



GPSC News

Volume 5 Issue 3

Winter 2006

Legislature Opens Under Gold Dome

- *State Revenues up \$1.2 billion
- *Commission seeks increase in consultant funding
- *Governor proposes raises for teachers and state workers
- *Commission seeks increase in Per Diem and Fees
- *Commission seeks funding for Georgia Power Fuel Case

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With the usual fanfare, the Georgia General Assembly opened its 2006 session on January 9 at the State Capitol, affectionately referred to as the "Gold Dome." This year's session is a little more optimistic since legislators have more than \$1.2 billion in extra money to spend thanks to the state's increasing revenues. After three years of having to cut expenses, the Governor's proposed budget calls for a \$1.2 billion increase in state spending with most of that "new" money going to education. He is proposing to give teach-



ers a 4 percent pay raise and other state employees getting from 2 to 4 percent depending where they rank in their pay scale. There will also be NO increase in health insurance premiums in 2007. The Governor was generous in his Fiscal Year 2007 Budget recommendations for the Commission, calling for increasing our Per Diem and Fees funding for outside consultants by \$200,000 and funding

two additional positions in Transportation at a cost of \$110,215. The Commission however needs additional funding of more than \$530,000 for consultants for the various utility proceedings that will begin in FY 2007. The Commission is also asking for an additional \$50,000 in the 2006 Fiscal Year Amended Budget for the combined Georgia Power-Savannah Electric fuel cost recovery case which is expected to be filed in

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Wise Takes Over as Commission Chair

Commissioner Stan Wise' began his one-year term as Chairman of the Commission January 4. This will be his third tenure as Chair, having previously chaired the Commission in 1997 and 1999. Wise has served on the Commission since being elected in November 1994. He won re-election



to his second six-year term on the Commission in November 2000. Commissioner Wise is a nationally recognized expert on energy matters, hav-

ing testified numerous times before Congress. He is an active participant in the National Association of Regulator Utility Commissioners (NARUC) and served as NARUC President in 2003-2004. He is also a past President of the Southeastern Association of Regulatory Util-

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Legislative Update

The House Public Utilities and Telecommunications has given a do pass recommendation to the two Commission sponsored bills, **Senate Bills 209 and 210**, sponsored by Senator Doug Stoner (D-Smyrna). Both bills passed the Committee last year during the 2005 Session but were recommitted from the Rules Committee when they failed to reach the floor for final passage.

SB 209 increases the statutory deadline for the Commission to decide a gas supply plan from the current 45 days to 90 days. This timeline brings this proceeding in line with other Commission cases including fuel cost recovery filings for electric

utilities and gas capacity supply plans for natural gas.

SB 210 allows the Commission to enforce uncontested orders without having to go through another judicial proceeding.

House Bill 562 which the Commission filed last year is not expected to see any action this year. The measure would increase the regulatory assessment fee collected on the Commission's behalf and deposited to the state treasury. It would also allow the Commission to charge filing fees for many pro-

If you have a story for the next GPSC News, please send to Bill Edge, bille@psc.state.ga.us. Next issue deadline is April 15, 2006.

ceedings. The bill remains in the House Public Utilities Committee.

So far, legislators have introduced a number of bills dealing with re-regulating natural gas. Senator Regina Thomas (D-Savannah) has introduced a bill in the Senate and Representative David Lucas (D-Macon) in the House a measure that would basically re-regulate the natural gas industry. Senator Thomas has also introduced bills dealing with the regulated provider and natural gas disconnections. How much success these bills will have remains to be seen but they will and have generated much discussion.

2006 Legislature Opens

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March of this year. The Commission did not ask for this in its original budget request but is seeking this as an emergency appropriation. The House Budget subcommittee has agreed to include this in their recommendations. So far the Commission has made two budget presentations to legislative committees and expects

to make at least one more. This is the just the beginning of the lengthy and often frustrating legislative process to fashion the state's spending plan.

The first bill to pass this session and be signed into law was **House Bill 970**, Governor Sonny Perdue's proposal to cut the state sales tax on residential natural gas bills from four cents to two cents.

The state estimates this will save consumers between \$16-20 million. The measure is ef-

fective for all natural gas bills rendered on or before April 30, 2006 and all propane gas sales before March 31, 2006.



Wise Takes Over as Commission Chair

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ity Commissioners (SEARUC) and serves on the International Relations Committee and Gas Committee of NARUC. Commissioner Wise believes the coming year will present Georgia and the Commission with many challenges and opportunities. "Rising energy

prices continue to affect all Georgians as we seek to diversify our energy sources and fashion a comprehensive energy policy. We will be implementing many provisions of the recently passed Energy Act of 2005 as well as dealing with the merger of the state's two investor owned electric utilities."

He served as a Cobb County Commissioner from 1990 to

1994. He is a member of the U.S. Department of Energy State Energy Advisory Board. He currently serves on the Cobb County Public Schools Educational Foundation, Inc. He has also served on the Board of Directors of the Cobb YMCA, the Boys Club of Cobb County and the Advisory Board of the North Georgia Law Enforcement

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Commission Begins Staff Efficiency Review

The Commission voted January 24 to conduct an efficiency review of the Commission staff. The proposal by **Commissioner Stan Wise** sets a timetable for completing the review by March 7, 2006.

The Scope of the Review as contained in the Commission motion says:

"An Efficiency Review should be conducted with a very narrow scope that examines the Commission structure to be used by the PSC in contested rate cases and which ensures the staff's independence in the review and presentation of the case."

A Commission staff review

panel headed by Assistant Utilities Director Ken Ellison will lead the review. Other staff members on the review panel are Cynthia Johnson, Deborah Flannagan, Don Craig, Leon Bowles, Nancy Tyer, Sheree Kernizan, Tom Bond and Pandora Epps

The timetable calls for a review of other state staff models through March 1. A stakeholder workshop will be held on February 16 at 1:30 p.m. at the Commission. The workshop will be continued on February 17 if necessary.

The review will be presented to the Commission at the regularly scheduled Energy Committee on March 2, 2006 and



then voted on at the Administrative Session on March 7, 2006. If a majority of the Commission desires, the report could be presented to the Governor's Office for their review and comments. The staff panel will review Commission staff models from other states, examine comments filed by interested parties and then make its final recommendation.

Commission to Review Georgia Power-Savannah Electric Merger

The Commission has approved a procedure to look into the issues surrounding the proposed merger of Georgia Power and Savannah Electric. Under the proposed schedule, comments would be filed by interested parties by March 3, 2006. The Commission will hold a technical con-



ference on March 6, 2006 to provide an opportunity to obtain additional details on the merger application. Staff will examine the application and file comments and recommendation by May 15, 2006. The Commission would decide the issue at its June 20, 2006 Administrative Session

Commission Reconsiders Atmos Rate Case

The Commission December 20 reconsidered the Atmos Energy rate case (Docket Number 20298-U), which means a slight increase in the company's annual revenues but a negligible effect on the average residential customer's monthly bills. A majority of the Commission voted

to increase the Company's annual revenue by \$63,772 to correct an accounting error that understated the recommended revenue requirement. The corrected revenue requirement is \$409,277 instead of the \$345,505 approved in the Commission's November 17, 2005

decision in this case.

The remainder of the Commission's decision in this case remains the same.

The Commission's decision on November 17, 2005 approved a \$0.32 a month increase in Atmos Energy residential customers' monthly bills. The

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Commissioner Stan Wise Demands Action on Nuclear Waste Repository

Commissioner Stan Wise, concerned that recent federal action might cause more delays in the implementation of the Yucca Mountain Nuclear Waste Storage Facility in Nevada, met December 12, 2005 with Under-Secretary of Energy David Garman in Washington, D.C. to voice those concerns. The Department of Energy (DOE) recently directed the managing contractor Bechtel SAIC to devise a plan to change the direction in the design of the permanent repository at Yucca Mountain. Commissioner Wise is adamant that



such a change in direction not be used as an excuse for further delay, failure to comply with existing law, or to place emphasis on reinventing the wheel.

"Continued delays in the completion of the Yucca Mountain repository and frequent reports of the Administration's policy regarding reprocessing without establishing a date to remove the Spent Nuclear Fuel (SNF) and High Level Radioactive

Waste (HLRW), is becoming a great concern to many nuclear utilities, state utility commissions and organizations such as the Nuclear Waste Strategy Coalition (NWSC) that nuclear plant sites are becoming permanent interim storage facilities." Wise said.

Since 1983, Georgia electric ratepayers have paid over \$518.3 million into the Nuclear Waste Fund which with interest and return on investment now totals \$839.1 million, yet nuclear waste continues to sit on nuclear plant sites in Georgia.

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Georgia Power Increases Low-Income Discount

The Commission on December 7 announced that Georgia Power has volunteered, at the request of the Commission, to move the senior citizen annual income eligibility standard from \$12,000 to \$14,355 to allow more senior citizens to participate in the monthly \$14 discount.

The change in eligibility standards would make an addi-

tional 23,333 senior citizens eligible for this discount. Based on the historical number of sign-ups of about 50 percent of those eligible, about 11,666 new participants are projected to sign up for the low-income senior citizen discount.

Commissioner David Burgess said, "Given these times of rising energy prices, we are happy to see Georgia Power

provide this immediate benefit for those who need help the most. This action is in direct response to a request to the Commission from the Council on Aging to increase this discount."

Georgia Power will seek to permanently adjust the eligibility standards as part of its 2007 base rate filing.

Commission Presents to Senate Committee

The Commission February 1 made a presentation to the Senate Regulated Utilities Committee on the Home Heating Challenge. **Vice-Chairman David Burgess** explained the steps the Commission has taken to inform and assist the public in dealing with high natural gas bills. Burgess



Commissioner Burgess addresses the Committee

stressed that education is key to making sure that natural gas consumers understand the need for conservation as well how the deregulated market works.

Other presenters included the Department of Human Resources, H.E.A.T. Inc. and natural gas marketers

Commission Approves Two New Natural Gas Marketers

The Commission has approved two new natural gas marketers. On January 3 approved the application of Gas South LLC (Gas South) for a natural gas marketer certificate of authority and the transfer of Southern Company Gas customers to Gas South. Gas South is a wholly-owned subsidiary of Cobb Electric Membership Corporation (EMC), a consumer-owned utility that serves over 162,000 electricity customers in northwest Georgia. Cobb EMC is the largest of Georgia's 42 EMCs and is headquartered in Mari-

etta, Georgia.

The Commission approved a number of conditions Southern Company Gas and Gas South must follow to effect the transfer. In accordance with the Commission's decision, Gas South will send all Southern Company Gas letters of notification that state:

1. The date that the customer will be transferred to a different marketer.
2. The name of the marketer to which the customer will be traded.
3. The customer has the right to select the marketer of their

choice without charge prior to February 4, 2006;

The rates, terms and conditions of service which the new marketer will be offering to them.

On February 7 the Commission approved the application of Catalyst Energy LLC (Catalyst) for a natural gas marketer certificate of authority in the AGL delivery area. Catalyst LLC is based in Cobb County.

Both marketers will serve only natural gas customers in the Atlanta Gas Light Company delivery areas.

Wise Meets with Federal Officials on Nuclear Waste Policies

(Continued from page 4)

Georgia currently has two nuclear power plants in operation, Plant Hatch in southeast Georgia and Plant Vogtle in east Georgia. Current nuclear storage at these plants is expected to reach capacity by 2015.

Wise also met with staff members of the ranking Rep-

resentatives on the House Energy and Commerce Committee. The Nuclear Waste Strategy Coalition facilitated the meetings.

Commissioner Wise, from Cobb County, is serving his second six-year term on the Commission. He was first elected in 1994 and re-elected in 2000.

Wise Assumes PSC Chair

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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 and his wife Denise have two grown children.

Atmos Rate Decision

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Company's original request, filed on May 20, 2005, sought an annual increase in base revenues of \$4.022 million (later revised to a \$4.189 million increase) which the Company said would have increased the average monthly residential bill by about \$4.52



a month. The decision on reconsideration will result in Atmos Energy residential customers' monthly bills increasing \$0.38 instead of \$0.32. Atmos

Energy serves approximately 70,000 customers in Gainesville and Columbus. More information on this issue is found on the Commission website under Docket Number 20298-U.



Consumer Affairs Community Outreach

Commission staff from the Consumer Affairs Unit conducted a meeting in Adair Park in northwest Atlanta on January 12 which focused on high natural gas bills senior citizens had received. One resident brought in a bill in excess of \$850.

Consumer Affairs Director **Cynthia Johnson**, along with **Bernard Cameron**, **James Gibson**, **Claudette Willingham** and **Clare McGuire** participated.

About 20 people attended and news media from Fox5, Channel 46 and 11Alive also covered the event.

Former Atlanta City Councilmember Michael Langford, said



that the competitive market in Georgia is a "broke system" and was "economic death" for many of its citizens. Langford said he would ask the Attorney General to determine if price gouging was

occurring. He inquired whether or not there was a plan to insure that no senior would be disconnected this winter.

Johnson gave an overview of many of the Commission rules that related to the natural

gas market. She explained the pricing chart, advised attendees of their right to choose a marketer and discussed various pricing options (fixed versus variable).

Commission Chair Stan Wise

and staff hosted January 18 two representatives of Chubu Electric Power Company the third largest electric utility in Japan. The two were Keiji Shiraki, Senior Manager of the International Business Department and Kazuaki Ishikawa, Assistant Manager of the Electric Engineering Department.



Chairman Wise meets with Japanese electric utility executives

Pay Raises Proposed for State Employees

Governor Sonny Perdue announced January 12 that his FY 2007 budget includes a range of salary increases for all state employees beginning with four percent for those at the lowest end of their pay scale, and ranging to two percent for those at the

highest range of their pay scale. This is the first step in restructuring state employee salaries to improve the state's competitiveness in the overall job market. The salary increase will be effective January 1, 2007. State employees will have NO increase in health care premiums.



Atlanta Gas Light Senior Discount Increased

The Commission February 7 unanimously approved an increase in the low-income senior citizen annual income eligibility standard from \$12,000 to \$14,355 to allow more senior citizens to participate in the monthly discount of up to \$14 on their Atlanta Gas Light base

charge. Qualified low-income senior citizens could save as much as \$168 annually on their natural gas bills.

This discount applies only in the Atlanta Gas Light distribution area.



Employee News

Congratulations

Congratulations to **Michelle Thebert** and her husband Matt on the birth December 23 of their first child, Charlotte May Thebert.



Sympathy

Our condolences go to **Reece McAlister** on the passing of his father, Joe McAlister, on January 30. The funeral was held in Rockmart on February 1.

Our sympathy goes to **Bill Edge** on the passing of his father-in-law, Clarence F. Williams on January 4. The funeral was held on January 8 in Gadsden, Alabama.

Congratulations to **Dennis Sewell** on his promotion to Colonel in the U.S. Army. Dennis has been on active duty since December 2001. His promotion ceremony was held February 7 at Fort McPherson, Georgia. Dennis received his commission in the Army in 1980 after graduating from Georgia Tech.



Commissioner Wise Birthday Lunch



The Birthday Cake

Commissioner Stan Wise treated Commission staff to a birthday box lunch with cake on January 19. Commissioner Wise and his wife Denise hosted the event.

New Employees

Welcome to the Commission's cooperative study students for the Spring Term. They are:

- Jimmy Evans** (fourth, and last, work term) - Telecomm Unit
- Jennifer Froelich** (first work term) - Electric Unit
- Judy Lee** (first work term) - Natural Gas Unit. Please drop by their units and welcome them to the Commission.

Welcome to **Betty Lucas** who joined the Transportation Staff February 1. She has twenty years experience in compliance and regulatory state agencies as well as the telecommunications industry. She is a graduate of Northeastern University with a Bachelor of Science Business Administration and the mother of two sons.

Thanks to Angel Tree Supporters



Carolyn Harrison, Courtney Oby, Monique Pringle and Montrelle Caldwell display some of the Angel Tree gifts

Special thanks to all employees who contributed to the Angel Tree Project this year. Gifts were collected and distributed to the Salvation Army that enabled 40 children to have a Merry Christmas. A special appreciation goes to Carolyn Harrison for organizing this worthwhile program at the Commission.

Commission News



Georgia State Holidays For 2006

New Year's Day	January 2
Martin Luther King, Jr. Birthday	January 16
Confederate Memorial Day	April 24
Memorial Day	May 29
Independence Day	July 4
Labor Day	September 4
Columbus Day	October 9
Veterans Day	November 10
Thanksgiving	November 23
Robert E. Lee Birthday	November 24
Christmas	December 25
President's Day	December 26

Commission Calendar



February
2- Committees
7-Administrative Session
16-Committees
21-Administrative Session
March
2-Committees
7-Administrative Session
16-Committees
21-Administrative Session
30- Committees
April
4-Administrative Session

Commission Calendar

13-Committees
18-Administrative Session
24-Holiday
27-Committees

May

2-Administrative Session
11-Committees
16-Administrative Session
29-Holiday

June

1-Committees

NARUC

Winter Meeting 2006
February 12-15, 2006
Washington, D.C.

Summer Meeting 2006
July 30— August 2, 2006
San Francisco, CA

Annual Convention
November 13-16, 2006
Palm Springs, CA

SEARUC

June 5-7, 2006
Boca Raton, Fla.

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