

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

In the Matter of  
Transcontinental Gas Pipe Line Corp.

Docket No. RP01-245-000, et.al.

**GEORGIA PUBLIC SERVICE COMMISSION'S COMMENTS  
REGARDING BRIEF ON EXCEPTIONS OF  
SOUTH CAROLINA PIPELINE CORPORATION AND  
SCANA ENERGY MARKETING, INC.**

The Georgia Public Service Commission appreciates this opportunity to briefly provide clarifications to the Brief on Exceptions of South Carolina Pipeline Corporation and SCANA Energy Marketing, Inc. in Docket No. RP01-245-000, et. al. ("SCANA Brief") The Georgia Public Service Commission ("GPSC") is offering this clarification to the FERC in order to ensure that there are no misunderstandings with regard to the issue of interstate asset assignment to the certificated marketers in Georgia. Specifically, the GPSC would like to clarify the following three statements on pages 16 and 17 of the SCANA Brief:

1. The SCANA brief states the following: "In the meantime, the Georgia Legislature has enacted the Natural Gas Consumers' Relief Act (HB 1568). This statute provides for a proceeding to be completed by July 1, 2003 before the GPSC to develop a plan for assignment of AGLC's upstream interstate assets to the marketers."

This statement is not a true and correct statement. Pursuant to the Official Code of Georgia, Annotated (O.C.G.A.) 46-4-155(e)(13), the Georgia Public Service Commission shall "...no later than July 1, 2003...hold a hearing regarding a plan for assignment of interstate assets. After such hearing, the commission may adopt a plan for assignment of interstate capacity assets held by the electing distribution company, except for those interstate capacity assets reasonably required for balancing." [Emphasis added]

## Comments of the Georgia Public Service Commission

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SCANA's brief implies that the GPSC must develop a plan for the assignment of interstate capacity assets. Clearly the Georgia Legislature left this important decision up to the wisdom of the GPSC to determine the appropriateness of assigning interstate assets to the marketers. As stated in the Georgia Code, the Georgia Public Service Commission must have a hearing by July 1, 2003. The GPSC *may* adopt a plan for assignment of interstate capacity assets to the marketers. However, it is not required to adopt such a plan.

2. The SCANA Brief states the following: "The GPSC convened its first technical conference in the proceeding on December 13, 2002."

Again, this statement is misleading. The GPSC held a workshop on this issue on December 13, 2002. The workshops that the GPSC holds are quite different from the technical conferences that the FERC conducts. The purpose of the GPSC workshop was for the GPSC Staff to discuss the issues with all interested parties and to offer solutions to other issues facing the GSPC with regard to the marketers and Atlanta Gas Light Company.

The GPSC is aware of the weight that the FERC places on its technical conferences. The GPSC wants to make it clear to the FERC that the workshop that was held in December 2002 was for discussion purposes only and does not mean that the GPSC is in the process of developing a plan for assignment of interstate capacity assets to the marketers. It would be premature for the GPSC to be in the process of developing a plan for assignment of interstate capacity assets prior to having made the determination that assignment of such assets to marketers is appropriate.

3. The SCANA brief, at page 16, states that "Under the current arrangement in Georgia, AGLC purchases gas for storage injection and then makes all Marketers share its cost structure...Because AGLC is guaranteed recovery of all upstream transportation and storage costs (without prudence review), AGLC has no incentive to minimize storage costs."

While the GPSC does not routinely conduct a "prudence" review of AGLC's gas purchases used for storage injection, the GPSC must approve a capacity supply plan for the company pursuant to the statutory requirement set forth in O.C.G.A. § 46-4-155(e)(3). O.C.G.A. § 46-4-155(e)(6) provides that any capacity supply plan approved or adopted by the commission shall:

- (A) Specify the range of requirements to be supplied by interstate capacity assets;
- (B) Describe the array of interstate capacity assets selected by the electing distribution company to meet such requirements;

- (C) Describe the criteria of the electing distribution company for entering into contracts under such array of interstate capacity assets from time to time to meet such requirements; provided, however, that a capacity supply plan approved or adopted by the commission shall not prescribe the individual contracts to be executed by the electing distribution company in order to implement such plan;
  
- (D) Specify the portion of the interstate capacity assets which must be retained and utilized by the electing distribution company in order to manage and operate its system.

AGLC's most recent capacity supply plan was approved by the GPSC in *Docket No. 14060-U, Atlanta Gas Light Company's 2001-2004 Capacity Supply Plan* on September 14, 2001. Therefore, any inference that AGLC is able to exercise free reign in its gas purchasing practices and then simply pass the costs to the marketers without scrutiny is not accurate.

Again, thank you for this opportunity to comment on these few areas of SCANA's brief.