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15-04

News Release

PSC Takes Innovative Step To Ensure Fair Competition for Purchase Power Agreements

Atlanta, August 3, 2004 — The Georgia Public Service Commission (Commission) today initiated a groundbreaking innovation to meet the Commission's goal that solicitation of competitive bids for supply-side resources is a fair and open process for all potential bidders. The Commission's cutting edge proposal establishes procedures and principals for an RFP structure utilizing an Independent Evaluator whose independence and depth of involvement in the bid process would be unprecedented.

Some of the highlights of this proposed rulemaking include:

- The Commission would name the Independent Evaluator to ensure that affiliates of utilities who solicit bids for purchase power agreements (PPA) do not receive an unfair advantage.
- The proposed rule would prohibit any communication between a utility soliciting the bid for the PPA and any affiliate of that utility that intended to submit a bid.
- The proposed rule further forbids any sharing of information between a utility and its affiliate during the bid process unless the same information is shared with all bidders.
- The Independent Evaluator shall have discretion to utilize whatever they consider the optimum combination of auditing and evaluation techniques in conducting its own independent evaluation.

All parties agreed to the need for this rulemaking in the recently approved Integrated Resource Plans (IRP) filed by Georgia Power Company and Savannah Electric and Power Company. The IRP order mandated Commission staff to proceed with this rulemaking.

All interested parties will have until 4 p.m. on September 8, 2004 to file comments on the notice of proposed rulemaking (NOPR). The Commission is tentatively scheduled to adopt the proposed rule on September 21, 2004. More information on this issue can be found using the Docket Search on the Commission website, www.psc.state.ga.us and entering Docket Number 19225.

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