



Contact: Bill Edge
Phone 404-656-2316
Fax 404-656-3020

Georgia Public Service Commission

244 Washington St., S.W.
Atlanta, Georgia 30334
Phone: 404-656-4501
Toll free: 800-282-5813

20-04

News Release

PSC Approves Innovative Process To Ensure Fair Competition for Purchase Power Agreements

Atlanta, September 21, 2004 — The Georgia Public Service Commission (Commission) today unanimously approved 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 rule establishes procedures and principles for a Request For Proposal (RFP) process utilizing an Independent Evaluator whose independence and depth of involvement in the bid process would be unprecedented.

Some of the highlights of this new rule include:

- The Commission will select the Independent Evaluator to ensure that affiliates of utilities who solicit bids for purchase power agreements (PPA) do not receive an unfair advantage.
- The rule prohibits any communication between a utility soliciting the bid for the PPA and any affiliate of that utility that intended to submit a bid.
- The rule further bans 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.

The Commission is expected to select the Independent Evaluator by the end of this year so that the RFP process for future power purchases can begin in early 2005.

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.

The approved rule will take effect within 20 business days after it is transmitted to the Secretary of State. 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.

###