The Commission approved a $354 million reduction in Georgia Power Company’s rates in a decision handed down December 20, 2001. The decision means the average residential customer bill will decrease by $1.40 a month. The Commission vote was 4-1, with Commissioner Robert Baker voting no. Commissioner Robert Baker said, “It's unprecedented that consumers have enjoyed rate reductions of more than $1.2 billion since 1998. The lights are still on; Georgia Power is well managed and is making sure that there is power for generations to come. The end result is the consumer is the benefactor.”

In its decision, the Commission adopted a three-year accounting order rather than the five-year plan the Company requested. The terms of the accounting order are: rates would present its case in hearings that will begin February 11-15, 2002. Additional hearings for rebuttal are set for April 8-12, 2002. The Commission is scheduled to make a final decision during a special Administrative Session on April 29, 2002.

(Continued on page 2)
Georgia Power Rate Case Decided

Savannah Electric Files Rate Case
Commissioners and Staff Make Presentations to Senate Study Committee

Commission staff presented facts and figures to the members of the State Senate Natural Gas Study Committee which held three meetings in December. Utilities Director Tom Bond, shown in the photograph at right, gave the Committee members an update on why natural gas prices had risen to such high levels last winter and why Georgia’s rates are still higher now. Bond discussed several possible explanations though Commission staff cannot pinpoint any one specific reason. Bond says Georgia’s natural gas marketers are carrying large amounts of debt from the disconnects due to the moratorium that the Commission imposed last winter. He noted also that marketers failed to safeguard against bad debt by requiring deposits. He also pointed out the marketers no longer have an economy of scale in buying power as Atlanta Gas Light did under regulation.

Consumers Affairs Director Phil Nowicki briefed committee members on the implementation and rulemaking required of the Commission under Senate Bill 217, passed in the 2001 General Assembly. Dr. Nowicki noted that the Commission provides monthly gas marketer price updates to Georgia Public Television. The Commission has also proposed rules governing the use of the Universal Service Fund to assist low-income consumers as SB 217 requires. He noted that the Commission has earmarked $15 million from the U.S.F. for low-income assistance for natural gas bills. He said $5 million of this money is being distributed by the Department of Human Resources as matching grants with federal energy assistance grants while $2 million will go to all low-income households. Another $8 million will go to senior citizens as $50 credits on their bills from November to March.

Commission Chairman Lauren “Bubba” McDonald, Jr and Commissioner Robert Baker presented their viewpoints on problems with natural gas deregulation to the Senate Natural Gas Study Committee at its December 14 meeting in Conyers. Chairman McDonald says needless tinkering with deregulation will “over regulate deregulation.” Commissioner Baker introduced Commission staff members available to provide information to the Committee.
NARUC 2001 Annual Convention

Commissioners and staff participated in the 113th annual convention of NARUC (National Association of Regulatory Utility Commissioners) recently in Philadelphia, Pa. Commissioners Lauren “Bubba” McDonald, Stan Wise and David Burgess all took an active part. Commissioner McDonald moderated two panel discussions, the Joint Subcommittee on Nuclear Issues and Waste Disposal and the Subcommittee on Strategic Issues. NARUC staff and federal officials updated the audience and provided an update on the Yucca Mountain Nuclear Waste Disposal site. Other speakers discussed security measures at U.S. electric industry facilities. Commissioner McDonald also moderated a panel discussion on Emerging Nuclear Markets and Technologies. Among the speakers were William Magwood from the U.S. Department of Energy, Ron Simard, Nuclear Energy Institute and Paul Pugmire, Argonne National Laboratory.

Wise Elected To Top NARUC Post

Commissioner Stan Wise was elected as NARUC second vice-president during the association’s annual convention in Philadelphia. Wise is in position to assume the presidency of the group in November 2003 during its annual convention in Atlanta, Georgia. Wise must go through the normal nomination process in order to be elected President. Commissioner Wise is serving his second term on the Commission, having been first elected in 1994 and re-elected in 2000. He is a past president of SEARUC (Southeastern Association of Regulatory Utility Commissioners.) He also serves on the Board of the National Regulatory Research Institute.

Burgess Leads Disconnect Panel

Commissioner David Burgess updated his NARUC colleagues on the status of natural gas customers in Georgia who have been disconnected for nonpayment of their natural gas bills. In his presentation, Burgess noted the unusually cold winter of 2000-2001 combined with high natural gas prices led to many consumers being unable to pay their bills. Burgess said that since the end of the disconnection moratorium last winter, about 55,000 customers disconnected for nonpayment remain off the system. The Commission has appropriated money to help those try to get their gas reconnected.
Commission Approves Provider of Last Resort

The Commission on December 18, 2001 established a provider of last resort (POLR) for customers disconnected from their natural gas service for nonpayment between April 1 and December 31, 2001. The Commission designated Infinite Energy of Gainesville, Florida as the Provider. Estimates of the numbers of disconnected customers range as high as 50,000. Under the Commission plan, Infinite would sign up disconnected customers with no requirement to pay past due amounts to their previous marketers. Customers would have to pay a $150 deposit and would pay ten cents per therm higher than Infinite’s current market rate. Customers will not be allowed to switch to another marketer during this period. Customers would have to have been disconnected between April 1 and December 31, 2001 to be eligible. The program expires on June 30, 2002. Infinite also agreed to collect any past due amounts for other marketers for a 25% collection fee. The Commission vote was 3-2 with Commissioners Lauren “Bubba” McDonald and Stan Wise voting no. Commissioner David Burgess said he changed his initial vote after learning of the death of an 8-year old boy in a house fire that apparently started from a space heater placed too close to drapes. Burgess said the gas to the house had been disconnected. Three marketers have also stepped forward to offer their own last resort plans to their own customers. They are Georgia Natural Gas, SCANA and Shell Energy.

Under the Gold Dome

The Georgia General Assembly got underway January 14, 2002 facing two tough issues, budget cuts and natural gas deregulation, in the final year of the 2001-2002 session. Lawmakers introduced several bills dealing with natural gas, ranging from reregulation to customer service issues. Governor Roy Barnes also presented his fiscal year 2002 amended budget and his 2003 budget to state lawmakers. Both budgets contain cuts but yet increase overall state spending. The Governor’s fiscal year 2003 budget would give state employees a 2.5% pay raise beginning October 1, 2002. Lawmakers want to make this session a quick one since it is an election year and they are legally prohibited from receiving campaign contributions while the General Assembly is in session. In addition, lawmakers were in session five months last year due to the special sessions in August and September called for reapportionment and other issues.

Governor’s Consumer Natural Gas Task Force Underway

Governor Roy Barnes Consumer Natural Gas Task is expected to make its recommendations during the General Assembly session. Both Commissioners and staff have been heavily involved in task force meetings and deliberations. Natural Gas staff provided extensive information requests to the task force on the implementation of natural gas deregulation, natural gas pricing, potential legislation and natural gas market concentration. All five Commissioners are on the task force. Wayne Clough, President of the Georgia Institute of Technology, is the task force Chairman. Governor Barnes appointed the Task Force after expressing “profound concerns” about the impact of natural gas deregulation on consumers. Barnes said he was concerned that Georgia consumers are paying higher retail gas rates than others in regulated markets.
Commission Removes Limitations on Customer Switches

The Commission November 20 approved the removal of limitations on natural gas customers’ ability to switch marketers. The 4-1 vote, with Commissioner Stan Wise dissenting, repeals the “Request Off Non-Pay” (RONP) rule that took effect on May 15, 2001. Under the RONP rule, customers who left their original marketer owing an unpaid balance and then switched to a second marketer were prohibited from going to a third marketer until they had paid the balance owed to the first marketer. Currently there are 100,000 natural gas customers with RONPs on their accounts. The RONP repeal is effective immediately.

Commission Approves Additional Low-income Assistance

The Commission December 4 voted to earmark $5 million from the Universal Service Fund to provide further assistance to low-income consumers with their outstanding natural gas bills. The plan calls for the Department of Human Resources to disburse these monies in the following fashion: $2 million will be used to assist low-income senior citizens and $3 million will be used to assist low-income households meeting federal poverty guidelines. The Commission action brings to $15 million the total monies the Commission has distributed this year from the Universal Service Fund to assist low-income customers in paying their natural gas bills. This vote does not apply to any area served by United Cities Gas Company.

Commission Gives To Charity Drives

During the month of November, the Commission sponsored its 4th Annual Food Drive. Members of the Commission participating in this endeavor were particularly generous this year, as was evidenced by the large quantity of non-perishable items that were donated to this excellent cause. All food items contributed by the Commission were provided to the Atlanta Community Food Bank for distribution to needy Georgians. Commission employees also displayed their generosity by supporting the annual State Charitable Contribution Drive. The Program works to strengthen the community by supporting health, welfare, educational and environmental programs. The Program Coordinator is Pat Welcome.

Commission Approves Motions Relating To Natural Gas Deregulation

The Commission November 6 approved a motion by Commissioner Stan Wise that directs staff to begin a review of whether uncollectible revenue (or a large number of customers’ failure to pay their bills) is the reason that retail natural gas rates are not tracking wholesale prices. “This is a proactive move to find the facts,” said Commissioner Wise. The Commission passed a second motion that directs its staff to work in conjunction with the National Regulatory Research Institute to study the impact of deregulation and to compare Georgia’s retail natural gas rates with other states.
Commission Celebrates Holidays

Commission employees gathered to celebrate the holidays with food and fellowship for Thanksgiving and Christmas. For the Thanksgiving luncheon, Commission Vice-Chair Stan Wise displayed his culinary skills and fried several turkeys in the Commission courtyard for the Thanksgiving banquet. Commission Lauren “Bubba” McDonald also brought in homemade cornbread and cookies. Special thanks to Renee Shadix for coordinating these wonderful events.

New Employees

We’d like to welcome Tim Franklin and Ralph Stamp to the Commission. Both reported aboard November 1, 2001.

Tim Franklin (l) is a pipeline safety inspector. Before coming to the Commission, Tim worked for Atlanta Gas Light in distribution and service. He is a veteran of the U.S. Marine Corps and is attending Gainesville College.

Ralph returned to the Commission as a Utilities Analyst after having worked for the Commission on a contract basis since March 1998 and as an employee from January 1982 through July 1994. Ralph says, “it’s nice to be back aboard as an employee.” He has a B.S. in Accounting from the University of Baltimore.

Sympathies

The Commission lost two employees unexpectedly in December and January. Our sympathy goes to the family of Synthia Morris who passed away suddenly on December 5, 2001. Synthia was an Information Referral Specialist in the Consumer Affairs Section and had been with the Commission since September 1999. She was 39 years old and is survived by her two sons, Brian and Brynt, her mother, Erma, and her sister, Daphny.

Carol Green, also in Consumer Affairs, passed away suddenly on January 4, 2002. She is survived by two sons, Antaneal Cantrell and Roy Knox. She had worked for the Commission since November 1, 2001 as a temp with TRC. We also extend our sympathy to Bill Edge and his family on the death of his mother, Elizabeth Edge, on December 24, 2001. Bill is the Public Information Officer for the Commission.
State Holidays for 2002

Governor Roy Barnes has designated the following State Holidays for 2002:

**New Years Day 2002** – January 1st– Tuesday
**Martin Luther King Jr.’s Birthday** – January 21st.
**Robert E. Lee’s Birthday** – January 19th, will be observed on Friday, November 29th
**President’s Day** – February 18th, will be observed on Thursday, December 26th
**Confederate Memorial Day** – April 26th–Friday
**Memorial Day** – May 27th
**Independence Day** – July 4th
**Labor Day** – September 2nd
**Columbus Day** – October 14th

**Veterans’ Day** – November 11th
**Thanksgiving Day** – November 28th
**Christmas Day** – December 25th

Commission Calendar

**February**
- 5-Administrative Session
- 6-8-SEPCO Hearings
- 14-15-AGL Earnings Review
- 14-Committees
- 19-Administrative Session
- 28-Committees

**March**
- 4-7 Bellsouth Generic Hearing
- 5-Administrative Session
- 14-Committees
- 19-Administrative Session
- 27-29 SEPCO Hearings

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**Commissioners**
- David Burgess, Chairman
- Robert Baker
- Bob Durden
- Lauren “Bubba” McDonald, Jr.
- Stan Wise

**NARUC**
Winter Meeting
February 10-13, 2002
Washington, D.C.
Summer Meeting
July 28-31, 2002
Portland, Oregon
Annual Convention
November 10-13, 2002
Chicago, Illinois

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