



# GPSC News

Fall 2011

Volume 10 Issue 4

- \*AGL could use \$11.5 million from USF
- \*USF funding for five years
- \*Plan includes fleet and retail customers
- \*Legislation allows use of USF for CNG stations

## In this issue

- Hearing on Plant Closures 2
- Commission Approves Plant Vogtle Construction Agreement Settlement 3
- Lifeline Linkup Awareness Week Kicks off 4
- Commissioners Tour Lockheed Martin 5
- McDonald Honored 5
- Commissioners Attend Fish Fry 5
- Nuclear Waste Management Symposium 6
- Employee News 7
- Commission Calendar 8

## Commission Approves Compressed Natural Gas Stations Plan

The Commission November 1 took the first step towards incentivizing the construction of a network of Compressed Natural Gas fueling stations around the state. The Commission adopted by a vote of 4-1 a revised plan that allows Atlanta Gas Light Company (AGLC) to use \$11.57 million from the Universal Service Fund (USF) to provide funds for compressed natural gas (CNG) equipment for private investors who build CNG fueling stations. The plan as adopted allows for the CNG stations to serve both retail and commercial consumers.



Commissioner Everett speaks to news media after the decision

In addition, private investors are not required to make a 50 percent capital investment in the cost of the CNG stations, a change from the AGLC most recent filing. Under the Commission approved plan, the USF funding will only be available to purchase

CNG equipment for five years.

"I am pleased to see this proposal take the first step toward providing a statewide network of CNG fueling stations," said **Commissioner Doug Everett**, who in July 2010 had challenged AGLC to file a proposal for the CNG network, "This program will allow more Georgians to take advantage of an alternative fuel that is cleaner and less expensive than

*(Continued on page 2)*

## Chairman Wise Testifies Before Congress

Commission Chair **Stan Wise** testified September 14 in Washington, D.C. before Congress that proposed clean air regulations will cost jobs and dramatically increase electric power rates for Georgians. Wise appeared before the Energy and Power Subcommittee of the U.S. House Committee on Energy



Chairman Wise

and Commerce. Wise was one of three state utility regulators to testify before the Congressional panel that day.

"In my tenure - over 15 years - of regulating the electric utility industry, I have never seen the number, the breadth, or the potential impact that this whole group of regu-

*(Continued on page 2)*

**Next Issue  
January  
2012**

## Commission Opens Hearings on Power Plant Closures

Commissioners listened to testimony from Georgia Power witnesses on October 20 as the company seeks to shutter several coal fire electric generation plants, install pollution controls on other plants. Georgia Power says the uncertainty of new environmental regulations and the cost of installing pollution controls on older plants is behind its request.



## Commission Issues Decision on CNG Fueling Stations Plan

*(Continued from page 1)*

current fossil fuels such as gasoline and diesel."

Commissioner **Lauren "Bubba" McDonald, Jr.** added, "I applaud my colleague for his work to make this proposal come to fruition. We at the Commission continue to work to promote energy conservation and alternative forms of energy."

The Georgia legislature approved changes in the law this year (Senate Bill 108) which specifically allows the USF to be utilized for natural gas fueling infrastructure for motor vehi-

cles. The Commission supported this change. AGLC filed their original plan on September 7, 2010 and then filed a revised proposal on May 12, 2011.

In other action, the Commission approved the distribution of \$1 million per year for three years to Resource Service Ministries to assist low-income senior natural gas customers in the replacement of natural gas water heaters and natural gas furnaces. Resource Service Ministries will coordinate the distribution of funds among five other Community Action Agencies. Each agency is allowed to spend up to \$5,000 per recipi-

*(Continued on page 5)*

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, 2012.

## Wise Testifies Before Congress

lations will Have on the industry and on my constituents, the people of Georgia," Wise said.

He also noted that the Environmental Protection Agency has failed to conduct a study of the entire set of rules that would estimate their impact on electricity prices, economic activity, number of jobs created or destroyed, and the reliability of electric service.

**Commissioner Wise** said he is further concerned because of the "unreasonably short time allowed for compliance, which requires planning, regulatory approvals, permits, and construction to address the rules."

Wise called for Congress's aid in making this situation manageable by insisting upon a comprehensive study - preferably by an agency other than EPA - on the

impacts of these rules and by providing more realistic timeframes for compliance that would increase reliability and reduce costs.



## Facilities Protection Section Gets a New Look

The Facilities Protection Unit recently got a new look for their spaces in the 254 Washington Street Building.

The Georgia Building Authority took out several office cubicles and installed instead laptop work stations. Inspectors will be able to set up and log in to complete



**Mike Nantz and Jeff Baggett look over the new work spaces**

paperwork when they come to the Commission offices. "This is a welcome addition to our unit," said Facilities Protection Unit Director **Mike Nantz**. "There is plenty of room for inspectors to work when they are the Commission offices," Nantz added.

## Commission Approves Plant Vogtle Construction Settlement

The Commission at its Administrative Session August 2 unanimously adopted a proposed settlement that resolves the mechanism for dealing with any potential construction cost overruns at the Georgia Power Company Plant Vogtle construction project in Waynesboro, Georgia in Docket Number 29849.

**Commission Chairman Stan Wise** said, "Any expenditure by Georgia Power Company is subject to this Commission's review for reasonableness and prudence. That's the hammer and the most important tool this Commission has. We get to look at these expenses all the way to



2016 and 2017."

**Commissioner Tim Echols** said, "I support this agreement because I am not willing to send a message to the Company and their stockholders that nuclear power is too risky for Georgia." On March 17, 2009, in Docket

Number 27800, the Commission certified the need for the additional units and generating capacity at Plant Vogtle. The certification of Plant Vogtle left unresolved two issues relating to the question of how any potential cost overruns would be allocated between Georgia Power and its customers.

The first unresolved issue related to the Commission's ongoing monitoring of the construction project. Every six months, the Commission has hearings to review construction costs incurred

to date by the Company. Georgia Power had taken the position that once a cost had been verified and approved in that semi-annual process, the Commission could not later disallow the cost as imprudent. The Staff had argued that the Commission retained the right to disallow such costs if it subsequently determined that they were imprudent.

The second unresolved issue was the Commission Staff recommendation for a risk sharing



mechanism. The Staff had proposed that if the cost of the plant exceeded the \$6.1 billion originally approved by the Com-

mission by more than \$300 million, the Company's stockholders should bear some of those costs even if the cost overruns

were prudent. Pursuant to the Commission's order in this Docket on February 25, 2010, the Company and Commission Staff had continued to negotiate a proposed risk sharing mechanism but been unable to reach an agreement. On April 5, 2011, the Commission voted to have further hearings on the issue.

The proposed settlement agreement approved August 2 will

resolve both of these outstanding issues. In exchange for the Company agreeing to the Commission Staff's position that the Commission retains the ability to disallow costs as imprudent even after they have been verified and approved in the semi-annual review process, the Commission Staff agreed to withdraw its support for its proposed risk sharing mechanism. According to the Staff

brief filed in support of the Settlement, "The ability of the Commission to review construction costs upon completion of the Units and, if appropriate, exclude from the Company's rate base any costs that were imprudently incurred provides significant protection for the Company's ratepayers in the event the final cost of construction exceeds the certified cost of \$6.1 billion."

## Commission Celebrates Lifeline Linkup Week

The Commission September 7 kicked off Lifeline Link-Up Awareness Week as part of a national effort to raise awareness among Georgians about this tremendous benefit. Governor Nathan Deal joined **Commission Chairman Stan Wise, Commissioner Lauren "Bubba" McDonald, Jr., Commission staff** and representatives from the Georgia Telephone Association and AT&T in proclaiming September 12-18, 2011 as Lifeline Linkup Awareness in Georgia.



From left to right: Bill Edge,; John Silk, Ga. Telephone Association; Commissioner Wise; Governor Deal; Commissioner McDonald; Pat Wingo, AT&T; James Gibson

"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 yet keep them connected to the telephone network," said Wise, "As valuable as this benefit is, we know there are thousands of Georgians who

are not taking advantage of it." 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 up to 50% of installation costs, not to exceed \$30 (AT&T pays 100% of installation costs). Lifeline also covers cellular telephones.

As of June 30, 2011, there are 492,376 Georgians who are receiving this credit. While this

number represents a dramatic 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 citizens discount from power or

gas company, SSI, Medicaid, Federal Public Housing Assistance, or Low-Income Home Energy Assistance Program.

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 phone or cell phone service.

## Commission Approves Plant Vogtle Settlement



Entrance to Georgia Power's Plant Vogtle

(Continued from page 3)

In other action the Commission: Approved funding for four projects for Atlanta Gas Light Company's Integrated Strategic Corridor plan in order to extend natural gas service to un-served areas of Georgia in Docket Number 29950. The projects will add an additional

45.1 miles of natural gas pipeline in the AGLC distribution system at a total cost of \$31.5 million.

The four projects are in White, Baldwin County, Columbia, Fannin and Gilmer Counties.

# Commissioners Tour Lockheed Martin Plant



**Commissioner Stan Wise** takes a tour of the Lockheed Plant with Lockheed officials



**Commissioner McDonald** tries his hand at flying the F-22



**Commissioners Eaton and Everett** walk through the F-22 production line at Lockheed

Commissioners got a close up and personal look at the Lockheed Martin Aeronautical Plant in Marietta Georgia on August 5. **Commissioners Stan Wise, Chuck Eaton,**

**Doug Everett and Lauren "Bubba" McDonald, Jr.** practiced flying the F-22 strike fighter in the Lockheed simulator and then received a guided tour of the Marietta facility. Lockheed offi-

cial invited the Commissioners to visit the facility which produces a variety of aircraft for the U.S. military including the F-22 fighter and the C-130 Hercules cargo plane.

## McDonald Receives Honor for Solar Energy Support

Solar power advocates in Georgia honored **Commissioner Lauren "Bubba" McDonald, Jr.** on September 13 for his support of solar energy in Georgia during the past year.

The festivities were held at the Cantsink manufacturing facilities at the Barrow Industrial Park in Winder, Georgia.



**Cantsink President Patrick Hutchinson** presents award to **Commissioner McDonald**

Cantsink President Patrick Hutchison said, "The Commissioner helped support solar energy in our state and we want to thank him for all his efforts."

**Commissioners Doug Everett and Tim Echols** also attended along with officials from the cities of Auburn and Winder.

## Commissioners Attend Georgia Republican Party Fish Fry

**Commissioners Stan Wise and Lauren "Bubba" McDonald, Jr.** gathered with other Georgia Republicans August 27 for the annual Republican Party Fish Fry in Perry, Georgia. Among the guests were Presidential candidate and former U.S. House Speaker **Newt Gingrich.**



## Commission Decides on CNG Fueling Stations Plan

*(Continued from page 2)*

ent including a ten per cent administration fee.



**CNG car on display at Commission**

# Commissioner Echols Sponsors Nuclear Fuel Management Symposium

**Commissioner Tim Echols** hosted a symposium August 23 at Georgia Tech on Spent Nuclear Fuel Management attended by more than 100 scientists and others in the field of nuclear energy.



"This event provided an opportunity for experts to discuss what I believe is the most important energy question of our lifetime," said Echols. "We must change our approach to nuclear waste so that we can recover the remaining energy and decrease the amount of final waste.."

The Symposium's main focus was

on the current state of spent nuclear fuel management and options for future management.

Presenters provided an understanding of their organization's role in the development of ultimate long-term solutions available for storing spent nuclear fuel ("SNF"). Georgia Tech professor Bojan Petrovic presented a thorough summary of the nuclear fuel cycle. This theme was repeated several times throughout the day but with emphasis placed on the value of that information to each presenter's respective organization. There are 104 reactors currently in the US with only

one under construction. The two at Vogtle are not considered to be under construction until they receive their COL ("Combined License") from the Nuclear Regulatory Commission ("NRC").

Dr. Per Peterson of the Blue Ribbon Commission ("BRC") on America's Nuclear Future provided a quick overview of BRC's recently released draft report. Dr. Peterson stressed the most important first step dealing with the SNF situation in the U.S. is

amending the Nuclear Waste Policy Act ("NWPA") to create a separate organization to manage the country's nuclear fuel waste and to set forth how the Nuclear Waste Funds ("NWF") are to be dispersed.

Brittain Hill with the Nuclear Regulatory Commission ("NRC") spoke to the need for new regulation under consideration to address some of the country's concerns regarding safety regulation of SNF. Department of En-

ergy ("DOE") staff member Mike Goff from the Idaho National Laboratory who specializes in fuel cycle research provided a brief summary of the lab's work and his positions regarding the direction to pursue for the disposal of SNF.

Mick Mastilovic, Manager of Nuclear Fuel Supply with the Tennessee Valley Authority ("TVA") gave an overview and footprint of its service area which con-

*(Continued on page 7)*

# Chairman Wise Speaks to Blue Ribbon Commission on America's Nuclear Future

**Commission Chairman Stan Wise** presented remarks October 18 to the Blue Ribbon Commission at its meeting in Atlanta. Wise said, "While we understand the Commission's adherence to the guidance given to you by the Secretary of Energy, we believe the Commission should have recommended that



**Participants fills room at the BRC Meeting**



**Chairman Stan Wise**

the Nuclear Regulatory Commission be required to fulfill its obligation to complete the Yucca Mountain license review, in the interest of science and to inform policy makers." Georgia electric customers have paid \$586 million (as of 2007) into the Nuclear Waste Fund.

# Employee News

## Congratulations

To: **Shemetha Jones** on the birth of son **Kylan Connor Jones** who was born on August 2, 2011 at 9:53pm. He weighed in at 7 pounds 7 ounces and 18.5 inches.



**Dan Walsh** on the arrival of his first child, baby girl, Beatrice Eloise Walsh. Beatrice weighed in at 7 pounds and 6 ounces.



## Sympathy

To **Commissioner Lauren "Bubba" McDonald, Jr.** on the passing of his sister-in-law, **Paul Niven Hardy** on August 7, 2011. The funeral was held on August 10, 2011 at the First Baptist Church of Commerce, Georgia.

## Welcome

To: **Morgan Simmons**, Operation Analyst, Consumer Affairs

**Erica Wilson**, Information and Referral Specialist, Consumer Affairs

**Irma Correa**, Bilingual Information Referral Specialist, Consumer Affairs.

**Chris Wellborn**, Inspector, Facilities Protection Unit

**Edward Bradley**, Inspector, Facilities Protection Unit

**Blair Fink**, Utility Analyst, Electric Unit

**Leslie Tench**, Utility Analyst, Electric Unit.

Congratulations to **Lisa Jensen** on her promotion to Operation Analyst.

## Team PSC Runs Kaiser Permanente Corporate Challenge

Over a dozen Commission staffers took part in the 2011 Kaiser Permanent Corporation Challenge Run/Walk through downtown Atlanta on September 8, 2011.

The event annually attracts companies and their employees from all over metro Atlanta to take part in an event that promotes physical fitness and team building.

**Team PSC** gathered with other



**Team PSC**

agencies from state government to enjoy food and fellowship under a tent pitched near Turner Field. A special thanks goes out to the **Commissioners** who contributed to purchase the PSC race shirts you the team wearing see in the photo to the left. Everyone finished the course in good spirits.

## Nuclear Symposium

*(Continued from page 6)*

tains the only plant under construction.

Southern Nuclear Operating Company spokesman John Pemberton talked about its three nuclear plant sites, two in Georgia and one in Alabama, and its efforts through litigation with the federal government to recover the cost of storing its nuclear waste.

Retired Admiral James Ellis, the current CEO of The Institute for Nuclear Power Operations

(INPO), gave an in-depth presentation of his organization's role and responsibility in the industry. INPO is an independent non-profit organization entity funded voluntarily by all U.S. utilities currently operating nuclear generating facilities.

The French Consul General of Atlanta, Mr. Pascal Le Deunff, provided a brief summary of French involvement in nuclear energy which he said provides approximately 80% of France's electric energy needs.

Paul Murray, Technical Director for Strategic Projects with Areva, said the company is currently in the process of attempting to sign partners to facilitate the construction of a mixed oxide fuel ("MOX") facility at a cost of approximately \$20 billion. Areva's idea would be to acquire the SNF from U.S. nuclear operators, reprocess that fuel, and then sell back the usable product. or reprocessing function.



# Commission News

## Georgia State Holidays For 2011

**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 3**  
**January 17**  
**April 25**  
**May 30**  
**July 4**  
**September 5**  
**October 10**  
**November 11**  
**November 24**  
**November 25**  
**December 26**  
**December 23**

## Commission Calendar



**November 2011**  
 1-Administrative Session  
 10-Committees  
 11-Veteran's Day  
 15-Administrative Session

**December 2011**  
 1-Committees  
 6-Administrative Session  
 15-Committees  
 20-Administrative Session  
 29-Committees

## Commission Calendar

**January 2012**  
 2-New Year's Day  
 3-Administrative Session  
 12-Committees  
 16-MLK Jr. Day  
 17-Administrative Session

**February 2012**  
 2-Committees  
 7-Administrative Session  
 16-Committees  
 21-Administrative Session

### NARUC

**Annual Convention 2011**  
 November 13-16, 2010  
 St. Louis, Missouri

**Winter Meeting 2012**  
 February 5-8, 2012  
 Washington, D.C.

**Summer Meeting 2012**  
 July 22-25  
 Portland, Oregon

### SEARUC

**Annual Meeting 2012**  
 June 3-6, 2012  
 New Orleans, Louisiana



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

The Public Information Office publishes GPSC News for the Georgia Public Service Commission. Information for GPSC News should be sent to: Bill Edge, 244 Washington St. S.W., Atlanta, Ga. 30334. Discussion of regulatory matters in this newsletter should not be construed as legal interpretations of orders or rules issued by the Commission.



**COMMISSIONERS**  
**Stan Wise, Chairman**  
**Chuck Eaton, Vice-Chairman**  
**Tim Echols**  
**H. Doug Everett**  
**Lauren "Bubba" McDonald, Jr.**

**EXECUTIVE DIRECTOR**  
**Deborah Flannagan**

**EXECUTIVE SECRETARY**  
**Reece McAlister**