



Spring 2016



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GPSC News

Volume 14 Issue 2

*Georgia Power base rates frozen through December 31, 2016

*Merger costs borne by Companies

*Affiliate transaction rules remain in force

*Utilities must maintain current service and quality standards

Commission Approves Southern Company Merger with AGL Resources

The Commission April 14, 2016 unanimously approved the Southern Company merger with Atlanta-based AGL Resources, Inc. by approving the proposed settlement of the Joint Request by the Petitioners in Dockets 39971 and 9574. All parties in the proceeding supported the settlement. The decision settles all issues in the above mentioned dockets and will cancel any further scheduled proceedings.

One of the key items in the settlement is a three year freeze on Georgia Power's base rates meaning Georgia Power rates will remain the same through December 31, 2019.



The Commission approved settlement of the merger includes a number of items to protect Georgia's deregulated natural gas market. "I believe this agreement contains safe-guards for ratepayers and consumers while allowing natural gas from Com-

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Governor and Commission Proclaim April Safe Digging Month

Representatives from the Commission, utilities and excavators joined with Governor Nathan Deal on April 19, 2016 in proclaiming April as National Safe Digging Month.

The law requires anyone who plans to excavate where underground utilities are located to call 8-1-1 before they dig. The pro-

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2016 Legislative Session Ends, Commission Sees Increase in Budget

The 2016 session of the Georgia General Assembly ended after midnight on the morning of March 25, 2016, as lawmakers adjourned sine die and many returned home to begin their re-election campaigns.

This session was one of the most successful for the Commission's budget in at least the last ten years.

In the final conference committee report on House Bill 751, the Fiscal Year 2017 state budget,

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the Commission received an increase of more than \$637,000 in direct state funding plus more than \$416,000 in bond funds.

The money in the FY 2017 budget includes funds to hire two utility analysts, one operations support analyst and fund three per cent merit pay increases for Commission personnel. An additional \$38,925 was added to

fund per diem for the Commissioners who live further than 50 miles from the Commission offices.

While the final conference committee report did eliminate funding for a recommended third position in Utilities, overall the 2016 Session was a great one for reversing the cuts the Commission has endured over the past ten years.

Total state funding for the Commission for FY 2017 is \$9.1 million, with an additional \$1.3 million in federal funds.

The total Commission budget for FY 2017 will be \$ 10.4 million.

Merger

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this merger to move forward in accordance with Georgia law and Commission rules," said **Commission Chairman Chuck Eaton**.

"Every intervenor representing every class of ratepayers signed off on this. Every group acknowledged that this settlement is a huge benefit for the ratepayers who will benefit from this rate freeze for the next three years,"

said **Commissioner Stan Wise**. "The merger is good for the Georgia economy," said **Commissioner Tim Echols**. "Had AGL Resources left our state with one of the other companies pursuing them, they would have taken many jobs with them. Keeping them in Georgia has a very positive impact."

"I am pleased that we were able to keep Georgia Power's rates at the same level for the next three years," said **Commission Vice-chairman Lauren "Bubba"**

McDonald. "And ensure that our deregulated natural gas market in Georgia remains competitive."

"I am proud to support this settlement that means stable rates for Georgia Power customers for the next three years," said **Commissioner Doug Everett**.

"All consumer protections remain in place to ensure that customers of both companies continue to receive reliable, safe and efficient service."

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Safe Digging Month

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cess is simple and can prevent major damage that can endanger and inconvenience our communities and cause economic disruption. Damage from excavation activities to gas and water pipelines, along with sewer systems and buried distribution power lines, remains a leading cause of utility incidents result-



ing in death or injury.

Commission Chairman Chuck Eaton said, "We are pleased to work together with Georgia 811, our federal partners, and the National Association of Regulatory Utility Commissioners (NARUC) to prevent damages from occurring to the state's un-

derground utility facilities. Our common goals are to prevent the disruption of utility services and personal injuries that result from accidents which damage underground facilities."

The Georgia Public Service Commission is charged with the enforcement of the state's underground utilities damage prevention programs as a result of state legislation approved in

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Commission Begins Hearings on Georgia Power Integrated Resources Plan

Hearings on Georgia Power Company's 2016 Integrated Resources Plan got underway on April 18, 2016 with the Company's direct testimony in Dockets 40161/40162. The IRP is the Company's three year update of its twenty year long range plan to provide for adequate electric generation for its customers. Company witnesses appearing before the Commission were Larry T. Legg, Scott Burleson, Alison Chiock and Larry S. Monroe. The hearing lasted into three days. This was the first of three hearings that will provide testimony on the Company's plan. Commission staff and interve-



Georgia Power witnesses testify on the first day of the hearing. Left to right are: Larry T. Legg, Jeff Burleson, Alison Chiock and Larry S. Monroe

nors will present their testimony on May 17-19, 2016 while Georgia Power will present rebuttal testimony on June 8-9, 2016. Af-

ter filing of proposed orders and briefs, the Commission is scheduled to issue a decision on July 19, 2016.



Print and electronic news media reporters cover the proceedings



The hearing room is packed to capacity as the hearing gets underway.



Commissioners listen to witnesses during the two and a half days of direct testimony

Merger

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Outlined below are some of the Principal Terms of The Settlement:

1. No harm to current service. Georgia Power and Atlanta Gas Light agree to continue to devote resources necessary to maintain current service quality, reliability, and safety levels.
2. Merger costs. The Companies

shall not recover any merger costs (transaction costs, transition costs, Goodwill costs, or fair value in excess of net book value) from ratepayers.

3. Merger savings. The Companies will take reasonable and prudent steps to integrate the companies and identify and implement efficiencies and cost savings. To incentivize the Companies to find savings, Georgia

Power and Atlanta Gas Light shall be allowed to retain actual merger savings achieved in each of the three calendar years following the merger. Following the initial three years, all merger savings shall be shared on a 60-40 per cent basis between ratepayers and the companies for an additional three year period. Thereafter, 100 per cent of merger savings shall be flowed

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Commission Applauds U.S. Supreme Court Ruling to Halt Implementation of Clean Power Plan Rule

Members of the Commission applauded the U.S. Supreme Court decision on February 4, 2016 that halts the implementation of the Obama Administration's Clean Power Plan. The Court ruled 5-4 to stop enforcement of the Plan until all legal challenges are resolved. Arguments on the Rule in the D.C. Circuit Court of Appeals are scheduled to begin on June 2, 2016.

"I am very pleased that the nation's highest court has temporarily stopped this burdensome, over-reaching regulation," said **Commission Chairman Chuck Eaton**. "If fully imple-

mented, this rule will increase electric rates and drive up the costs of doing business without substantially decreasing the effects of climate change," Eaton added.

The Environmental Protection Agency (EPA) issued the final rule in August 2015 but 27 states including Georgia have joined in legal challenges.

"The Court has demonstrated common sense which the EPA and this Administration lack. The path the EPA tried to take would be devastating and expensive to the consumers of Georgia who have invested millions toward clean energy generation over the

years," said **Commission Vice-chairman Lauren "Bubba" McDonald**. "The court of the people of New Hampshire also handed this Administration its second defeat of the day," McDonald added.

"I am extremely pleased that that Court has temporarily halted enforcement of this onerous rule while legal challenges are ongoing," said **Commissioner Stan Wise**. "The rule is a federal overreach and tramples on the careful planning which has achieved competitive and reliable electricity in our state. This rule may significantly limit fuel diversity and increase the cost of electric power

in Georgia and nationwide," Wise added.

"The Supreme Court's stay of the infamous EPA rule is significant for our state and others who are grappling with compliance," said **Commissioner Tim Echols**. "Now we have some breathing room and a strong signal from the Court that this entire plan could be struck down in totality," Echols added.

The Georgia EPD has halted planning on the rule.

Commission Approves New Natural Gas Marketer

The Commission on April 5 approved the application of Everyday Energy, Inc. as the state's newest certificated natural gas marketer, giving Georgia 14 natural gas marketers. Everyday Energy will serve both residential and commercial customers.

Merger

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through to customers of Georgia Power and Atlanta Gas Light either through base rates or through a surcredit rider.

4. Credit Costs. Any increases in credit costs directly related to the merger will not be recovered from ratepayers.

5. Georgia Power Rates. No base rate case this year and no base rate increases for three years.

Safe Digging Month

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2000. The Commission also enforces federal pipeline safety standards under an agreement with the Pipeline and Hazardous Materials Safety Administration. The Commission's program is rated one of the top five in the nation and serves as a model for other states to follow in reducing damages to

underground utilities.

Using these programs, the Commission provides training and education for excavators and utilities in order to avoid accidents that can cause expensive and often dangerous damage to buried utilities. The Commission also works closely with Georgia 811, Inc. 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.

Commission Vice-chair Lauren "Bubba" McDonald 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. A simple phone call can prevent the disruptions and economic losses that can occur when underground utilities

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Department of Energy Holds Meeting on Nuclear Waste Disposal in Atlanta

The Department of Energy held the second of its eight "Consent Based Site Initiative Meetings" in Atlanta on April 11, 2016 at the Georgia Tech Hotel and Conference Center. Former Governor Sonny Perdue gave opening remarks and then the group heard from four panelists including **Commissioner Lauren "Bubba" McDonald**.

In his remarks, McDonald said the federal government has wasted enough time in deciding where to locate a nuclear waste repository. He called on DOE to move the



Commissioner McDonald addresses the DOE Consent based meeting

process forward and "do something." The Atlanta meeting was one of the eight DOE meetings around the country intended to help design its consent-based siting for federal fa-

cilities to manage our nation's nuclear waste. These meetings are intended to allow the public, communities, states, Tribal Nations and others to help inform the Department's thinking as it develops this process.

Acting Assistant Secretary for Nuclear Energy John Kotek presented the Department's vision for an integrated waste management system and the need for a consent-based approach to siting.

Six more meetings will be held through July in Boise, Idaho; Boston, Mass.; Denver, Colo.; Minneapolis, Minn.; Sacramento, Calif.; and Tempe, Arizona.

PSC Staff Visits Kemper Plant

Staff from the National Association of Regulatory (NARUC) Utility Commissioners Research Lab coordinated Commissioners, Commission staff, and National Conference of State Legislatures in NARUC's third site visit to Southern Company's and Mississippi Power's Kemper County Energy Facility on January 28, 2016. The plant is located about 30 miles north of Meridian, Missis-



Participants in the NARUC-NCSL sponsored Kemper tour

sippi, and about an hour-and-a-half east of Jackson.

The group included Commissioner Paul Roberti of Rhode Island, Commissioner Lisa Edgar of Florida, Commissioner Jeremy Oden of Alabama, Commissioner John Quakenbush of Michigan, Commissioner Libby Jacobs of Iowa,

and Commissioner Alaina Burtenshaw of Nevada and staff from Commissions in Alabama, Florida, Georgia, and Michigan including **Commission PIO Bill Edge**. Staff from NARUC included Ivy Lyn and Kerry Worthington from the Research Lab and Jennifer Murphy from the Policy Department. Southern Company and Mississippi Power officials provided a comprehensive overview of the

first-of-a-kind plant-specific technology and engineering prior to the tour. The group then saw the adjacent lignite coal mining operation, viewed the two TRIG gasifiers and CO₂ capture equipment, along with the coal dryer and lignite storage dome.

Once fully operational, the 582-megawatt Kemper plant will capture 65 percent of the car-

bon dioxide for enhanced oil recovery at a nearby mature oil field. The plant will also capture and sell the sulfuric acid and ammonia, both industrial chemicals used for industrial purposes. Kemper is also a zero liquid discharge facility using treated effluent water from Meridian for all its cooling and operational needs.

Commission Approves Proceeding to Examine Georgia Power Settlement on Plant Vogtle Litigation

The Commission February 2, 2016 approved by a vote of 4-1 a motion to allow the Commission staff and all interested parties to examine the justification for the Consortium Agreement to settle litigation between the Georgia Power Company and its contractors on the Nuclear Plant Vogtle Construction project. **Commissioner Stan Wise** proposed the motion.

On January 4, 2016, the Company announced a settlement of pending litigation between the Company, the co-owners and the project contractors. The announcement indicated that Georgia Power's portion of the settle-



Vogtle under construction

ment cost is approximately \$350 million. The settlement also recognizes and confirms the 39 month delay in the project. The Company filed for Commission approval of the settlement on January 21, 2016.

In explaining his proposal, **Commissioner Wise** said, "Nothing is gained by deferring action to a future Commission, however the industry does have something to lose if we do not act. With this country's move away from coal and some are even attacking natural gas, I believe we need to send a message across this country that nuclear power is viable and supported by the regulators in their respective states. This Commission approved this project and this Commission should live up to its obligation to recognize schedule and price changes."

The motion calls on the Company to file within 60 days its justification for approval of the Consortium Agreement and the Company's position that all costs to date have been prudently spent and the new cost and schedule is a reasonable re-forecast.

Furthermore, the motion directs the Company to provide all reasoning and documentation so that the Commission can determine whether all the costs associated with the schedule delays

and the settlement are reasonable and prudent.

The Commission staff will review the Company's filing over a six-month period after the Company makes its filing. During this time there will be no hearings or filed testimony however the motion directs the Company to respond to data requests as if this were a hearing process.

If during that review, the staff believes any costs should be disallowed as imprudent or unreasonable, staff is authorized to engage

in settlement talks with the Company and other parties.

If a settlement is reached, the Commission would hold a hearing so that the Commission can decide whether to approve this agreement.

In supporting the proposal, **Commission Vice-chairman Lauren "Bubba" McDonald** said, "We don't need to kick the can down the road. I'm taking responsibility today to tackle our issues."

Safe Digging Month

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are damaged."

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

Commissioner Doug Everett added, "Calling before you dig is the right thing to do. Just one phone call can prevent untold damage to our underground utilities that can cause economic loss,

traffic disruption and even loss of life."

"Excavators are only as good as the marks on the ground," said **Commissioner Tim Echols**. "That is why calling before you dig is so important."

"Always contact Georgia 811 before every digging project, every time. All digging projects need to be done safely, including projects like installing a mailbox, landscaping or fence installation. Log on to Georgia811.com or simply dial 811. It not only saves lives, but

money and time. If you have dug in the past without calling, don't make that mistake again. The call is free and having the underground utilities marked is free," adds Georgia 811's President and CEO, Claudette Campbell.

The public, excavators and others can find resources available at www.call811.com and at www.Georgia811.com.

Employee News

Commission Celebrates Retirement of Bolin Killings

Long time Commission staff member **Bolin Killings** officially retired from the Commission on March 1, 2016 after 31 years of state service. Bolin's colleagues, friends and family gave him a retirement send off at the Commission on February 25, 2016.



Bolin's brother, the Rev. Dr. Leonard Killings and his sister Deborah Norman were there



Bolin gives his farewell remarks



Rev. Dr. Leonard Killings speaks to the gathering

to wish their sibling a happy retirement. Commissioner Stan Wise presented a proclamation from the

Commission honoring Bolin's long and successful career with the Commission which began in



Commissioner Wise presents Resolution honoring Bolin



All enjoyed a delicious reception following the ceremony



Bolin and his longtime unit Director Nancy Tyre

1985. Bolin worked in three different Units at the Commission, starting with the Telecommunications Finance Section, to the Utilities Finance Unit, to his

final assignment in the Natural Gas Unit. Among his accomplishments was helping the transition to a deregulated natural gas market in Georgia.

A number of former and retired Commission staffers attended to wish their former colleague and co-worker farewell and best wishes.

Welcome New Employees

We are pleased to welcome the following new employees who have joined the Commission family.

Bethany Walker as Administrative Assistant to Commissioner Echols.

Karen Howell as Consumer Affairs Representative

Stephanie Sears as Consumer Affairs Representative

Marilyn Morris-Simmons as Administrative Assistant to

GUFPA

Ben Stair as a case investigator to GUFPA.

Emilio Rodriguez to the Electric Unit.

We welcome all of them aboard and hope they have long and productive careers with the Commission.



Farewell

To **Faith Henning**, Administrative Assistant to Commissioner Echols. Faith had been with the Commission since 2014. Faith transferred to the Georgia Supreme Court.

To **Jim Atkins**, Pipeline Safety Inspector. Jim resigned to take a job in the private sector.



Georgia State Holidays for 2016

Commission Calendar



New Year's Day
M.L. King, Jr. Day
State Holiday
Memorial Day
Independence Day
Labor Day
Columbus Day
Veterans Day
Thanksgiving Day
State Holiday
Christmas Day
Washington's Birthday

January 1
January 18
April 25
May 30
July 4
September 5
October 10
November 11
November 24
November 25
December 26
December 27



April 2016

5-Administrative Session
 14-Committees
 18-Georgia Power IRP hearing
 19-Administrative Session
 25-Holiday
 28-Committees

May 2016

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

Commission Calendar

June 2016

2-Committees
 7-Administrative Session
 7-Vogle hearing
 16-Committees
 21-Administrative Session
 30-Committees
July 2016
 4-Holiday
 5-Administrative Session
 14-Committees
 19-Administrative Session

NARUC

Summer Meeting 2016

24-27 July, 2016
 Nashville, Tennessee

Annual Meeting 2016

November 13-16, 2016
 La Quinta, California

Winter Meeting 2017

February 12-15, 2017
 Washington, D.C.

SEARUC

Annual Meeting 2016

June 12-15, 2016
 Palm Beach, Florida



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