



Winter 2016

GPSC News



Winter 2016

Volume 14 Issue 1

- *Rate cut of \$5 a month
- *Effective January 1, 2016
- *Company makes no profit on fuel costs
- *Approves Procedural and Scheduling Order in Southern Company Acquisition of AGL Resources
- *Approves TRS provider

In this issue

- Commission Reduces Fuel Rate for Georgia Power Customers 2
- Commission Fines AGLC \$250,000 for Pipeline Violations 3
- Commission Approves Natural Gas Line Extension in Gilmer County 4
- McDonald Supports Suit Against EPA Clean Power Rule 5
- Echols and Everett Visit Plant Vogtle 5
- Commission Approves Report on Value of Renewables 6
- Employee News 7
- Commission Calendar 8

Next Issue April 2016

Commission Approves Cut in Fuel Rate for Georgia Power Customers

The Commission December 15 unanimously approved a decrease in the Fuel Cost Recovery (FCR) rate for Georgia Power Company customers that will save the average residential customer using 1,000 kilowatt hours about \$5.00 a month for a total reduction of 14 percent on their monthly bill. The Commission approved an agreement between the Company and the Commission Public Advocacy Interest Staff that increased the reduction from the Company's original filing on September 18, 2015. The Company's filing indicates the falling price of natural gas is a key reason for the decrease.



"We are pleased we can without a subsidy, protect our gas pipe customers' rates and lines, and providing needed services for the break, especially at this time of year," said **Commission Chairman Chuck Eaton**. "Keeping rates low, making our military bases more resilient, growing solar in Georgia

Georgia PSC," said **Commissioner Tim Echols**. "It is my honor to serve my fellow citizens in this capacity."

(Continued on page 2)

Commission Hears Testimony in Vogtle Construction Monitoring Project

The Commission's Public Interest Advocacy Staff and other parties presented their testimony during the December 15, 2016 hearing on the Thirteenth Vogtle Construction Monitoring report. Panelists Bill Jacobs, Steve Roetger and Phil Hayet delivered their testimony summaries and then answered questions from a half dozen intervenors dur-



Bill Jacobs and Steve Roetger on the witness stand

Audience follows proceedings

ing the day long hearing.

The Commission is re-

(Continued on page 2)

Commission Reduces Fuel Rate

(Continued from page 1)

Under state law Georgia Power's cost of fuel used for electric generation is passed along to customers on a dollar for dollar basis and the Company is not allowed to make a profit on the cost of fuel. The Docket Number in this proceeding is 39638.

In other action, the Commission approved a Procedural and Scheduling Order (PSO) in Docket Number 39971 that provides a timetable for filing testimony and briefs and conducting hearings in the proposed Southern Company acquisition of AGL

If you have a story for the next GPSC News, please send to Bill Edge, bille@psc.state.ga.us. Next issue deadline is January 15, 2016.

Resources, the parent company of Atlanta Gas Light Company (AGLC). The Commission has regulatory authority over AGLC, which is a wholly owned subsidiary of AGL Resources.

The PSO also outlines the issues that the parties should consider as they file testimony and briefs. Those issues include but are not limited to:

- Whether the merger is in the public interest.
- Whether the merger will result in synergies, and if so, what is the appropriate allocation of any savings realized by such synergies?

Whether the merger of AGL Resources with Southern Company will adversely affect Georgia



A SOUTHERN COMPANY

ratepayers and/or competition among gas marketers, competition in the provision of electricity to consumers or commercial end users, competition in the transportation of gas, increase the costs of transmission of electricity, competition in the provision of electricity and gas to consumers or commercial end users, or among electric generation sources.

The schedule of review and hearings is as follows:

- December 17, 2015 Joint Petitioners file direct testimony
- March 15, 2016 Commission hears direct testimony of parties
- March 30, 2016 Staff and other parties file testimony
- April 14, 2016 Commission hears testimony of Staff and other parties
- April 22, 2016 Joint petitioners file rebuttal testimony
- May 3, 2016 Commission holds hearing on rebuttal testimony

- May 17, 2016 Briefs due from all parties
 - May 24, 2016 The Commission issues its decision
- For more complete information, refer to the filings on line in Docket Number 39971 available on the Commission web site at www.psc.state.ga.us.

The Commission also approved Hamilton Relay, Inc. of Aurora, Nebraska to continue to operate the Telecommunications Relay Service (TRS) known as Georgia Relay in the state of Georgia for

a five year period beginning April 1 2016. The Commission by state law manages and administers the TRS which provides telecommunications services for the hearing impaired, deaf, hard of hearing, deaf-blind or those who have difficulty speaking. Hamilton has been the service provider for the Georgia Relay since 2010.



Plant Vogtle hearing

(Continued from page 1)

viewing Georgia Power's request to approve \$148 million in expenditures on the Plant Vogtle Construction Project between January 1, 2015 and June 30, 2015.

Commissioners heard Georgia Power's direct testimony during a hearing November 3, 2015. The Commission is scheduled to



issue a decision in Docket Number 29849 at the regular Administrative Session on February 18,

2016.

Plant Vogtle is co-owned by Georgia Power Company, Oglethorpe Power, Municipal Electric Authority of Georgia and City of Dalton Utilities. Georgia Power is the majority owner of Plant Vogtle at 45.7%. Currently, Plant Vogtle Unit 3 is scheduled to go into commercial operation in June 2019 with Unit 4 entering commercial operation a year later in June 2020.

Commission Hands Down \$250,000 Civil Penalty Against Atlanta Gas Light Company on Eastside Pipeline

The Commission October 6 unanimously approved a \$250,000 civil penalty against the Atlanta Gas Light Company (AGLC) that will settle issues surrounding the construction and deployment of the Eastside Pipeline while protecting ratepayers from future costs involving deficiencies in the pipeline. The Commission approved a negotiated settlement that means AGLC ratepayers will not be liable for the costs to repair and replace those parts of the Eastside Pipeline which were found to have corrosion deficiencies and other problems. AGLC has admitted no wrongdoing but the Company will pay the



\$250,000 into the state treasury. In addition, the settlement closes out the entire AGLC Pipeline Replacement Program (PRP) and will settle all costs involved in the PRP, a nationally recognized program that since 1998 has replaced over 2,700 miles of bare

steel and cast iron pipe on the AGLC system. The Eastside Pipeline, a 24-inch natural gas distribution pipeline that runs approximately 27 miles from Riverdale to Chamblee on the east side of metro Atlanta, is the final segment of the PRP to be completed, at a total cost of \$211 million. This settlement is contained in Docket Numbers 8516, 37024, 18638 and 29950.

Under the agreement, AGLC agreed to reduce its PPR true up request from the PRP surcharge from \$178 million to \$144 million. The Company will collect \$144 million through the PRP surcharge while an additional \$30 million would be collected

through future rate base adjustments beginning no sooner than March 31, 2017. By decreasing the PRP under-recovery to \$144 million, the ratepayers will save an estimated \$49 million through December 2025. Furthermore, the stipulation ensures that ratepayers will not pay twice for the installation of the Eastside Pipeline and resolves the Commission's Prudency Audit financial issues in Docket 38664.

Upon a motion from **Commissioner Tim Echols**, the Commis-

sion adopted a phased in approach which will add small increases in the PRP surcharge to customers' bills over a three year period beginning in October 2015. The first increase will be \$.82 beginning October 2015, \$.81 in October 2016 and \$.81 in October 2017 for a total of \$2.44 per customers.

AGLC will perform an additional inspection of the pipeline within the next two years and will bear any additional repair or replace-

ment costs and will not seek to recover those costs from ratepayers. This provision of the settlement was added at the urging of Commissioner Tim Echols.

"This settlement strikes the right balance and has many consumer protections contained within it," said Echols. "At the same time, the settlement does not impede AGL's litigation position with contractors."

"I am pleased that the ratepayers are not put at risk for the

costs of replacing and repairing the corrosion on the Eastside Pipeline," said **Commissioner Stan Wise**. Wise noted that Georgia's PRP has been a nationwide model for other states dealing with aging and corroded pipeline distribution systems. "This Commission takes its responsibility seriously and does not kick the can down the road when it comes to issues of safety and reliability," said **Vice-**

chairman Lauren "Bubba" McDonald.

The entire PRP surcharge will end the sooner of December 1, 2025 or when the under recovery is fully collected.

Under the settlement AGL also agrees to implement the following enhancements to its operating procedures to mitigate any reoccurrences in future projects:

- Trenching, bedding and backfill

- Cathodic Protection
- Pipeline integrity monitoring
- River crossing inspections
- Thermit welding
- Pipe loading diagrams

Background

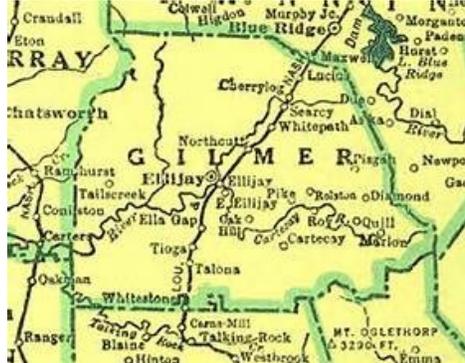
The Commission approved the PRP in 1998 as one of the nation's first state-wide comprehensive programs to replace unprotected bare steel and cast

(Continued on page 4)

Commission Approves Atlanta Gas Light Company's Natural Gas Line Extension in Gilmer County

The Commission October 20, 2015 unanimously approved the first phase of a six-phase line extension project by Atlanta Gas Light Company (AGLC). Phase one will serve 10 of the 50 poultry farms in Gilmer County. When all phases of this project are complete, natural gas service will be available to all 50 farms, as well as other businesses and homes.

The need for this line extension project was identified earlier this year when AGLC and Commission representatives met with poultry farmers and the Gilmer County Farm Bureau in



Ellijay. To serve these 10 poultry farms, approximately 64,000 feet of pipe will be placed along Maddox Drive, Yukon Road, and Clear Creek Road and tied-in at Progress Road. Two regulator stations will be built to boost pressure in the area.

"With colder winters and higher propane prices in recent years, energy is among the highest input costs for a poultry farm operation," said **Mark Holden**, an Ellijay poultry farmer and President of the Southern Farmers Association. The Association has been an advocate, along with the Gilmer County Farm Bureau, for extending natural gas service to 50 area poultry farms.

"The colder winters not only mean more expense in keeping the heaters running, but we have also felt the pinch of limited propane supplies in recent years," Holden said. "We are grateful that members of the Public Ser-

vice Commission, Senator Steve Gooch and Speaker David Ralston recognize the impact that poultry farmers have on our economy and the importance of having a stable energy source with pricing expected to remain comparatively low for the foreseeable future."

Poultry remains the largest segment of Georgia agriculture, according to **Mike Giles**, President of the Georgia Poultry Federation. "Between the farms,



Atlanta Gas Light

processors and affiliated industries, poultry's annual contribution to the Georgia economy is \$25 billion dollars and approximately 100,000 direct and indirect jobs," said Giles.

"Access to reliable and affordable natural gas will help reduce production costs, increase profitability and make Georgia's poultry

more competitive," said **Commissioner Stan Wise**, who sponsored the motion in support of the

measure.

"Any time we can take action that will help boost Georgia's economy, we should do it," said **Commissioner Tim Echols**. "This Gilmer County pipeline extension will bring cheap natural gas to our hard-working poultry growers."

Speaker of the House David

Ralston (R-Blue Ridge), who represents Gilmer County, emphasized the significant, long-term impact of this project. "This line will be a huge benefit to the poultry industry," said Speaker Ralston. "It will mean jobs in Gilmer County and stimulate our economy—benefitting residents for generations to come. I thank all the stakeholders involved, particularly Atlanta Gas Light and the members of the Public Service Com-



mission, for their support of this important extension."

Commission Hands Down Fine for Eastside Pipeline

(Continued from page 3)

iron pipe in a natural gas distribution system. Georgia's program has become a model for other states struggling with aging and corroded natural gas distribution pipes. The PRP has been funded with a monthly sur-

McDonald Supports Suit Against EPA Clean Power Rule

Commissioner Lauren "Bubba" McDonald issued the following statement regarding the lawsuits by the State of Georgia and the Georgia Power Company challenging the Environmental Protection Agency Clean Power Plan rule:

"I fully support the state of Georgia and Georgia Power's efforts in seeking a motion to overturn the EPA's Clean Power Plan and protect customers from the potentially severe impacts it would have on the reliability and affordability of electricity in our state. If this rule is not overturned, it will eliminate jobs and dramatically increase

electricity costs for all



hardworking Georgians." Commissioner McDonald is currently serving his third term at the PSC having been re-elected in November 2014 for another six-year term. He is the Commission Vice-chairman and serves on the Electric Committee and Nuclear Waste Subcommittee of the National Association of Regulatory Utility Commissioners.

McDonald Named to NARUC Task Force

National Association of Regulatory Utility Commissioners (NARUC) President Travis Kavulla of Montana has appointed Commissioner McDonald to the NARUC Task Force on Transportation.

"Your service on this Task Force is important to the cause of strengthening effective public regulation," said Kavulla in a letter to Commissioner McDonald.



Commissioners Check on Plant Vogtle Progress



Commissioners **Tim Echols and Doug Everett** checked out the progress

at the Nuclear Plant Vogtle construction site near Waynesboro, Georgia during a visit on September

30, 2015. The \$14 plus billion project is now more than 26 per cent complete.

Ted Turner Hosts Appreciation Dinner for Commissioners

Media mogul, environmental activist and Atlanta icon **Ted Turner** hosted Commissioners on October 15, 2015 at his Ted's Montana Grill to personally thank Commission for their support of solar energy.

Turner said he and the Turner Foundation appreciated the Commission's leadership role in



making Georgia a leader in solar energy. Mike Finley, President of the Turner Foundation, also attended the lunch.

From left to right: Commissioner Everett, Ted Turner, Mr. Turner's guest, Commissioner Wise, Mike Finley, Commissioner McDonald, and Commissioner Eaton

Commission Approves "Value of Renewables" Report Following Workshop

The Commission January 19 approved the staff report on the value of Renewables and Distributed Generation following the workshop held on 20-21 October, 2015. The workshop attracted more than 100 participants from Commission staff, utility representatives, solar energy advocates and consumer advocate organizations. Participants filed comments in Docket number 39732 in response to the Commission's Notice of Inquiry (NOI). The staff report calls for the inclusion of the value of re-



Participants take part in the Value of Renewables Workshop at the Capitol Education Center

newables and distributed generation, 29, 2016. The Commission will hold hearings in the next Georgia Power Integrated Resource Plan, which Georgia Power filed on January 29, 2016. The Commission will issue a decision in the next Georgia Power Integrated Resource Plan, which Georgia Power filed on January 29, 2016. The Commission will hold hearings and issue a decision in the next Georgia Power Integrated Resource Plan, which Georgia Power filed on January 29, 2016.

Farewell



To: **Merline Brewer** who retired February 1, 2016 after 14 years service with the

Commission. Her friends, family and coworkers held a retirement celebration in her honor on January 28, 2016.

Congratulations



To **Bill Edge**, Public Information Officer, who retired on December 1, 2015 from the U.S. Navy Reserve with over 30 years of service. During his career he served in Iraq and Afghanistan.

Commission Celebrates Faithful Service and Holiday Luncheon

The Commission held its annual Faithful Service Awards and Holiday Luncheon on December 17, 2015. The Commission presented five, 10, 15, 20 and 25 year awards to 12 employees.

Five Years: Commissioner Tim Echols, Mikal Small

Ten Years: Beverly Franks, Tom Newsome, Janice Sears.



Fifteen Years:



Lynn Buffington, Patrick Rein-

(Continued on page 7)

Employee News

Farewell

Consumer Affairs Manager **James Gibson** retired November 30, 2015 after 15 years with the Commission.

James' colleagues, friends and family gathered at Six Feet Under restaurant in Grant Park on November 17 to celebrate his retirement.

James plans to spend more time with his wife and family.



James Gibson delivers his farewell address

Congratulations

To **Claudette Willingham** on her appointment as Consumer Affairs Manager at the Commission. Claudette has been with the Commission since 1999 serving in the Consumer Affairs Section.



Sympathy

To **Monique Andrews** on the passing of her father, Robert Pringle, on November 16, 2015 in New York City. The funeral was held after Thanksgiving.



Monique's father is pictured below in a recent family photograph.

To **Beverly Franks** on the passing of her father, January 1, 2016. The family held a private service.

Beverly expressed her appreciation for the thoughts and concerns of her colleagues. "Thank you for the beautiful card, contribution and kind words of condolence. It was so thoughtful of you to think of me during my time of sadness "



Farewell

To **Joyce Lewis** who retired December 31, 2015 after 17 years with the Commission. Joyce started at the Commission as a customer service representative, eventually becoming Assistant Manager of Consumer Affairs.



Faithful Service and Holiday

(Continued from page 6)
hardt, Pat Welcome

- Twenty Years:**
Dona Cucich
Commissioner Stan Wise
- Twenty-five years:**
Leon Bowles, Alan Towe.

Commissioners Eaton, Echols, Everett and Wise all delivered remarks before everyone enjoyed the sumptuous potluck dinner. Commission colleagues contributed home-



made and store-bought goodies including **Commissioner Wise's** famous fried turkey. **Monique Andrews** led the group in mental games to test our trivia knowledge.

Luncheon



Shelley McDonald and Janice Everett also joined Commission staff in the service and luncheon.

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



February 2016

2-Administrative Session
11-Committee
16-Administrative Session
25-Committees

March 2016

1-Administrative Session
10-Committees
15-Administrative Session
31-Committees

April 2016

5-Administrative Session
14-Committees

Commission Calendar

19-Administrative Session
25-Holiday
28-Committees

May 2016

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

June 2016

2-Committees
7-Administrative Session

NARUC

Winter Meeting 2016

February 14-17, 2016
Washington, D.C.

Summer Meeting 2016

24-27 July, 2016
Nashville, Tennessee

Annual Meeting 2016

November, 2016
La Quinta, California

SEARUC

Annual Meeting 2016

June 12-15, 2016
Palm Beach, Florida



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

EXECUTIVE DIRECTOR
Deborah Flannagan
EXECUTIVE SECRETARY
Reece McAlister