



GPSC News

Spring 2012

Volume 11 Issue 2

- *Plant Branch Units 3 and 4 retired
- *Plant Mitchell Unit retired
- *Three Purchase Power Agreements Approved
- *Pollution Controls to be installed on other plants

In this issue

- 2012 Legislative Wrap-up 2
- Governors Signs Transportation Transfer into Law 3
- Commissioner Everett Comments on AGL Plan RFP 4
- Commission Offers Advice on Hiring Limousines 4
- Commission Approves Electric Arc Furnace Rate 5
- April Proclaimed Dig Safely Month 6
- Employee News 7
- Commission Calendar 8

Commission Approves Retirement of Georgia Power Coal Plants

The Commission March 20 by a 4-1 vote approved Georgia Power's request to remove from service, two coal fired electric generation plants at Plant Branch in Putnam County, Georgia and one oil fired generation unit at Plant Mitchell in Mitchell County in southwest Georgia.



Georgia Power Plant Branch, Milledgeville, Georgia

Georgia Power filed its application in Docket Number 34218 to remove these plants due to pending U.S. Environmental Protection Agency regulations. Commissioner Echols voted no on the proposal.

The decision allows
(Continued on page 2)

Georgia Power Customers to Save \$567 Million in Fuel Costs

Georgia Power Company March 30 filed fuel rate decreases with the Commission that will reduce rates by \$567 million annually or a monthly reduction of approximately 6 percent for the typical residential consumer averaging 1,000 kilowatt-hours (kWh). The reduced energy costs, anticipated to be in effect for a two-year period based on current fuel price projections, are mainly the result of conservative fiscal planning by the Commission and lower natural gas prices. Under Georgia law, Georgia Power is entitled to



growing economies of China and India.

recover fuel costs associated with generating electricity and such costs are passed-through to ratepayers without a profit. Beginning over a decade ago, fuel prices for coal, natural gas, fuel oil and other sources increased sharply due to limited energy supplies in the United States and increased demand worldwide, primarily from the

To reduce the impact on customers that an immediate dollar-for-dollar pass-through would have had on monthly bills, the Commission required the utility to carry a fuel cost balance. Although it has fluctuated, the under-recovered balance at one time reached close to \$1 billion dollars. According to Friday's filing by Georgia Power, the current
(Continued on page 3)

Next Issue August 2012

2012 Legislative Session Wrap-up

The 2012 Regular Session of the General Assembly adjourned Sine Die on March 29, 2012 after passing a key piece of Commission backed legislation, House Bill 865, which transfers the Commission's Transportation Unit to the Department of Public Safety, on the final day. The governor signed it on May 1, 2012. The Governor also signed into law Senate Bill 382 which redraws the Commission Districts and Senate Bill 483 which relates to the election of the Commission Chairman.

Eaton Asks for Earlier Fuel Cost Savings

Commissioner **Chuck Eaton** April 26 asked Georgia Power Company to decrease its fuel recovery rates beginning June 1, one month in advance of the planned July 1 date. "I think it's important that we get this money back in the hands of the customers as soon as possible," said Commissioner Eaton. "By lowering rates in June, we can get relief in the summer, when people's bills are highest. We will actually see summer rates go down and not up," Eaton said. Georgia Power Company filed a



request with the Commission on March 30 to reduce fuel rates by \$567 million annually or a monthly reduction of approximately 6 percent

for the typical residential consumer averaging 1,000 kilowatt-hours (kWh). The reduced rates are mainly the result of conservative fiscal planning by the Commission and lower natural gas prices.

If you have a story for the next GPSC News, please send to Bill Edge, bille@psc.state.ga.us. Next issue deadline is July 15, 2012.

Commission Approves Coal Plant Retirements

(Continued from page 1)

the Company to replace the generation from these plants with energy from three Purchase Power Agreements known as PPAs. The PPAs will allow the Company to purchase additional generation from three Southern Power Company generation plants (Harris, West Georgia and Dahlberg).

Commissioner Stan Wise



Commissioner Wise

moved to accept the Commission's Advisory Staff recommendation on the issues in this Docket. Wise said, "The outcome today was appropriate. Electric customers will

continue to receive an adequate supply of energy and it will be a cleaner product. I also applaud the Advisory staff recommendation as a reasonable recommendation which this Commission has mostly agreed to."

The additional sum takes effect in 2019 which is four years past the date when the 2015 PPA generation becomes a part of the Company's resource mix.

The purpose of the additional sum is to encourage the Company to seek long-term power purchases in lieu of self-build projects.

Finally, the Commission also approved the Company's request to initiate construction of pollution controls at the Company's Plant Bowen Units 1 through 4, Plant Wansley Units 1 and 2, and Plant Hammond

Units 1 through 4. The Company must make regular updates to the Commission as construction proceeds.

Prior to this decision, the Commission held three rounds of hearings in this Docket: on October 20, 2011, on December 5, 2011 and on February 13, 2012.

Commission on YouTube

See Georgia Public Service Commission videos on YouTube, at www.youtube.com, on the Commission channel, GaPSC.

Transportation Transfer Signed Into Law

In a ceremony at the State Capitol, **Governor Nathan Deal** signed House Bill 865 on May 1. The law transfers all transportation functions currently under the regulatory authority of the Commission to the Department of Public Safety effective on July 1, 2012. Joining the Governor for the bill signing was: State Representative Alan Powell (R-Hartwell) the bill's House sponsor; **Commission Chairman Tim Echols**, **Commissioner Stan Wise**, and Commissioner of Public Safety Mark W. McDonough; staff members from the Commission and Public Safety and representatives of the trans-



portation industry. "The Public Service Commission has no guns, badges or flashing lights,"

said **Chairman Echols**. "From an enforcement standpoint, having the Department of Public Safety do this made more sense."

"This is clearly a move for efficiency and streamlining of state government," said **Commissioner**

Wise. "When the Commission brought this proposed

(Continued on page 7)

Georgia Power Files to Cut Fuel Costs

(Continued from page 1)

balance is to be completely paid off by March 31, 2012.

"Since my service began in 2007, my priority has been to pay down this balance," said **Commissioner Chuck Eaton**. "I am proud to say we didn't kick the can down the road and push our burdens onto future generations," he added.

Commissioner Eaton credits the Commission's conservative fiscal policies for paying down the balance. The Commission not only established amortization schedules for collecting the under-recovered fuel balance over a reasonable time frame, but in March 2010, when the markets were highly volatile, the Commission created an interim fuel

recovery rider to ensure the balance did not grow larger between fuel cost cases.

"Paying down the fuel balance not only saves interest costs for consumers, it also helps maintain the utility's credit rating, which avoids higher borrowing costs for consumers in the future," said Commissioner Stan Wise.

The Commission will conduct a hearing in early June and any new reductions are scheduled to begin July 1, 2012.

Commissioner Eaton is serving his first term on the Commission, having been elected in December of 2006. He was one of only four statewide Republican candidates in the entire country to defeat an incumbent during that election year. He served

as Commission Chairman in 2008.

Commissioner Wise is a past President of the National Association of Regulatory Utility Commissioners (NARUC) and currently is a member of the NARUC Board of Directors. He is serving in his third term on the Georgia Public Service Commission and previously served as Commission Chair-

man in 1997, 1999, 2006 and 2011. Commissioner Wise's full biography is available on the Commission web site at <http://www.psc.state.ga.us/pscinfo/bios/wise.asp>



Commissioner Everett Praises Request for Proposal for Compressed Natural Gas Stations

I am extremely pleased that Georgia is one step closer to making a network of compressed natural gas fueling stations a reality," said **Commissioner Doug Everett** on March 1. "It has been more than a year and a half since I challenged Atlanta Gas Light to begin working on these stations. I hope that there will be a robust response to this proposal. I appreciate the support from my colleagues for their support last November in approving this proposal."



"This program will allow more Georgians to take advantage of

an alternative private investors who build fuel CNG fueling stations. The Commission plan as cleaner and adopted allows for the CNG less expensive stations to serve both retail and commercial consumers. In addition, private investors are not required to make a 50 percent capital investment in the cost of the CNG stations, a change from AGLC's latest filing. Under the Commission approved plan, the USF funding will only be available to purchase CNG equipment for five years.

and diesel," added Everett. The Commission on November 1, 2011 adopted 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

Commission Offers Advice for Hiring Limousines and Other Passenger Carriers

Prom and graduation season is here again and the Georgia Public Service Commission offers some helpful advice for Georgians who may be hiring passenger carriers for these events.

Be aware of illegal companies. Under Georgia law (O.C.G.A. §§ 46-7-2, 46-7-3, 46-7-85.3, 46-7-

85.4 and 46-7-12) all passenger carrier companies that fall under the Commission's authority and operate within the state are required to be registered and have proof of insurance on file with the Commission. A list of the licensed companies can be found on the Commission's website:

(For limo companies) <http://www.psc.state.ga.us/transportation/limodata.asp>

(For bus companies) <http://www.psc.state.ga.us/transportation/BusCompanyData.asp>

"We want to make sure parents and their children do not become victims of illegal and un-

scrupulous chauffeurs," said **Commission Chairman Tim Echols**. "Check out our web site and make sure the company you are considering is listed as certified and vetted by the Commission."

Chauffeurs who drive for licensed limousine carriers are required to have permits which are only issued to drivers that work for limousine companies

approved by the Commission and who have successfully completed a criminal history investigation from the Georgia Department of Driver Services. All passenger carriers that fall under the Commission's authority are also required to obtain from the Georgia Department of Revenue an intrastate registration permit and vehicle ID stamps.

When making your reservations always get a written confirmation. As a reminder, contact the company a few days prior to the scheduled event to confirm the arrangements. Remember that the Commission no longer regulates the rates charged by limousine companies so shop around for the most competitive

(Continued on page 6)

Commission Approves Pilot Electric Rate to Spur Economic Development

The Commission April 3 unanimously approved an Electric Arc Furnace (EAF) Pilot Rate by Georgia Power Company for manufacturers who use electric arc furnaces.

It is hoped the new rate will encourage additional manufacturing in Georgia, increase employment opportunities and keep local industries competitive. The pilot program is designed to encourage greater utilization of energy by manufacturers and do so in a manner that will not shift costs to other ratepayers.

"I'm encouraged by this pro-



gram. This is the type of program to promote economic development that we need to continue to look at but the most important part is that it does not shift cost. No other customer class will pay for this pilot," said **Commissioner Stan Wise**. Commissioner Wise on

March 6, 2012 called for Georgia Power to file the EAF Pilot Rate with the Commission. The Company filed its proposal on March 9, 2012.

"All of us need to do everything we can to grow manufacturing in this state," said **Commission Chairman Tim Echols**. "This ef-

fort by the Commission today is with that in mind."

Under this pilot program, the EAF Rate Schedule would be effective with bills that are rendered for the billing month of June 2012.

The Commission will evaluate the EAF Pilot Rate after September 2012 to determine if the new rate increased manufacturing production and whether it shifted any costs to other customers.

Commissioner McDonald Testifies Before Tennessee Legislature

Commissioner Lauren "Bubba" McDonald, Jr. testified before the Tennessee Senate Government Operations Committee on March 21 in Nashville, Tennessee. Commissioner McDonald spoke about the special challenges facing state regulatory commissions.



"It was my pleasure to meet with my Tennessee colleagues as well as several Tennessee legislators. My goal is to protect consumer interests and that goal knows no state boundaries."

Tennessee Regulatory Authority Chairman Kenneth Hill noted that Georgia and Tennessee have long had a working relationship.

Commissioner Chuck Eaton Comments on House Passage of Senate Bill 483

I am pleased with the House vote passing Senate Bill 483. This is an important step forward in allowing the Commission as a political body the right to elect its own leadership. This is a right held by many other political bodies in Georgia. I believe the passage



of Senate Bill 483 will provide stability and continuity of leadership for the Commission as we deal with many critical issues in the future. This legislation will allow the Commission to better serve the citizens of Georgia. Commissioner Eaton is serving his first term on the Commission, having been elected in December of 2006. He served as Commission Chairman in 2008.

April 2012 Proclaimed Dig Safely Month

Georgia Governor Nathan Deal proclaimed April 2012 as Dig Safely Month in Georgia during a ceremony April 11 at the State Capitol. Governor Deal presented a proclamation to **Commissioner Doug Everett and Commissioner Stan Wise**, who accepted on behalf of the Georgia Public Service Commission, and to Georgia 811 President and CEO Claudette Campbell. Commission staff, Georgia 811 staff and representatives from the utility owners, excavators, locate contractors who are involved in the prevention of damage to Geor-



gia's underground utility infrastructure were also present.

Commissioner Doug Everett said, "I want to remind anyone who excavates to call before you dig by placing a call to 8-1-1. It's free and it's the law. By calling before you dig, we can prevent the disruptions and economic losses that can occur when underground utilities are damaged."

The Public Service Commission is charged with the enforcement of the state's underground utilities damage prevention programs under legislation approved in 2000. The Commission works in close cooperation with Georgia 811 which accepts calls from the national federally mandated "Call before You Dig" Number 8-1-1. This "one call" system is free to contractors and excavators as well

as homeowners and helps all excavators comply with the law.

"Calling 8-1-1 is the best way to prevent damage to our underground utilities," said **Commissioner Wise**, "When underground utilities are damaged, everyone loses."

Commission Chairman Tim Echols added, "We are pleased to join with the Governor and all interested groups in working together to prevent



Know what's below.
Call before you dig.

damages from occurring to the state's underground utility facilities. Our common goals are to prevent the interruption of utility services and personal injuries that result from accidents which damage underground facilities. Since the passage of the Georgia Utility Facility Protection Act in 2000, Georgia has built a damage prevention program that ranks in the top five in the nation."

Georgia 811 CEO Claudette Campbell said, "Georgia has rec-

(Continued on page 7)

Advice on Hiring Limousines

(Continued from page 4)

price and confirm that price to avoid last minute surprises. Parents should be aware that under state law limousine companies are allowed to sell alcoholic beverages only if they have been issued a permit to sell alcoholic beverages from the Georgia Department of Revenue. However, limousine companies must obey all applicable local and state laws in-

cluding prohibitions on serving alcoholic beverages to underage minors. Any violations should be reported to local police and the Georgia Department of Revenue. If consumers need more information about passenger carriers or if you have a complaint about service issues, contact the Commission's Transportation Unit at 404-656-4501 or toll free outside metro Atlanta 1-800-282-5813.

Employee News

Congratulations

To **Tom and Heather Bond** on the birth of **Adrienne Bond** on April 23, 2012. She weighed in at eight pounds and three ounces.



Sympathy

To **Commissioner Tim Echols** on the passing of his stepfather, **Claude Roger Talent** on April 22, 2012. Funeral services were held on April 27 in Fayetteville with burial in South Carolina.



Welcome

To **Marcus Kernizan** who will intern with the Commission during the summer of 2012.

He is the son of our own Electric Unit Director **Sheree Kernizan**.

Marcus will graduate this spring from Georgia State University with a Bachelor of Science degree in Public Policy. While at Georgia State, he has served as Student Government Vice-President for Academic Affairs.

Dig Safely Month

(Continued from page 6)

ognized Safe Digging month for more than 20 years, encouraging homeowners and professionals to call before digging. Safe Digging Month was first celebrated. In 2007 with the rollout of 811 (the national call before you dig number). This year we celebrate five years of 811 and National Safe Digging Month.



Japanese Officials Visit Commission

Commission staff briefed two Japanese officials March 28 on Georgia's nuclear construction project at Plant Vogtle. They were Dr. Motoshige Itoh, Professor of Economics at the University of Tokyo and Hikaru Yamada, President, Sprint Capital Japan, Ltd.



(L to R) Hikaru Yamada, Mososhige Itoh, Steve Roetger, Sheree Kernizan, Shemetha Jones, Jamie Barber

Committee Appointment

Commissioner Stan Wise has been appointed to the NARUC Subcommittee on Clean Coal and Carbon Sequestration.



Governor Signs Transportation Legislation

(Continued from page 3)

consolidation to the Governor last year, he recognized this move as a way to achieve those goals," added Wise. House Bill 865 transfers regulatory authority over household goods moving firms, limousines for hire companies, non-consensual towing companies and charter passenger bus companies to Public Safety effective July 1, 2012. The leg-

islation passed the General Assembly with overwhelming support from both the House and the Senate. Senator Don Balfour (R-Snellville) carried the bill in the Senate.

To link to the legislation, go to <http://www.legis.ga.gov/Legislation/en-US/default.aspx>. For more information on the Georgia Public Service Commission web site, www.psc.state.ga.us.

Commission News

Commission Calendar



Georgia State Holidays For 2012

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 2
January 16
April 23
May 28
July 4
September 3
October 8
November 11
November 22
November 23
December 24
December 25



May 2012

1-Administrative Session
 9-Georgia Power hearing
 10-Committees
 15-Administrative Session
 31-Committees

June 2012

7-Administrative Session
 13-Georgia Power hearing
 14-Committees
 19-Administrative Session
 21-Special Administrative Ses-

Commission Calendar

sion
 28-Committees

July 2012

3-Administrative Session
 4-Holiday
 12-Committees
 17-Administrative Session

August 2012

2-Committees
 7-Administrative Session

NARUC

Summer Meeting 2012

July 22-25
 Portland, Oregon

Annual Convention 2012

November 13-16, 2012
 St. Louis, Missouri

Winter Meeting 2013

February 3-6, 2013
 Washington, D.C.

SEARUC

Annual Meeting 2012

June 3-6, 2012
 New Orleans, Louisiana



GPSC ONLINE: 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

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

EXECUTIVE DIRECTOR
Deborah Flannagan

EXECUTIVE SECRETARY
Reece McAlister