regulatory Utility Commissioners (NARUC), to ensure that any federal legislation will benefit Georgia ratepayers. Commissioners and staff serve on the committees of several national and regional groups, including NARUC, SEARUC, Southeast Electric Reliability Council (SERC), and Eastern Interconnection States’ Planning Council. The Commission has been active in many of the Federal Energy Regulatory Commission (FERC) rulemaking dockets to ensure that Georgia’s regulated consumers are not unduly harmed by policies that could lead to an increase in electric rates.

### **PSC Seeks To Protect Ratepayer Interests in Environmental Policy Decisions**

The Commission continues to monitor environmental proceedings at the state and national level. The Department of Energy’s (DOE) failure to implement the Nuclear Waste Policy Act of 1982 has forced Georgia Power Company to construct, at ratepayers’ expense, on-site storage facilities to secure the accumulated spent nuclear fuel and to consider constructing an interim storage site. The Commission has

commented on DOE's position on this matter at formal hearings and in writing, emphasizing the severity of the situation. The Commission continues to work at the federal level to ensure that any legislation provides an appropriate solution for the long-term storage of high-level nuclear waste.

On November 19, 2013, the U.S. Court of Appeals ordered DOE to submit a proposal to Congress to change the nuclear waste disposal fee to zero until DOE can comply with the Nuclear Waste Policy Act of 1982 or until Congress enacts an alternative waste management plan. The Commission agreed with NARUC that the Court of Appeals' decision is "great news for consumers of nuclear power," that have paid more than \$30 billion nationwide since 1983 for a permanent nuclear waste disposal site. Georgia electric consumers pay over \$30 million each year and over the last 30 years they have paid over \$825 million into the Nuclear Waste Fund, \$1 billion if interest is included.

## Natural Gas Unit

Natural gas is important to the economic prosperity of Georgia. Approximately 1,600,000 customers in Georgia use natural gas, delivered by the state's two investor-owned natural gas systems, Atlanta Gas Light Company (AGLC) and Liberty Utilities Georgia Corporation (Liberty). During 2013 Natural Gas Staff worked on numerous projects, including Liberty's Gas Supply Plan, Universal Service Fund administration, municipal gas system and marketer certification, AGLC Capacity Supply Plan, AGLC i-SRP, AGLC i-CGP, and various other cases concerning the two natural gas distribution companies and the twelve certificated gas marketers.

### ACTIVITIES IN NATURAL GAS REGULATION IN 2013

#### Atlanta Gas Light Company's 2014 Universal Service Fund Facilities Expansion Plan

On November 5, 2013, in Docket 37439 the Commission approved AGLC's 2014 Universal Service Fund Facilities Expansion Plan (2014 Plan). AGLC requested \$23.4 million for its 2014 Plan with \$10.7 million coming from unused funds from its 2012 and 2013 Plans and \$12.7 million within the projected five percent budgetary cap for 2014. This time AGLC requested approval of three projects costing \$9.7 million, as shown in the table below. Other projects may be proposed during 2014.

Revenue Ranking	Corridor	Residential Revenue	Commercial Revenue	Total Revenue	Cost to Serve	Benefit Ratio
1	Columbia	\$251,245	\$9,802	\$261,047	\$215,542	1.2111
2	Chatham	\$252,705	\$0	\$252,705	\$2,618,235	0.0965
3	White	\$20,551	\$139,806	\$160,356	\$6,913,197	0.0232
<b>Total:</b>				<b>\$674,108</b>	<b>\$9,746,974</b>	

#### Universal Service Fund (USF) Docket 15326

On July 15, 2013, the Staff reported fiscal year 2013 USF results to the State Accounting Office, showing total funding of \$11.3 million and expenditures of \$6.3 million, a net gain of \$5 million. USF funding during 2013 was \$414,327 less than 2012 and expenditures were \$9.8 million less. The net result was a \$9.4 million net gain in 2013 over 2012. Since its inception, the USF has had total receipts of \$250.6 million and total expenditures of \$195.2 million. This leaves a balance in the USF of \$55.4 million, as of December 31, 2013, of which \$39.5 million is encumbered for approved projects yet to be completed. The unencumbered balance is \$15.8 million.

## **Atlanta Gas Light Company's Capacity Supply Plan**

Every three years AGLC files a capacity supply plan to ensure sufficient interstate pipeline capacity and natural gas supplies, so firm natural gas customers will receive service every day of the year—even the coldest day of the year. The cost of securing capacity is one of several factors the Commission considers when reviewing this plan.

## **Atmos Energy Corporation's Georgia Rate Adjustment Mechanism in Docket 34734**

In 2011 Atmos requested an alternative form of regulation under O.C.G.A. §46-2-23.1. The Georgia Rate Adjustment Mechanism (GRAM) has two components—an annual adjustment to rates and a true-up procedure when revenues fall outside an earnings band. The abbreviated proceeding used to adjust the rates is less expensive than a full rate case and rates should be more stable with small adjustments each year instead of a larger change every three to five years. If the company earns outside a symmetrical range of 0.20% above or below the last approved ROE of 10.7%, a true-up mechanism is triggered.

On January 31, 2013, the Commission approved the first change in Atmos' GRAM rates adopted in 2011. The new rates will provide \$743,363 more revenue by increasing residential customer rates by less than \$10 each year and the average commercial and small business customer by less than \$25. On March 19, 2013, the Commission approved Atmos' 2011 GRAM Revenue True-Up request, the second step for GRAM, to recover \$89,113 in a revenue shortfall. The true-up rates were effective on April 1, 2013.

On October 1, 2013, Liberty filed its next GRAM Request for a \$4.9 million increase. Staff analysis and discussions with Liberty are ongoing. A decision is expected in early 2014. The Company has yet to file its GRAM true-up request for 2013 revenue.

## **Liberty Utilities Georgia Corporation Buys Atmos Energy's Georgia Assets and Begins Operating in April 2013**

On February 19, 2013, in Docket 36278 the Commission approved the sale of the Atmos Energy's Georgia assets, which had a book value of \$128 million, for \$141 million to Liberty Utilities Georgia Corporation (Liberty). On April 1, 2013, the sale was consummated and Liberty began providing gas service to 60,000 customers in Georgia. The ownership change was expected to create 32 new jobs in the state.

Liberty's parent company, Algonquin Power and Utilities Corp., operates in nine other states, Arizona, Arkansas, California, Illinois, Iowa, Massachusetts, Missouri, New Hampshire and Texas and owns a \$3.2 billion portfolio of utilities in North America, serving over 470,000 water, electricity and natural gas customers. The parent company viewed Georgia as having a "supportive regulatory environment and one where we will continue to seek further opportunities for growth."

### **Liberty's 2013 to 2014 Gas Supply Plan in Docket 36793**

On September 20, 2013, the Commission approved Liberty's 2013 to 2014 Gas Supply Plan in Docket 36793. The plan identifies the interstate storage and peaking assets needed to meet the company's forecasted peak for its 60,000 customers in Gainesville and Columbus service areas. Significant issues in the 2013 to 2014 Gas Supply Plan included the methodology used to forecast peak day design, the appropriate capacity reserve margin and the associated turn back of capacity. This gas supply plan is in effect until September 30, 2014. The Company will file its next gas supply plan by July 1, 2014.

### **Active Natural Gas Marketer Update**

At the end of 2013, twelve natural gas marketers were certificated and actively serving customers in the AGLC territory. In April 2013 North America Power and Gas, LLC, was granted an Interim Natural Gas Marketer Certificate of Authority. On October 1, 2013, Colonial Energy, Inc., filed for a Natural Gas Marketer Certificate of Authority to serve natural gas customers in the state, but on November 5, 2013, the Company's application was deemed withdrawn.

On October 21, 2013, Mansfield Power and Gas, LLC, filed for a Natural Gas Marketer Certificate of Authority. The Commission's decision on the Mansfield's application is scheduled for March 4, 2014.

As of September 30, 2013, Georgia Natural Gas generated more operating revenues than any other marketer. Georgia Natural Gas' operating revenue in 2013 was higher than in 2012. SCANA had the second highest operating revenue and they saw an increase in the third quarter of 2013. Gas South's operating revenue in the third quarter of 2013 was higher than in the third quarter of 2012. All Georgia marketers saw their operating revenues grow, except Constellation and Stream-Georgia.

Constellation reported the highest net income, or profit, in the third quarter of 2013, followed by Infinite and Georgia Natural Gas. All other Georgia marketers reported net losses in the third quarter of 2013.

SCANA reported the highest operating expenses, followed by Georgia Natural Gas and Gas South. All Georgia marketers experienced an increase in operating expenses, except Constellation, which saw operating expenses decrease in the third quarter of 2013.

### **Regulated Provider Docket 34432**

On February 10, 2012, the Commission selected SCANA Energy to serve as Regulated Provider (Provider of Last Resort) with a two-year term. As of December 30, 2013, the Regulated Provider had a total of 68,896 customers, with 22,369 designated as Group 1 and 46,527 designated as Group 2. The Department of Human Resources (DHR) uses

the same guidelines to qualify Group 1 customers as those established for the Federal Low-Income Housing Energy Assistance Program (LIHEAP). Group 2 customers are those who cannot obtain service from other marketers due to poor credit or no credit. During 2013, the Commission approved \$1,946,018 for Group 1 customer assistance. No such funds are available for Group 2 customers.

### **Certificates of Public Convenience and Necessity**

The Commission's Natural Gas and Facilities Protection Units worked together on the County-Wide Natural Gas Safety Plans (CWSP) (Commission Rule 515-9-7-.01) to ensure that the plans are in place and safety-based boundaries conform to the Certificate of Public Convenience and Necessity. Where necessary, new certificates were granted or existing ones amended (Commission Rule 515-7-1, *et seq*). Natural gas providers within each county must develop a CWSP delineating safety and emergency response procedures for use during natural gas emergencies and be qualified to operate natural gas distribution systems. By the close of 2013, the Commission had granted 55 Certificates of Public Convenience and Necessity.

### **Rule Variances for Municipal Natural Gas Operators**

30 municipal natural gas operators hold PSC Certificates of Public Convenience and Necessity (Certificate) to provide service to customers outside of their home county. Staff notified each of these municipal operators that certain rules apply when service is provided to anyone residing outside the home county and inquired about compliance with utility rules regarding:

- The collection, treatment and refund of customer deposits;
- Disconnection of customers for nonpayment; and,
- The rights of customers to seek Commission intervention into billing disputes.

The Commission's inquiry was based on the provisions of the Georgia Constitution. Over the course of several months in 2012 and 2013, Staff conducted a comprehensive analysis and comparison of these cities' operating procedures and found that some had rules similar to those required by the Commission, while others did not.

Subsequently, Staff and the Municipal Gas Authority of Georgia (MGAG), on behalf of the 30 certificated municipal operators, worked together to reach an agreement on variances to the Commission rules for customers residing outside of home counties. The 30 municipal natural gas operators filed a petition in January 2013 for variances to Commission rules for deposits, disconnections and consumer rights. In February, the Commission approved an agreement between Staff and MGAG on rule variances that would best balance the interests of the cities, their customers, and the rest of Georgia. Municipal operators filed the applicable policies by the end of June 2013.



MGAG was formed in 1987 as a joint action agency with 77 municipal members in Georgia, Alabama, Florida, Pennsylvania and Tennessee, who serve 250,000 gas customers.

### **Audit of AGLC's Manufactured Gas Plant (MGP) Docket 4167**

In 1992 Atlanta Gas Light Company requested an Environmental Response Cost Recovery Rider proposing a mechanism for recovering costs associated with the cleanup of MGP sites, three of which are in Florida. After holding hearings the Commission adopted a settlement. Since 1992, the Commission has conducted quarterly audits of capital expenditures related to the cleanup of twelve MGP sites where AGLC used to manufacture natural gas from coal. The production process created by-products that contaminated the soil and groundwater.

The ratepayers of Georgia are assessed a surcharge to assist with this cleanup. The Commission audits the expenditures for accuracy and financial prudence. The program fiscal year runs from July 1 to June 30, and the Staff files an audit report for costs in each fiscal year. During the 2013 fiscal year, the Staff audited 100% of costs from Year 21 totaling \$4,166,125. Since the inception of the MGP program, the total amount allocated to the natural gas ratepayers has been \$257,297,088. To date, ratepayers have paid over \$242,799,544 in recovery costs for the MGP cleanup.

### **AGLC's Pipe Replacement Program (PRP) Docket 8516**

The Commission issued a Rule Nisi against AGLC on January 6, 1998, in Docket 8516, alleging that AGLC had committed numerous and continuing safety violations concerning the operation of the Company's pipeline system. The majority of the allegations related to the large number of known leaks on the Company's distribution system. The Commission and the Company reached a stipulated agreement to implement a Pipe Replacement Program (PRP) to resolve the problems listed in the Rule Nisi and to recover, through a monthly rider, the cost of replacing corroded and leaking pipes. After a hearing in July 1998, the Commission adopted the PRP stipulation.

At that time 2,312 miles of bare steel and cast iron pipe had been identified for replacement during the 10-year period ending in 2008. This mileage was revised to 2,504 miles in 2003. As part of the AGLC rate case agreement in Docket 18638, the PRP was extended from a 10-year program to a 15-year program, ending in 2013. The PRP is still funded through a surcharge on customers' bills. The surcharge is fixed at \$1.95 for residential customers. G-11 tariff customers pay three times more than \$1.95, and G-12 tariff customers pay 25 times more than \$1.95. Since the approval of AGLC's STRIDE program in October 2009, an additional \$0.57 per customer has been assessed. The current amount charged to residential customers is \$2.52.

## **Liberty Utilities Georgia Corporation's (Liberty) Cast Iron and Bare Steel Retirement Program Docket 12509**

In April 2001 the Commission approved an accelerated pipe replacement program to replace 184 miles of cast iron pipe in Liberty's (formerly Atmos) territory in Columbus over a 15-year period and 46 miles of bare steel pipe in Gainesville over a 20-year period. To date the Company has replaced a combined total of 230 miles of pipe and appurtenance in the Columbus and Gainesville areas.

After auditing this cast iron and bare steel retirement program for the year ending September 30, 2012, the Commission approved a monthly surcharge of \$8.18 for residential, \$24.54 for commercial and \$204.50 for industrial customers, effective October 1, 2013. During the fiscal year being audited, Atmos spent \$12,598,988 to replace 2.73 miles of pipe in the Gainesville service area and 16.54 miles in the Columbus area, but saved \$47,102 in operations and maintenance expenses.

### **AGLC's Integrated System Reinforcement Program 2.0 and Integrated Customer Growth Program 2.0 for 2013 to 2017**

In 2013 the Commission approved stipulated agreements continuing two of AGLC's distribution system improvement programs through 2017—the Integrated System Reinforcement Program (i-SRP 2.0) Plan in Docket 37370 for new pipeline infrastructure for system reliability and the Integrated Customer Growth Program (i-CGP 2.0) Plan in Docket 37371 for immediate and long term customer growth on AGLC's distribution system. These programs were initiated three years ago in 2010 in Docket 29950. During the next four years AGLC and its ratepayers will invest \$261 million to ensure the availability of adequate capacity, pressure, and resources for safe and reliable natural gas delivery.

The programs are part of the Georgia STRIDE (Strategic Infrastructure Development and Enhancement) Program and the agreements include the following terms:

- The Commission maintains final approval authority over all projects.
- The Company files quarterly, semi-annual and annual reports with the Commission on expenditures and progress of all projects.
- The 2013 to 2017 i-SRP 2.0 Plan addresses distribution system reliability issues in Coweta, Fayette, Gwinnett, Hall, Forsyth and Dawson Counties.
- The estimated cost of projects under the i-SRP 2.0 Plan is \$214.8 million.
- Cost recovery of \$1.16 per month will be phased in over three years beginning on the first marketer bills after January 1, 2015. All firm customers will pay an additional \$0.39 per month through December 2015, another \$0.39 per month through December 2016 and an extra \$0.38 per month thereafter for a total of \$1.16 through October 2025 for the i-SRP program under Georgia STRIDE.
- The 2013 to 2017 i-CGP 2.0 Plan is comprised of the strategic corridor investment program, the line extension program, and, if AGLC's request is approved, the Liberty County project.

- The estimated cost of this project under i-CGP 2.0 Plan is \$46 million.
- Cost recovery of \$0.27 per month will be phased in over three years beginning on the first marketer bills after January 1, 2015. All firm customers will pay an additional \$0.09 per month through December 2015, another \$0.09 per month through December 2016 and an extra \$0.09 per month thereafter for a total of \$0.27 through October 2025 for the i-CGP program under Georgia STRIDE.
- The Commission Staff will conduct quarterly prudence audits for both programs.

### **AGLC's Integrated Vintage Plastic Replacement Program (i-VPR)**

In October 2012 Commissioner Stan Wise requested AGLC to file a letter with the status of vintage plastic pipe currently used in the Company's distribution system and to provide a detailed report to the PSC within 45 days proposing a solution for the premature degradation of certain vintage plastic components of AGLC's distribution facilities. AGLC petitioned the Commission for approval of the Integrated Vintage Plastic Replacement Program (i-VPR) in Docket 29950 under the Georgia Strategic Infrastructure Development and Enhancement (STRIDE) program and for approval of a STRIDE recovery mechanism.

According to AGLC, approximately 11% of AGLC's total distribution mains are considered vintage plastics, defined by the federal government as plastic resins manufactured and installed prior to 1983. Two percent of AGLC's distribution system mains are made from the earliest pre-1974 plastic resins and approximately nine percent from other early plastic resins installed between 1974 and 1983. Over 90% of the pre-1974 pipes were made from one of DuPont's Aldyl-A material types.

On August 6, 2013, the Commission approved an agreement allowing AGLC to replace 756 miles of vintage plastic pipe over the next four years. Recovery of the \$275 million cost of the program will be phased in over three years to lessen the impact on natural gas consumers.

Among the provisions contained in the stipulated agreement are:

- The increase in the pipeline surcharge will be phased-in in three stages, starting at 48 cents in the first year, going to 96 cents in the second year and increasing to a total of \$1.45 in the third year.
- The i-VPR program is limited to 756 miles of pipe.
- The i-VPR program will be completed by December 31, 2017.
- The Company will file quarterly reports on the cost and construction plans.
- The first plan will be filed within 45 days of the effective date of the Commission's order in this docket.

Georgia STRIDE now consists of four facilities construction and installation programs: the current Pipeline Replacement Program (PRP), the Integrated System Reinforcement Program (i-SRP), the Integrated Customer Growth Program (i-CGP), and the Integrated Vintage Plastic Replacement program (i-VPR).

## **Telecommunications Unit**

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 these statutes was to replace traditional regulated monopoly service with a competitive market. For competitive segments of the industry, the Commission does not set rates, but facilitates market development, certifies providers, arbitrates interconnection agreements, and resolves complaints among competitors. Under the Competitive Emerging Communications Technologies Act of 2006, the Commission cannot impose any requirement or regulate the rates, terms or conditions for broadband service, wireless service or VoIP (Voice over Internet Protocol). In 2010, the General Assembly further deregulated the telecommunications industry with the passage of House Bill 168.

### **SIGNIFICANT DEVELOPMENTS IN THE TELECOMMUNICATIONS INDUSTRY IN 2013**

In 2013 the Commission granted certificates of authority to five long-distance resellers, nine competitive local exchange providers, one inter-exchange service providers and two payphone service providers. The total number of active certificates in 2013 was 1,003, distributed among industry segments, as follows: 257 resellers, 57 alternative operator service providers, 217 competitive local exchange providers, 85 inter-exchange service providers, 333 payphone service providers, 24 institutional telecommunication service providers and over 30 incumbent local exchange service providers. The Commission approved 48 interconnection agreements and designated eight companies as Competitive Eligible Telecommunications Carriers (ETC).

#### **Eligible Telecommunications Carriers (ETC)**

The Commission continues to monitor the activities of the 16 competitive ETCs it has approved since 2008. The ETCs, upon designation by the Commission, are eligible to receive federal support for serving high-cost areas, qualifying low-income customers, or both. These ETCs will provide greater choice for low-income consumers and those living in rural areas. In 2013, the Commission promulgated rules intended to minimize waste, fraud, and abuse in the Lifeline program by requiring ETCs to charge a minimum of \$5.00 per month or provide a minimum of 500 minutes of use per month for each Lifeline account. The matter is currently pending in Federal District Court.

#### **Universal Access Fund (UAF)**

On December 14, 2012, 19 Tier II Independent Local Exchange Carriers (ILEC) filed requests for an aggregate disbursement of \$21,900,867 for the 18th UAF year covering the period July 1, 2011, through June 30, 2012. All applicants were audited by Victor Hurlbert, CPA.

Under a Commission-approved process, an ILEC applicant can choose to have its application considered on one of two “tracks.” On Track 1, the applicant would voluntarily limit its request to no more than \$1,000,000 but have a streamlined process without a hearing. A Track 2 applicant could request more than \$1,000,000 but would undergo a mandatory hearing during which any party could raise concerns regarding any aspect of the application.

In 2013 the Commission approved total disbursements for the 18th UAF year of \$15,907,654 with the aggregate annual cap amount remaining at \$1,000,000 each for Track 1 carriers. The approved disbursements are listed below.

<b>Local Exchange Carriers for 18th UAF Year</b>	<b>Approved Disbursements</b>
Blue Ridge Telephone Co.	\$1,000,000
Brantley Telephone Company	\$554,500
Bulloch Telephone Coop.	\$874,826
Camden Telephone Co.	\$1,000,000
Chickamauga Telephone Co.	\$1,000,000
ComSouth Telephone Co.	\$627,123
Darien Telephone Co.	\$230,570
Glenwood Telephone Co.	\$304,518
Hart Telephone Co.	\$1,000,000
Nelson Ball Ground Telephone Co.	\$727,222
Pembroke Telephone Co.	\$644,143
Pineland Telephone Coop., Inc.	\$1,000,000
Plant Telephone Co.	\$614,389
Planters Telephone Coop.	\$1,000,000
Progressive Rural Telephone	\$682,274
Public Service Telephone Co.	\$1,000,000
Ringgold Telephone Co.	\$2,393,006
Trenton Telephone Co.	\$1,000,000
Waverly Hall Telephone Co.	\$255,083
<b>Total</b>	<b>\$15,907,654</b>

House Bill 168, which took effect on June 4, 2010, phased out intrastate access charges and allowed the lost revenue to be offset by higher basic service rates. To implement these provisions the Commission approved an increase in basic local exchange service rates by an amount not to exceed \$1.61 per month per year for a period of nine years with a true-up in the tenth year using a statewide benchmark

adjusted for inflation. An inflation rate of 3.2% per year was used by the Commission to impute the rate increases to residential lines and those business lines that are below the benchmark set at 110% of the July 1, 2009, residential statewide average rate for basic local exchange services. For 2014, the statewide benchmark is \$19.54, after adjusting for inflation.

### **Telecommunications Relay Service (TRS)**

Hamilton Telecommunications has been the Georgia TRS provider since April 2006. Headquartered in Nebraska, Hamilton currently provides relay service in 17 states. Hamilton, known here as Georgia Relay, operates a call center in Albany, Georgia, seven days a week, 18 hours a day, employing over 65 communications assistants. In 2013, the Relay Center in Albany processed an average of almost 46,500 relay calls per month. The cost paid from the TRS fund was \$818,084 for 2013.

With Commission approval, Hamilton implemented Captioned Telephone Service (CapTel®) in Georgia in January 2008. An enhanced form of relay service, CapTel® allows individuals with hearing loss to view word-for-word captions of their telephone conversations. Over 1,300 subscribers now use the system, averaging approximately 15,000 calls a month. CapTel® averages about 110,000 calls annually. The cost of this service for 2013 was \$981,230.

### **Telecommunications Equipment Distribution Program (TEDP)**

The Commission established the Georgia TEDP in March 2003 pursuant to the provisions of House Bill 1003. This program provides specialized telecommunications equipment to Georgians who, because of physical impairments (particularly hearing and speech), cannot otherwise communicate over the telephone. Receipt of free equipment under this program is subject to medical and financial eligibility requirements. To date, approximately 5,500 equipment items, which includes approximately 325 CapTel® phones, have been distributed to almost 6,700 hearing or speech-impaired applicants. The Commission contracts with the Georgia Council for the Hearing Impaired (GACHI) to be the distribution agency for the Georgia TEDP. The cost of this service for 2013 was \$828,330.

### **Audible Universal Information Access Service (AUIAS)**

In 2006 the Legislature created a statewide AUIAS to provide blind and print-disabled citizens of Georgia with telephonic access to print media publications. The law gave the Commission oversight of the service. Following a competitive bidding process, the Commission selected the National Federation of the Blind to administer the service. Since June 2006, the AUIAS has provided continuous audible universal access to all Georgia telephone exchanges, 24 hours a day, seven days a week and 52 weeks a year. The system is accessible by dialing a toll-free or local number anywhere in the state and has the capacity to serve an unlimited number of subscribers. Currently, there are over 2,100 subscribers to this service. The total number of Georgia citizens that

could potentially benefit from this service exceeds 25,000, as demonstrated by the number of current subscribers to the Georgia Library for Accessible Services. The cost of this service in 2013 was \$203,100.

### **Hearing Aid Distribution Program**

In August 2007, the Commission approved the Hearing Aid Distribution Program according to the provisions of House Bill 655, which authorized use of TRS funds for the distribution of hearing aids. The Commission contracted with the Georgia Lions Lighthouse Foundation, a nonprofit organization that has provided hearing aids to low-income Georgians for over 30 years. Under the current contract the Foundation receives \$594,000 each year for this program. The Foundation partners with two hearing aid manufacturers and maintains a network of over 150 audiologists throughout the state. The program has distributed 9,142 hearing aids to 5,331 applicants.

## **Consumer Affairs Unit**

The Consumer Affairs Unit is the primary contact for consumers that want to make their concerns and issues with their utility company known to the Commission. They convey these concerns and issues in the form of complaints, inquiries, or opinions, collectively referred to as “contacts.” Consumers file contacts in person, via telephone, fax, regular mail, email and internet. In 2013 the Unit experienced technical problems with the automated call distributor (ACD) system. This decreased our normal call volume.

Staff interacts with representatives from the utility companies to resolve consumer complaints, discuss complaint trends, identify possible courses of action to correct problematic trends, and ensure mutual understanding of our respective business processes and policies.

Consumer Affairs Staff has direct involvement with both the general public and industry representatives giving them a unique perspective and making them a source of valuable information for other work groups within the Commission. In addition to complaint resolution, the Consumer Affairs Unit is responsible for consumer education and community outreach.

### **Inbound Contacts**

The primary method used by consumers to contact the Commission is the telephone. The Consumer Affairs Unit has two staff members to answer all calls coming through our Commission’s automated call distributor (ACD). Incoming Spanish calls are routed to bilingual staff members for assistance.

The total number of calls reported by the Commission’s ACD for 2013 was 14,776. There were 316 calls received on the Spanish line. Inbound telephone calls to Consumer Affairs Unit decreased 23% from 2012, but telephone calls were still the most common method used by the public to contact the PSC. Internet and e-mail contacts, the second most preferred method, grew by 20% over 2012 figures to 5,116 internet and e-mail contacts in 2013. Regular mail and faxes ranked as the third most popular method with 492 people corresponding with letters and faxes.

The Consumer Affairs Unit received 17 in-person complaints from consumers who visited the Commission in 2013 to discuss issues with their bills and deposits, and to share information on energy assistance and Lifeline services. Visits to the Commission represented less than one percent of all contacts. In all, Consumer Affairs representatives received 20,401 inquiries, complaints and comments from the general public in 2013, a decrease of 11% from the 23,023 contacts in 2012.

Contacts from consumers that require referral or follow-up by a PSC staff member are recorded in the Consumer Response System (CRS) a database and complaint referral system. The complaint information is referred to the utility company representative for resolution. Follow-up phone calls, email messages or other correspondence are sent



among the staff, utility representatives and utility customers, as needed. Informal resolution is attempted first, but formal enforcement action is taken when justified. When industry-wide problems or trends are identified, both consumer education and corrective action, through a generic proceeding or rulemaking, are used. Seldom do problems escalate beyond informal resolution.

### **Electric Consumer Issues**

Electric contacts decreased in 2013 from 2,701 to 2,197. The top three concerns for electric customers were pay arrangements, disconnections and billing issues. The major electric issue for 2013 was pay arrangements.

### **Natural Gas Consumer Issues**

Natural gas contacts decreased in 2013 from 1,579 in 2012 to 1,336 in 2013. This represented a decrease of 15%. The top three concerns for natural gas customers were billing issues and charges, pay arrangements and connection/reconnection issues. The major natural gas issues for 2013 were charges and billing issues.

### **Telecommunications Consumer Issues**

Telecommunications contacts decreased in 2013 from 2,982 to 2,927, a decrease of two percent. The top three concerns for telecommunications customers were customer service, billing issues and repairs. There were 301 wireless complaints in 2013. This is an increase of eight percent from 2012. There were 11 contacts for Voice over Internet Protocol (VOIP) for 2013. This number was similar to the number of complaints from 2012. The major telecom issue for 2013 was customer service, where consumers were unable to contact a “live person” by telephone through the customer service telephone number. In 2013 independent local exchange carriers and competitive local exchange carrier contacts made up 78% of all telecommunications calls to Consumer Affairs.

### **Community Outreach**

The Consumer Affairs Unit gives presentations to community groups and organizations about consumers’ rights, discount utility rates and other popular consumer service issues. In 2013 Staff spoke at the Service Providers Network Meeting sponsored by the Atlanta Housing Authority; attended the annual H.E.A.T (Heating Energy Assistance Team, Inc.) meeting; and provided informational materials to community action agencies and groups involved in utility-related activities. Staff continued its efforts to increase public awareness of the PSC’s mission and our commitment to assist the public with their utility-related concerns and issues.

## **Internal Consultants Unit**

The Internal Consultants Unit of the Utilities Division operates primarily as a resource for the other units: Electric, Natural Gas, Telecommunications, Facilities Protection, and Consumer Affairs Units. As members of the Public Interest Advocacy Staff teams IC Staff provided technical, financial and economic analyses, as well as expert testimony. As leaders of the Commissioner Advisory Staff teams in contested dockets IC Staff provided technical and policy advice and recommendations to the Commission. A major responsibility of this Unit is to monitor electric, natural gas and telecommunications issues at the federal level that affect Georgia utility companies and ratepayers.

### **Mercury and Air Toxics Standard (MATS)**

One of the major federal issues during 2013 was the Mercury and Air Toxics Standard (MATS) portion of the American Clean Energy and Security Act. Georgia Power Company is relying on widely available, proven pollution control technologies, along with some unit retirements, to meet nationwide emission limits for toxic air pollutants in MATS. The Company's compliance strategy filed in the 2013 Integrated Resource Plan was approved by the Commission in its July 17, 2013, decision in the IRP Docket 36498. The compliance strategy was designed to help Georgia Power meet the system's energy needs while mitigating the cost of compliance for Georgia ratepayers.

### **Funding Nuclear Waste Disposal**

Another major federal issue in 2013 was the Yucca Mountain project, a proposed national nuclear waste repository for permanent disposal of high level nuclear waste. Georgia Power Company operates two nuclear plants, Plants Hatch and Vogtle. Under the Nuclear Waste Policy Act of 1982, the federal government has committed to take the nuclear waste accumulated at these retail electric power plants for permanent disposal. To date, the Department of Energy (DOE) has yet to develop a permanent repository for the waste or remove waste from the plant sites where it is currently stored. Yet, Georgia Power Company's ratepayers have paid over \$825 million through December 2013 (excluding return on investment) into the Nuclear Waste Fund. Each utility is assessed a fee of one mill per kilowatt hour nuclear energy generated for disposal of the waste.

On January 11, 2013, the DOE released its report "Strategy for the Management and Disposal of Used Nuclear Fuel and High-Level Radioactive Waste" re-affirming the Blue Ribbon Commission's recommendations. DOE's Strategy calls for a phased, adaptive and consent-based approach to siting and implementing a comprehensive management and disposal system. This Strategy endorses a waste management system featuring:

1. A pilot interim storage facility by 2021;
2. A large, full-scale interim storage facility by 2025; and,
3. A geologic repository by 2048.

The United States Congress will be conducting hearings on these reports while developing alternate plans and bills in an effort to determine the path ahead for spent nuclear fuel and high-level radioactive waste.

In a major development regarding the Nuclear Waste Fund, on November 19, 2013, the D.C. Circuit again ordered the Secretary of the DOE to suspend collection of the nuclear waste disposal fees because the agency failed to perform a valid evaluation of the annual fees collected. In 2012, the D.C. Circuit determined that the Secretary had not complied with his statutory obligation under the Nuclear Waste Policy Act to establish annually the adequacy of the fee and that his 2010 determination was legally inadequate. The Court also found that the Secretary's reliance on using the costs anticipated for Yucca Mountain was inappropriate since the government had decided to no longer pursue that or any other approach at this time. The Court explained that "so long as the government has no viable alternative to Yucca Mountain as a depository for nuclear waste [the nuclear plant owners and operators] should not be charged an annual fee to cover the cost of that disposal."

The Court ordered the Secretary to submit to Congress a proposal to change the annual fee to zero until such time as either DOE resumes its work toward the Yucca Mountain project or until Congress modifies the statutory framework and provides for an alternative waste management plan. On January 3, 2014, the Department of Energy filed a recommendation to Congress to zero out the nuclear waste disposal fee. The Commission will work closely with Georgia Power Company during 2014 to implement the ruling and stop payments into the Nuclear Waste Fund.

### **Energy Efficiency and Renewable Energy (EERE) Group**

The Commission formed the American Recovery and Reinvestment Act (ARRA) group within the Internal Consultants Unit in January 2010 and renamed it the Energy Efficiency and Renewable Energy (EERE) Group in 2013 when the ARRA grant ended. This group is responsible for working on electric issues relating to energy efficiency, renewable energy, smart grid, demand response, transmission and distribution planning, and plug-in electric vehicles.

### **Demand-Side Management (DSM) Programs**

In the 2010 Integrated Resource Plan (IRP), the Commission approved and certified seven DSM programs for a period of ten years, beginning January 1, 2011. EERE Staff monitors these programs to ensure that the Company met its energy savings targets and stayed within its approved budgets.

In December 2012, the Company filed the Evaluation, Measurement, and Verification Report for the seven DSM programs that Commission certified in 2010. In the 2013 IRP, the Commission amended four DSM programs, decertified the Residential Water Heating Program, and certified a new Small Business Commercial Program. Staff testified in the 2013 IRP and DSM Certification hearings on May 21, 2013, and May 22,

2013. Staff reviews the Company's quarterly filings to see if the Company is meeting its goals and is evaluating plans for the 2014 to 2016 Demand Side Management Programs.

### **Renewable Energy Initiatives for Solar, Biomass and Wind Power**

EERE Staff continued to work on renewable issues including the monitoring of Georgia Power Company's Green Energy Program. Staff served as the project leader for Georgia Power's 210 megawatt (MW) Advanced Solar Initiative (ASI), a program comprised of distributed generation and utility scale projects limited to 20 MW. The procurement of the capacity was designed to take place in years 2013 and 2014. In December 2013, the Commission approved Power Purchase Agreements (PPA) for 50 MW of utility scale ASI projects, which had been selected through a Request for Proposal (RFP) process. Through a lottery process, approximately 35 MW of small to medium distributed generation projects also received contracts.

During Georgia Power's 2013 Integrated Resource Plan proceeding, the Commission approved 525 MW of solar projects (called ASI-Prime) made up of 425 MW for utility scale and 100 MW distributed generation, in addition to the initial 210 MW ASI program. An Independent Evaluator was selected to assist the Commission with facilitating the ASI and ASI-Prime RFPs and to ensure that the RFP process was open to all bidders and was fair and transparent. There is no size limit for solar resources bid into the ASI-Prime RFP. Staff accommodated several renewable developers' requests for late notice pertaining to Georgia Power's 2015 Request for Proposals. The Commission ordered changes to the PPAs between the renewable developers and Georgia Power concerning required commercial operation dates and posting of eligible collateral dates. The latest extension gives developers until August 1, 2014, to post the eligible collateral.

The EERE Staff continued to review Georgia Power's construction monitoring reports for its proposed conversion of Plant Mitchell from a coal plant into a biomass facility. Staff has begun the review of Georgia Power's application for certification of two 20-year PPAs with EDP for 250 MW of wind resources.

### **Smart Meters, Access to Usage Data and Innovative Rate Design**

In the 2013 Georgia Power rate case, the Commission approved the Company's request to allow customers to opt-out of the installation of a smart meter by paying an opt out fee. The Staff continues to work with the Company to identify other smart grid technologies and improvements to the grid that could benefit customers.

As part of an agreement approved during the 2010 IRP docket, the Commission and Georgia Power are meeting at least quarterly to focus on the availability of online or other electronic methods for customers to access their usage data. As a result, the Company now has a full-scale online customer usage portal called My Power Usage for its customers with daily data and information about current and projected charges for

the monthly billing period. Based on a staff recommendation the Commission ordered Georgia Power to look into the viability of providing hourly usage data to its customers.

Staff is working with Georgia Power to develop a prepay option for its customers. The Company plans to rollout prepay to the general public in the second quarter of 2014. Staff is monitoring customers' acceptance of the Time-of-Use (TOU) rates and the Electric Vehicle Time-of-Use (TOU-PEV1) rate. These Georgia Power rates allow customers to shift their usage from peak time periods to off peak.

## Facilities Protection Unit

The Facilities Protection Unit of the Georgia Public Service Commission is composed of two sections: one responsible for pipeline safety and the other for enforcing the Georgia Utility Facility Protection Act (GUFPA).

The pipeline safety function is carried out under an agreement with the Pipeline and Hazards Materials Safety Administration (PHMSA) of the U.S. Department of Transportation (DOT). Pipeline safety inspectors are responsible for enforcing federal regulations for the safe installation and operation of natural gas pipelines. 2013 marked the 45<sup>th</sup> year of the Commission's relationship with PHMSA.

The Commission assumed responsibility for damage prevention efforts in 2000 following passage of the GUFPA. The goals of the Georgia Utility Facility Protection Act are to prevent injury to Georgia citizens and damage to buried utilities by requiring those who want to perform mechanized excavation to call before digging, so facility owners can mark the location of buried utility facilities to avoid damage.

### Pipeline Safety Enforcement

During 2013 the Facilities Protection Unit's pipeline safety inspectors monitored and inspected over 1,200 miles of transmission lines, nearly 44,000 miles of distribution pipelines, and more than 2,000,000 service lines transporting natural gas to Georgia customers in 147 counties. The Facilities Protection Unit evaluated operator compliance with state and federal pipeline safety regulations by conducting 412 inspections, expending 960 inspection days, as follows:

Inspection Type	Number of Inspections	Inspection Days	Units Inspected
199	2	3	6
Comprehensive	87	352.5	169
Comprehensive - Fieldwork	1	2	1
Construction	13	29	38
CWSP	10	14	34
DIMP	15	27.5	27
Follow Up	70	67.5	81
IMP(Integrity Mgt. Inspection)	21	32.5	62
Incident	4	6	16
Leak Surveys	1	0	1
Operator Qualification	24	53.5	47
Operator Qualification Follow Up	1	2	1
Public Awareness	126	288	223
Special Project	25	61	42
Training	12	21.5	7
<b>TOTAL</b>	<b>412</b>	<b>960</b>	<b>755</b>

Additional activities in which the Facilities Protection Staff were engaged in were the County-wide Gas Safety Plan (CWSP) Rule and Public Awareness Program (PAP) initiatives. The CWSP rule was developed by the Commission to enhance communication, emergency response and safety among all the natural gas operators in each county. By the end of 2013, the Commission had conducted comprehensive reviews of 62 safety plans for counties with more than one natural gas operator. The PAP is a federal requirement for all gas operators to educate their stakeholders about natural gas pipelines and safety. In 2013, the Commission had inspected all operator Public Awareness Programs. In addition, Staff traveled to over 43 of the 85 natural gas operators to discuss their PAP with City Managers and Mayors.

### **Georgia Utility Facility Protection Act (GUFPA) Enforcement**

Efforts to prevent damage to buried utilities in Georgia stem from the requirements of the Georgia Utility Facility Protection Act (Act) of 2000, which assigns responsibility for enforcement to the Georgia Public Service Commission.

Facilities Protection is one of the few areas where Commission jurisdiction extends beyond the electric, telephone and natural gas industries. The PSC is responsible for enforcing the call before you dig laws for all utility facilities. During 2013 system owners and operators reported 3,340 incidents where facilities were damaged. Over half were damage to natural gas lines.

<b>Reported Damages in 2013</b>	
Natural Gas	1,689
Telephone	988
Electric	424
Cable TV	97
Water	127
Sewer	15
Total Non-Gas Incidents	1,651
<b>Total Damages Reported</b>	<b>3,340</b>

Staff investigated 1,077 incidents where violations of the GUFPA law were alleged. The enforcement actions during the year included 288 hearings, 559 consent agreements and 100 final orders. Of the 2,350 cases closed, over 70% or 1,699 related to damaged natural gas lines. These cases concluded with the Commission's levying \$4,935,250 in civil penalties, of which \$4 million was mitigated with training.

To prevent incidents due to excavators' failure to appreciate the severity of possible damage when safety regulations are ignored or failure to understand the legal requirements, the PSC gives violators the option of attending safety training in lieu of paying the full civil penalty assessed. Many take advantage of this offer with 1,850 locators, excavators, and facility owners and operators attending one of the 256 Commission-approved dig law training presentations in 2013.

The Commission continued its other damage prevention efforts by providing 20 presentations by GUFPA investigators to over 415 attendees. The GUFPA staff's participation in these meetings strengthened the Commission's relationship with various groups across the states who are dedicated to damage prevention, such as: the Georgia Utility Contractor's Association, Plumbing Mechanical Association, Georgia Onsite Wastewater Association and the Georgia Utility Coordinating Council.

### **Facility Protection Program Challenges**

The Facilities Protection Unit faced several challenges in 2013. Pipeline Safety staff began enforcing the new federal public awareness regulations and prepared to roll out distribution integrity management regulations.

Adverse impacts from state budget reductions for GUFPA enforcement were somewhat offset by two federal Department of Transportation grants—a One Call Grant and a Damage Prevention Grant. The \$140,000 from these PHMSA grants funded a GUFPA field investigator and an administrative assistant.

Over the last year, the Facilities Protection Unit worked with the Georgia Utility Coordinating Council's (GUCC) Legislative Subcommittee on revisions to the GUFPA law. The resulting legislation, Senate Bill 117, revised the definition of excavation, as well as dig law exemptions, large projects, reasonable care and provisions for certified locators.



## **ADMINISTRATION DIVISION**

During 2013 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 promote efficiencies and make the maximum use of taxpayers' monies to fulfill its mission.

The Commission's Administration Division, headed by the Executive Director, is comprised of the Executive Secretary, Budget and Fiscal Office, Human Resource Office, Public Information and Legislative Liaison Office and the Office of Operations Support. An overview of the responsibilities and accomplishments of each of these is set forth below.

### **Budget and Fiscal Office**

The primary role of the Budget and Fiscal Office is to develop the agency's Annual Operating Budget and monitor expenditures to ensure the Commission's fulfills all of its fiscal responsibilities. This task is accomplished in conjunction with the Executive Director, the Commissioners and other Commission staff, and through interactions with the Governor's Office of Planning and Budget (OPB) and the Legislative Budget Offices. The Office manages all phases of the fiscal and budgeting process from the initial request for federal and state funds, through appropriations, purchasing, asset and cash management, and finally accurate financial reporting of results to federal, state and other agencies as required or requested. In 2013, the Budget and Fiscal Office accurately monitored and effectively managed a budget with expenditures over \$9.3 million, a drop from the \$10 million spent the previous year.

The Office continued to support the state leadership in meeting all directives to control and reduce the overall budget for the Commission. Enhanced analytical and modeling tools were implemented to monitor, control and forecast all expenses. Each budget item was analyzed in great detail and revaluated in order to submit Budgets for Amended Fiscal Year 2014 and Fiscal Year 2015.

In order to achieve its mission, the Office used the OPB Financial Management System to prepare and submit the Commission budget requests, including all amendments and scheduled allotments of funds. The Commission's accounting functions (including accounts receivable, accounts payable, payroll and general ledger) are managed and performed using QuickBooks. The Commission's payroll processing and purchase orders are managed using the Georgia Technology Authority-administered PeopleSoft System, as well as using PeopleSoft's Asset Management Module for items costing over \$1,000.

## **Executive Secretary**

The Executive Secretary's Office is responsible for receiving and protecting all public documents filed at the Commission. The Executive Secretary's responsibilities include scheduling Commission proceedings, assigning hearing officers, signing and certifying Official Orders, and preparing lists of interveners for docketed matters.

In 2013, this Office opened 1,457 new case dockets; processed 5,769 filed documents; and filed 1,392 orders prepared for the Chairman and Executive Secretary's signature. The number of dockets opened each year has grown tremendously over the past two decades.

During 2013, the Commission held 98 public hearings constituting either a quorum of the Commission or a hearing officer assigned by the Commission. Matters docketed for public hearing are generally heard by the entire Commission in open session with a majority of the five-member Commission constituting a quorum.

Regular Commission Administrative Sessions are held on the first and third Tuesdays of each month. Committee meetings are held on the Thursdays prior to Administrative Sessions. The four standing Committees of the Commission are Energy, Facilities Protection, Telecommunications and Administrative Affairs.

## **Human Resources Office**

The Human Resources Office (HRO) strives to meet the personnel and payroll needs of the Commission. This office remains available to assist employees in many work-related and personal areas. For 2013, this included major changes to employee health insurance. HRO conducted formal and informal training sessions to help employees navigate through the changes resulting from having two providers last year to having only one in 2014.

Our most significant change was the retirement of our long-time Human Resource Officer in April 2013, and the internal promotion of a staff member, who has been with the Commission for 17 years, to this critically important position. At that time HRO was combined with the Budget and Fiscal Office to facilitate cross-training and succession planning.

In 2013, HRO continued to facilitate the self-sufficiency of Commission employees in several areas. For the third year eligible employees entered benefit changes on-line during the Open Enrollment period for Plan Year 2014. The State Health Benefit Plan (SHBP) collaboration with an outside provider to develop the Open Enrollment website presented some challenges, but with HRO's assistance all employees enrolled by the deadline. Most health insurance, flexible benefits and Employees' Retirement System forms are now available online and are accessible to any employee. Team Georgia remains a valuable resource for Commission staff. In addition to providing access to

payroll, leave balances and other benefit information, Team Georgia serves as a source for a wide array of information specifically geared to state employees.

## **Public Information and Legislative Liaison Office**

The Public Information Office (per O.C.G.A. §46-2-7) coordinates official Commission news releases and media relations, maintains the Commission's public information files, supervises the Commission's website content and manages the agency's internal communications. During the first half of 2013, the Public Information Officer was on active military duty overseas and the Executive Director handled the PIO duties during the absence. The PIO returned to the Commission on June 24, 2013, following nine months on active duty as part Operation Enduring Freedom in Afghanistan.

Local, state and national news media continued extensive coverage of Commission activities and proceedings, such as, the Georgia Power Company rate case, the Plant Vogtle nuclear construction project hearings and the Alternative Fueled Vehicles Road show. The Public Information Office: issued 18 news releases, 38 media advisories and one consumer advisory; responded to over 100 local, state and national news media inquiries; conducted numerous interviews with local, state and national media; coordinated Commissioner interviews; and produced Commission publications for internal and external use.

The Office in conjunction with Consumer Affairs and NARUC coordinated the publicity campaign for Lifeline-Linkup Awareness week during September 9 through 15, 2013. The campaign included a proclamation issued by the Governor, radio public service announcements and a statewide radio network interview. The Commission used paid advertising in five Georgia radio markets to promote natural gas consumer education.

The PIO, as the Commission's Legislative Liaison and legislative agenda coordinator, responded to numerous legislator inquiries relating to constituent concerns, tracked more than a dozen pieces of legislation that impact the agency and the utilities it regulates, provided daily legislative updates, and coordinated the Commission's analysis and response to legislative proposals.

Legislators introduced a number of bills relating to Commission operations. A list of bills monitored by the Commission, along with the bill sponsors and status is provided below:

### **House Bills Introduced in 2013**

- |                      |   |
|----------------------|---|
| <b>House Bill 76</b> | by Rep. Doug Holt. Would require PSC to arbitrate disputes over condemnation by EMCs. Held in House Energy, Utilities and Telecommunications Committee            |
| <b>House Bill 77</b> | by Rep. Doug Holt. Requires utilities to justify route for proposed electric transmission lines. Held in House Energy, Utilities and Telecommunications Committee |

- House Bill 176** by Rep. Don Parsons. Streamlines the local government approval process for co-locating new facilities on existing cellular phone towers. Held in House Energy, Utilities and Telecommunications Committee.
- House Bill 267** Rep. Jeff Chapman. Limits profit on financing costs on nuclear power plant construction. Held in House committee.
- House Bill 282** by Rep. Mark Hamilton. Municipal Broadband Investment Act. **Lost in House.**
- House Bill 500** by Rep. Karla Drenner. Calls for Commission to review purchase power agreements by EMCs for longer than five years. Held in House Committee.
- House Bill 503** by Rep. Karla Drenner. Establishes voluntary renewable energy portfolio for utilities. Held in House Committee.
- House Bill 564** by Rep. Karla Drenner. Calls for energy saving plans to optimize the use of demand-side capacity options. Held in House Committee.
- House Bill 657** by Rep. Rusty Kidd. Allows solar energy to be sold directly to consumers, amends the Territorial Act. Held in House Committee.

### **Senate Bills Introduced in 2013**

- Senate Bill 117** by Sen. Rick Jeffares. Changes definition of excavations. Passed Senate, held in House Committee.

### **Legislation Affecting Agency Operations and State Employees**

- House Bill 105** by Rep. David Ralston and others. Amends the State's Fiscal Year 2013 spending plan. **Passed and signed by the Governor.**
- House Bill 106** by Rep. David Ralston and others. Sets the state budget for Fiscal Year 2014 beginning July 1, 2013. **Passed and signed by the Governor.**

The Public Information Office continued to use social media by posting video news clips of Commission statements and news media coverage on its YouTube Channel and by using Twitter to release other information.

## Highlight of Commission Public Awareness Activities in 2013

### Dig Safely Month April 2013



Governor Nathan Deal presents Dig Safely Month Proclamation to Commissioner Doug Everett (front row, 2nd from right) and representatives of utilities, excavators and contractors on April 25, 2013

### Lifeline Week in Georgia September 9 through September 15, 2013

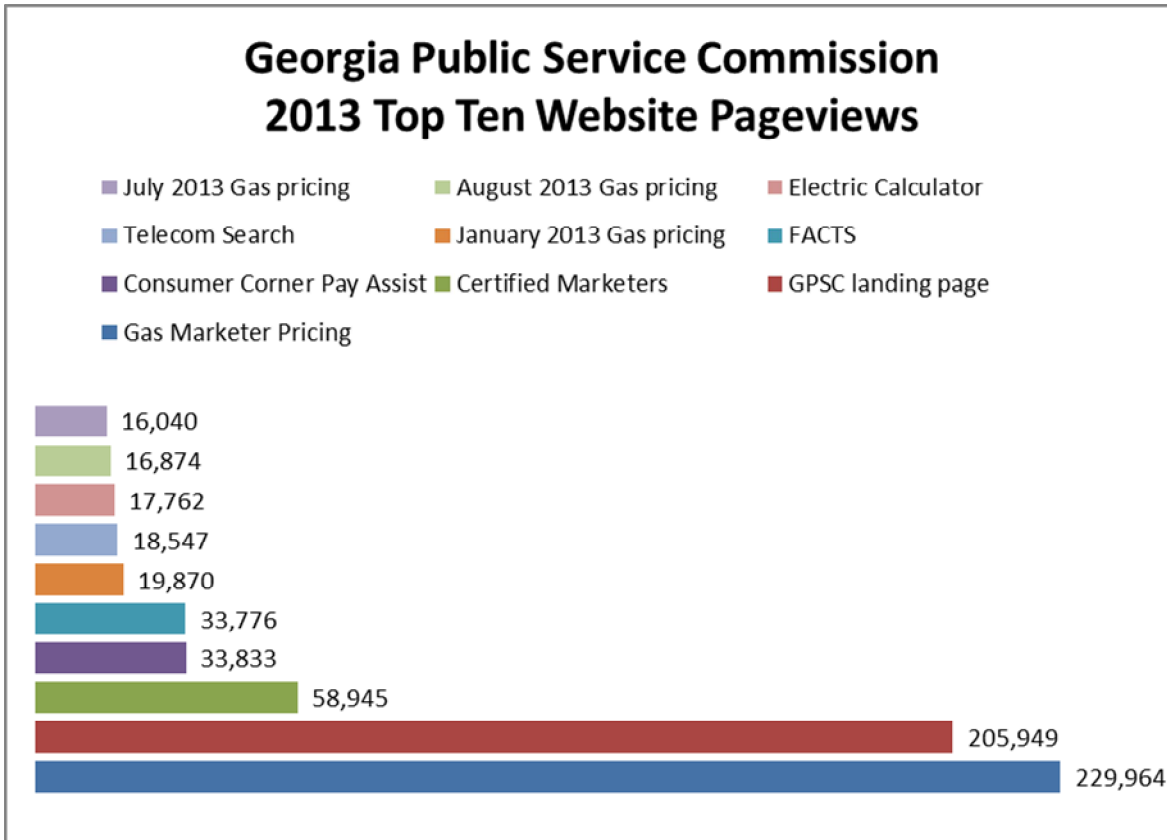


Governor Nathan Deal presents the 2013 Lifeline Week in Georgia Proclamation to the Commission

From left to right: Budget and Fiscal Officer Terry Pritchett, Commissioner Stan Wise, Governor Deal, Consumer Affairs Education Director Claudette Willingham, Executive Director Deborah Flannagan, Consumer Affairs Manager James Gibson, and Operations Support Technician Monique Andrews

## Office of Operations Support

Fiscal year 2013 brought continued efficiency improvements to the Office of Operations Support. During 2013 the Georgia Public Service Commission website received 1,396,636 page views. The chart below shows the top ten pages visited during 2013.



The Operations Support team continued to focus on improving PSC staff productivity. The Office strives to make network operations more robust and agency data and applications more secure by implementing technology-based solutions, controls and productivity tools. During 2013 the objectives of the Operations Support Office were to improve network continuity, increase functionality of the web infrastructure, and utilize cost-effective alternative technology, like open source code for development projects.

## AGENCY BUDGET

	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014 [Governor's Recommendation]
<b><u>Budgeted Revenue:</u></b>			
General Assembly Appropriations	\$7,962,849	\$7,672,809	\$7,735,488
Federal and Other Funds	\$2,041,871	\$1,672,634	\$1,300,246
<b>Total Funds Spent</b>	<b>\$10,004,720</b>	<b>\$9,345,443</b>	<b>\$9,035,734</b>
<b><u>Budgeted Expenditures:</u></b>			
Personal Services	\$8,461,633	\$8,058,324	\$8,004,787
Regular Operating Expenses	\$423,335	\$366,293	\$367,193
Motor Vehicle Purchases	\$75,804	\$0	\$0
Equipment	\$56,697	\$11,532	\$10,633
Computer Charges	\$53,400	\$61,434	\$61,434
Real Estate Rental	\$659,791	\$669,849	\$351,389
Telecommunications	\$106,723	\$105,677	\$105,787
Contractual Services	\$167,337	\$72,334	\$134,511
<b>Total Disbursements</b>	<b>\$10,004,720</b>	<b>\$9,345,443</b>	<b>\$9,035,734</b>
<b><u>Associated Revenue:</u></b>			
Regulatory Assessment Fees Collected by Department of Revenue	\$1,050,000	\$1,050,000	\$1,050,000
Penalties and Fees Remitted to State Treasury	\$1,219,515	\$1,185,784	\$346,418
<b>Total Submitted to Treasury</b>	<b>\$2,269,515</b>	<b>\$2,235,784</b>	<b>\$1,396,418</b>

**Notes:** FY 2014 Penalties and Fees of \$346,418 are collections through December 31, 2013.

Georgia Public Service Commission  
244 Washington Street, S.W.  
Atlanta, Georgia 30334  
404-656-4501 (telephone)  
404-656-2341 (facsimile)  
800-282-5813 (toll-free within Georgia)  
[www.psc.state.ga.us](http://www.psc.state.ga.us)

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