



# GPSC News

Fall 2010

Volume 9 Issue 4

## Commission Issues Decision in Atlanta Gas Light Rate Case

AGLC Decision  
 \*\$0.91 net monthly increase  
 \*\$26 million revenue increase  
 \*Effective November 3, 2010



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The Commission October 27 issued its decision in the Atlanta Gas Light Company (AGLC) rate case by a 4-1 vote. The decision approved an adjustment to AGLC base rates beginning November 3, 2010 that will mean an average increase of about \$1.14 in the residential customer's monthly bill. Coupled with an AGLC \$2.63. The Commission unanimously approved a motion by **Commissioner H. Doug Everett** that the monthly rate for the senior citizen low income discount be reduced to zero, saving customers approximately \$0.32 a month. The senior citizen

*(Continued on page 2)*

## Commission Approves Additional Solar Power Options for Georgians

Georgia Power Company will have the option of purchasing more solar energy and making that energy available to consumers in the Green Energy Program, following Georgia Public Service Commission approval October 5 of additional solar power generation. A majority of the Commission on a 3-2 vote approved the Company's request for a new Solar Purchase Tariff. Under the tariff the Company will purchase an additional 2,500 kilowatts of solar energy. "This action sends a message that Georgia is a leader. We can lead 32 other states in solar energy and open the door for greater participation in our solar energy program," said **Commission Chairman Lauren "Bubba" McDonald, Jr.** Under the new tariff the Company would purchase an additional 1,500 kilowatts of solar energy at the preset solar purchase price of

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## Legislative News

State revenues have increased for four months in a row, lending a positive atmosphere to what has been a depressing budget cycle the past three years. The budget cycle begins in August prior to the start of every legislative session.

The Commission has submitted its budget requests to the Office of Planning Budget and following OPB directions submitted the following proposals:

For Amended Budget FY 2011, budgets with 4, 6 and 8 percent cuts; for FY 2012, six, eight and ten percent cuts.

Under the

At this time, pending the outcome of the election and the



have serious consequences on the Commission's ability to fulfill its statutory functions. With no funding to fill critical vacancies, the Commission will be facing a tough task

If you have a story for the next GPSC News, please send to Bill Edge, [bille@psc.state.ga.us](mailto:bille@psc.state.ga.us). Next issue deadline is January 15, 2011.

Governor's race, over the next five to six years it is unknown in monitoring the construction costs of two new units at the Plant Vogtle Nuclear Power Plant near Waynesboro, Georgia to protect Georgia Power ratepayers.

usual fall face to face presentation.

Of course, these reductions all

### Governor Election Results (unofficial)

|          |       |
|----------|-------|
| Deal-R   | 53.0% |
| Barnes-D | 43.0% |
| Monds-L  | 4.0%  |

### PSC District 2 Election Results (unofficial)

|                  |       |
|------------------|-------|
| Tim Echols-R     | 55.5% |
| Keith Moffett-D  | 40.8% |
| Jim Sendelbach-L | 4.0%  |

## Commission Approves More Solar Options

*(Continued from page 1)*

\$0.17 per kilowatt hour and purchase the remaining 1,000 kilowatts through a request for proposal process.

In its filing, the Company cited several reasons for making its request at this time. These includes procuring additional resources that will allow the Company's customers to take advantage of federal and state incentives that may expire soon.

Through the additional solar purchases, the Company says it also expects to gain cost and operational knowledge of solar electricity generation by requiring customers to file project cost and operational data with both the Company and the Commission. To complement these additional solar purchases and to further grow the sales of the Green Energy Program, the Company adds that it will also be implementing a new

marketing initiative.

The Company proposes these additional purchases of solar energy under the SP-1 and RNR-7 tariffs with the intention of holding non-participants of the Green Energy Program harmless. All possible over or under recoveries attributable to purchases made under the RNR-7 and SP-1 tariffs will continue to be recovered through

*(Continued on page 5)*

### Atlanta Gas Light Rate Case Decision

*(Continued from page 1)*

low income discount will be funded from the Universal Service Fund though December 2011 at which time the Commission will revisit the program to ensure it is working properly. The senior citizen low income discount provides a monthly reduction of up to \$14 a month the

AGLC base charge for eligible senior citizens.

Other items in the decision include:

- Sets the Company's return on equity (ROE) at 10.75 percent
- Increases base rate revenues by approximately \$26 million a year
- Sets in motion a plan for a three day performance standard for service requests

- Provides for ratepayers to share 50 percent of savings in future Atlanta Gas Light Resources company acquisitions
- The Company filed a request on May 3, 2010 for a \$54.1 million increase in its base rates but later reduced that request to \$48.2 million in an October 1, 2010 filing. The Commission held three rounds

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# PSC Ensures Natural Gas Pipeline Safety in Georgia

Although Georgia has never experienced an incident of quite the magnitude of the explosion in San Bruno, California, the state's chances of a similar occurrence would be significantly higher had the Georgia Public Service Commission and its natural gas utilities not implemented aggressive Pipeline Replacement Programs (PRP) that have become national models. "Despite the incident in San Bruno, the nation's natural gas system has a safe track record. Last year utilities reliably delivered natural gas to 165 million homes and businesses



**Commissioner Wise interviewed by WGCL-TV reporter Adam Murphy**

through a 2.3 million mile distribution and transmission pipeline delivery system with

only 44 serious incidents, more than 25 percent of which can be attributed to third-party damage," said **Commissioner Stan Wise.**

In 1997 the Commission initiated an investigation to ensure Atlanta Gas Light Company (AGLC) was meeting its obligation to adequately protect its pipeline infrastructure, much of which was century old cast iron and unprotected

bare steel pipe, not unlike that in the San Bruno incident. Over 20,000 leaks had been identified over a three-year period including leaks in the lines right in front of the Commission offices by the State Capitol.

In Docket 8516, the Commission in 1998 ordered AGLC to replace more than 2300 miles of bare steel and cast iron natural gas distribution and transmission pipes over a ten year period. Since that time additional pipes have been added to the program.

Now in the eleventh year of the program, the utility has successfully replaced nearly 90% of the targeted pipe at a cost of approximately \$580 million. Georgia's PRP has resulted in less maintenance cost to the utility, less gas lost from the system, less miles of pipe to monitor and, most importantly, ensuring that lives and property are safer. Under the program, the Commission allowed AGLC to recover the cost of the program. In 1999, AGLC customers paid \$0.11 a

month. Today that charge is \$1.95 a month.

Similarly, in Docket 12509, the Commission in 2000 ordered Atmos, which serves about 57,000 customers in Columbus and Gainesville, to place more than 184 miles of cast iron and bare steel pipe in its service areas. To date more than 137 miles of pipe have been replaced. As of October 1, 2010, the Atmos pipeline monthly charge per residential customer will be \$4.00.

These pipeline replacement programs are only one part of the Commission's ongoing programs to ensure the safety and reliability of the state's natural gas pipes. Although generally not seen by the public, the Commission has two enforcement authorities under our Facilities Protection Unit; the Pipeline Safety Section and the Georgia Utility Facilities Protection Section. The

Commission has eight fulltime pipeline safety inspectors in its Pipeline Safety Group who conduct safety inspections of all natural gas systems operated in Georgia by AGLC, Atmos and municipalities.

"Although no one can guarantee that an accident will not occur, I can guarantee that the Public Service Commission will continue to ensure safe and reliable service

with the transportation of natural gas for the safety and well being of Georgia's citizens," said **Commissioner H. Doug Everett.**

During 2009 the Pipeline Safety Group monitored and inspected over 78,159 miles of distribution mains, service lines and transmission pipelines transporting natural gas to over 2 million

*(Continued on page 4)*

## Commission Opens Georgia Power Rate Hearing; Holds Public Meetings on Rate Cases

The Commission kicked off the Georgia Power rate case hearings on October 4, 2010 to a standing room only crowd in the Commission's hearing room. Georgia Power has filed for a \$1.2 billion increase in its rates over a three year period beginning January 1, 2011. As is the usual Commission procedure, there will be three rounds of hearings on the case. More than 20 members of the public spoke at the beginning of the hearing to let the Commissioners know their opinions on Georgia Power's request. Afterward Georgia Power President Mike Garrett opened the



**Georgia Power President Mike Garrett opens his company's 2010 rate case hearing**

Company's case as the first witness.

Other company witnesses who followed Garrett included Ann Daiss, Robert Morris and Dr. James Vander Weide.

The next round of hearings gets underway November 8 as the Public Advocacy Staff and intervenors will present witnesses to support their recommendations. The Staff has filed testimony calling for a \$420 million rate increase for the Company.

The Commission held a series of public meetings across the state to hear from consumers on both the Georgia Power and the Atlanta Gas Light rate cases.

The Commission traveled to Macon on August 18, Savannah on August 31 and Rome on September 22 and Atlanta on September 13.

The meetings were well attended as more than 60 people came to the Macon hearing, over 120 showed up in Savannah and about 85 citizens attended the Rome session.

Further hearings in the Georgia Power rate case will get underway November 8 through the 10 and December 1 through the 3rd. The Commission is scheduled to issue its decision in this case on December 21, 2010.



**Citizens fill the room at the Civic Center in Rome, Georgia to voice their opinions on pending rate cases**



**Commissioners listen to citizens in Macon at the Bibb County Commission chambers**

## Commission Ensures Pipeline Safety

*(Continued from page 3)*

Georgia customers. With eight qualified inspectors, each inspector is responsible for approximately 9,769 miles of natural gas pipeline along with 250,000 customers. The inspectors evaluated operator compliance with pipeline safety regula-

tions during 1,029 inspections, expending 1,560 inspection days. These inspections addressed operator qualifications and integrity of management along with accident investigations and follow up inspections that monitor operators for violations of the law.

## AGLC Decision

*(Continued from page 2)*

of hearings this year on the AGLC request, August 10-11, September 13-14 and October 12-13, 2010. In addition, the Commission held four public meetings to take comments on the AGLC request.

## Atlanta Gas Light Files CNG Proposal in Response to Commissioner Everett Challenge

The Commission is considering a conceptual plan filed September 7 by Atlanta Gas Light Company (AGLC) to construct a network of compressed natural gas (CNG) vehicle fueling stations throughout the metropolitan Atlanta region and along major transportation corridors in the state. The filing is in response to a challenge issued in July by **Commissioner H. Doug Everett**.

Under the proposal, AGLC will develop the CNG fueling infrastructure and make it available for Georgia's natural gas marketers and other service providers to sell



**Commissioner H. Doug Everett**

CNG to the public. The general public will have full access to each fueling station, however

the initial station locations will be determined based on proximity to commercial fleet customers who contract for the service.

**Commissioner Everett** has been working with the utility on its proposal over the last year, and on July 29, 2010 he issued a direct challenge to the company

to bring forth a conceptual plan. In issuing his challenge, Everett recognized several promising developments that may advance CNG use, including corporate commitments to utilize the clean burning fuel for fleets, and tax

and vehicle rebate incentives currently under consideration by Congress. He also emphasized the need to insulate current AGLC customers from subsidizing the new business development.

"Georgia is leading the way towards energy independence," said **Everett**. "The Peach State is the first in the country to build a nuclear reactor in over thirty years, and we can be the first state in the southeast to build a viable CNG vehicle network that will at-

tract investment in the market and promote CNG vehicle purchases. Expanding the use of clean, domestically-available natural gas will reduce the region's dependence on foreign oil," he said.

If approved, AGLC would invest up to approximately \$10 million to construct the new fueling stations, which would range from \$1 million to \$1.6 million each. AGLC would fund the initial capital investment at no cost to cur-

rent ratepayers using a portion of the current surplus in the Universal Service Fund (USF). The USF is funded through AGLC's industrial service proceeds, by a share of proceeds from AGLC's asset management program, and from other sources such as interstate pipeline service refunds. Ongoing operational expenses would be paid by the fleet operators and other CNG vehicle owners who utilize the service. AGLC will use revenues from these sta-

tions to invest in additional CNG stations throughout the state, and provide a low cost lease option for residential and small business customers to install individual fill units. The stations would not be constructed until commercial customers enter into contracts to obtain service for a minimum number of vehicles on an annual basis.

"This proposal will be considered

as part of a collaborative process," said **Commissioner Everett**. "We will have some of the brightest minds in this field at the table to build a sustainable business model that encourages investment and deployment of these facilities while not placing ratepayers at risk," he said. A decision is expected in the first quarter of 2011.

### Commission Approves New Solar Power Option

*(Continued from page 2)*

the Company's fuel clause. Georgia Power will continue to make quarterly filings which provide information about the Green Energy Program including the program's current recovery position.

# Commission Celebrates Lifeline-Linkup Week

The Commission on September 9 kicked off Lifeline Link-Up Awareness Week in Georgia, September 12-18, 2010, during a news conference at the H.J.C. Bowden Senior Multipurpose Center in East Point, Georgia. **Commission Chairman Lauren "Bubba" McDonald, Jr.** along with **Commissioner H. Doug Everett** announced the beginning of a week long effort to make more Georgians aware of this tremendous benefit.

Lifeline provides a monthly credit of up to \$10 off your monthly local service telephone bill (AT&T gives a \$13.50 monthly credit) while Link-Up assists with paying



**Chairman Lauren "Bubba" McDonald, Jr. kicks off Lifeline Link-Up Awareness Week**

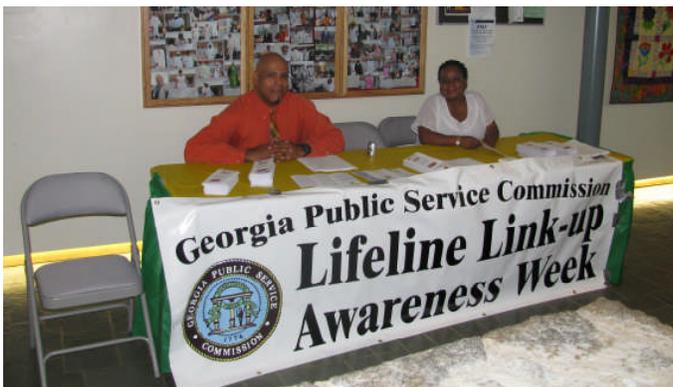
up to 50% of installation costs, not to exceed \$30 (AT&T pays 100% of installation

costs). Lifeline also covers cellular telephones. "We want to get the word out during Lifeline Link-Up Awareness Week about this valuable benefit which can save qualified telephone customers hundreds of dollars and keep them connected to the telephone network," said **McDonald**, "As valuable as this benefit is, we know there are thousands of Georgians who are not taking advantage of it."

As of December 31, 2009, there are 128,259 Georgians who are re-

ceiving this credit. While this number represents a 43 percent increase over the past three years, there are thousands more who could qualify but are not signed up. In fact, as many as one million Georgians may be eligible.

In order to qualify for these programs, a consumer must be a participant in any one of the following programs: Temporary Assistance to Needy Families (TNAF), Food Stamps, senior citi-



**Will Culbreath and Claudette Willingham** the Commission desk to sign up consumers for the Lifeline Link-Up Program

zens discount from power or gas company, SSI, Medicaid, Federal Public Housing Assistance, or Low - Income Home Energy Assistance Program. Other Lifeline Link-Up Awareness Week participants taking part in today's announcement were

AT&T-Georgia, Atlanta Regional Commission, Georgia Telephone Association and Windstream Georgia.

Eligible consumers should contact their prospective or current telephone service provider to find out if they offer Lifeline/Link-up credits and if so, to file an application to receive Lifeline or Link-Up assistance. Consumers may apply the discount towards either their home



**Will Culbreath talks with seniors at the H.J.C. Bowden Center**

phone or cell phone service. Lifeline/Linkup Week is a joint effort of the National Association of Regulatory Utility Commissions (NARUC), the Federal Communications Commission (FCC) and the National Association of State Utility Consumer Affairs (NASUCA.)

# Employee News

## McGriff Chairs National Association

Our own **Danny McGriff**, head of the Commission's Pipeline Safety Unit, has started his one-year term as Chairman of the National Association of Pipeline Safety Representatives. Danny has previously served as NAPSR vice-chairman and on the Southern Regional Board.



## Speedy Recovery

To **Commissioner Doug Everett** who underwent knee replacement surgery on October 29 at St. Joseph's Hospital in Atlanta. Commissioner Everett is doing well and back at work.



## Sympathy

To **Nancy Gibson** on the passing October 29 of her mother-in-law JoAnn Cowles. To **Ann McCullough** on the passing of her brother October 30.



# Commission KP Corporate Challenge Runners

**T**hirteen Commission staff members took part in the 2010 Kaiser Permanente Corporate Challenge 5K Walk Run through downtown Atlanta on September 16, 2010.

They were:

- Monique Andrews**
- Tom Bond**
- Heather Borst**
- Janey Chauvet**
- Bill Edge**

- Sheree Kernizan**
- Bolin Killings**
- Ann McCullough**
- Dennis Sewell**
- Phil Smith**
- Veronica Thomas**
- Julia Truss**
- Barbara Wolfe**

Everyone finished in good shape. A special thanks to the Commissioners who donated to buy our team T-shirts!



**PSC Corporate Challenge Team**

# Retirements:Farewell

**P**hilip **Bedingfield** retired from the Commission September 30 after more than ten years of service with the state. Colleagues and friends gave him a retirement party on



September where he received a Commission resolution honoring his service. Philip was a utility



**Retirement cake**  
analyst in the Electric Section.



# Commission News

## Georgia State Holidays For 2010

**New Year's Day**  
**Martin Luther King, Jr. Birthday**  
**Confederate Memorial Day**  
**Memorial Day**  
**Independence Day**  
**Labor Day**  
**Columbus Day**  
**Veterans Day**  
**Thanksgiving**  
**Robert E. Lee's Birthday**  
**Washington's Birthday**  
**Christmas**

**January 1**  
**January 18**  
**April 26**  
**May 31**  
**July 2**  
**September 6**  
**October 11**  
**November 11**  
**November 25**  
**November 26**  
**December 23**  
**December 24**

### Commission Calendar



**November 2010**  
 2-Administrative Session  
 8-10-Georgia Power hearings  
 10-Committees  
 18-Administrative Session

**December 2010**  
 1-3-Georgia Power hearings  
 2-Committees  
 7-Administrative Session  
 16-Committees  
 21-Administrative Session  
 30-Committees

## Commission Calendar

### January 2011

4-Administrative Session  
 13-Committees  
 18-Administrative Session  
 27-Committees

### February 2011

1-Administrative Session  
 10-Committees  
 15-Administrative Session  
 24-Committees

### NARUC

#### Annual Convention 2010

November 14-18, 2010  
 Atlanta, Georgia

#### Winter Meeting 2011

February 13-17, 2011  
 Washington, D.C.

#### Summer Meeting 2011

July 17-20, 2011  
 Los Angeles, California

### SEARUC

#### Annual Meeting 2011

June 12-15, 2011  
 Nashville, Tennessee



**GPSC ONLINE:** [psc.state.ga.us](http://psc.state.ga.us)

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