

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

ADMINISTRATIVE SESSION

Hearing Room 110
244 Washington Street
Atlanta, Georgia

Tuesday, October 2, 2001

The administrative session was called to order at
10:02 a.m., pursuant to Notice.

PRESENT WERE:

LAUREN MCDONALD, Jr., Chairman
STAN WISE, Vice Chairman
ROBERT DURDEN, Commissioner
ROBERT BAKER, Commissioner
DAVID BURGESS, Commissioner

P R O C E E D I N G S

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CHAIRMAN McDONALD: Ladies and gentlemen, we'll come to order at this time. This is the administrative session for October 2, Georgia Public Service Commission.

Commissioners, are there any items on the agenda - on the consent agenda or the regular agenda that you desire to have held or moved to the regular agenda from the consent agenda?

(No response.)

CHAIRMAN McDONALD: Commissioners, I would like to ask that R-3 be held until the first administrative session of November.

Any other items that Commissioners desire to have held?

(No response.)

CHAIRMAN McDONALD: If not, we'll proceed with the consent agenda. You have the consent agenda in front of you. Is there objection to adopting the consent agenda as presented?

(No response.)

CHAIRMAN McDONALD: Hearing no objection, the consent agenda is adopted 4-0.

(Commissioners McDonald, Wise, Baker and Burgess present and voting.)

CHAIRMAN McDONALD: We'll move to the regular

1 agenda, R-1, Mr. Bowles.

2 MR. BOWLES: R-1 is consideration of BellSouth's
3 compliance with Section 271 of the Telecommunications Act.

4 Staff recommends the Commission, in Docket 6863-U,
5 adopt staff recommendation that BellSouth has met Track A
6 and the 14-point checklist as prescribed by Section 271 of
7 the federal Telecommunications Act.

8 In Docket 7253-U, approve BellSouth's statement of
9 generally available terms and conditions.

10 In Docket 8354-U, adopt the third-party test final
11 report findings.

12 Although not a condition for 271 approval,
13 according to the CLECs, these operational support system
14 enhancements will assist them in the local market.

15 Staff recommends that the following OSS
16 enhancements -- that BellSouth implement the following OSS
17 enhancements:

18 Implement by January 5, 2002, a C-order by which
19 N&D orders complete together in sequence.

20 Implement by November 3, 2001, migration by
21 telephone number and name.

22 Implement fully fielded parsed CSRs by January 5,
23 2002.

24 Increase reject correction time limit from 10 days
25 to 30 days by November 3, 2001.

1 Implement by -- this is a typo, it's supposed to
2 be January 5 -- implement by January 5, 2002, electronic
3 ordering for line splitting.

4 For the OSS upgrades listed above, staff
5 recommends that the Commission assess penalties of \$10,000
6 per day for every day past the implementation schedule
7 that's spelled out in staff recommendation.

8 Staff recommends approval.

9 CHAIRMAN McDONALD: Commissioners, any questions
10 to Mr. Bowles?

11 COMMISSIONER BURGESS: Mr. Chairman, I don't have
12 a question but I've got some comments I'd like to make.

13 CHAIRMAN McDONALD: Commissioner Burgess.

14 COMMISSIONER BURGESS: First of all for the
15 record, I want to once again commend the staff for the work
16 product that they have presented to this Commission
17 throughout the endurance of this entire process. And I want
18 to highlight the fact that not one dollar of state funding
19 has been utilized to receive outside consultants to help in
20 this project. It has all been done internally here by our
21 Commission staff and they've done an excellent job.

22 We didn't just get here today by accident. This
23 process started first back in April of 1995 with the passage
24 of our state competition act and that act mandated that this
25 Commission open up the local markets in Georgia to

1 competition. In February 1996, of course, the federal
2 Telecom Act was passed and similar duties were imposed upon
3 this Commission.

4 And in order to accomplish the stated objectives,
5 this Commission has developed a very comprehensive, open
6 process to reach its conclusion now. This process has
7 included a lot of firsts. This was the first Public Service
8 Commission to order a Bell operating company to implement
9 electronic operational support systems in the nation, one of
10 the first Public Service Commissions to implement number
11 portability here in the state of Georgia, one of the first -
12 - the first Public Service Commission to initiate a
13 performance assurance plan prior to a Bell operating company
14 receiving Section 271 authority.

15 This Commission's reach has went beyond Georgia in
16 that this Commission has held workshops throughout the
17 southeast assisting other state commissions in preparing for
18 their Section 271 applications.

19 This Commission has been involved in a two-year
20 process with KPMG of evaluating the operational readiness of
21 BellSouth's operational services to expedite switching
22 between BellSouth customers and customers of CLECs
23 throughout the state of Georgia.

24 And these processes have opened comprehensive --
25 have yielded some good results. Currently in our state, we

1 have 143 competing local providers that are providing
2 services today, they're providing services throughout the
3 state of Georgia. We have over 39 switches operating by
4 CLECs in our state, over 260,000 interconnection trunks.
5 We've got over 800 collocation arrangements in this state.

6 CLECs today are providing service to nearly
7 900,000 access lines in the state of Georgia and that's very
8 significant because it's the highest market penetration of
9 any state prior to a Bell operating company receiving a 271
10 endorsement by that state. About 17 percent of BellSouth's
11 total market now is being served by competing local carriers
12 in Georgia, 30 percent of BellSouth's business market is
13 served by competing carriers and nine percent is served by
14 residential carriers.

15 And the thing that's unique about these numbers is
16 that many of the largest CLECs here in our state have either
17 late or limited market entry. MCI recently initiated their
18 residential service here in the state. In the last three
19 and a half months, they've been able to add 50,000 customers
20 and those numbers are growing month by month because they've
21 got a good product, they've got a good price and they've got
22 a good marketing strategy.

23 To say that the markets in this state are not open
24 is just untrue. Things are not perfect, but subscribers are
25 exercising their right to choose their individual carriers.

1 A lot of carriers have raised concern about well
2 what happens after this Commission endorses BellSouth's
3 application, what has this Commission done to ensure that
4 service quality levels will remain and that this competitive
5 market will remain open? I think that this Commission has
6 taken several initiatives. Its performance assurance plan
7 is probably the most aggressive plan in the country.
8 BellSouth is subject to fines and penalties of over \$350
9 million if they fail to keep performance up. They also have
10 a tier three in our performance assurance plan that no other
11 state in the country has that would suspend BellSouth's
12 right to market their long distance service to potential
13 customers. We've got in place another review of BellSouth's
14 rates, the third review of BellSouth's costs of unbundled
15 network elements to wholesale carriers. We've got KPMG
16 auditing this Commission's performance measurements to some
17 2200 measures to ensure that performance continues to
18 remain. We've got another docket scheduled to look at
19 BellSouth's win-back activities to ensure that they are
20 inhibiting -- fair market practices are being utilized in
21 selling their services and trying to win customers back from
22 CLECs.

23 So I believe that this Commission has in place
24 appropriate measures to ensure beyond a Section 271 approval
25 that this market remains open. You know, I said all along

1 personally that I would not endorse a BellSouth application
2 for long distance authority until I thought it was right.
3 And I made that commitment from day one. I believe that it
4 is right and I believe it is time for this Commission to do
5 what's right.

6 So therefore, I'm going to endorse and support the
7 staff's recommendation and would encourage my colleagues to
8 do likewise.

9 CHAIRMAN McDONALD: Any other Commissioner?

10 COMMISSIONER BAKER: Well, I think Commissioner
11 Burgess has summed up in a very short period a long history
12 covering five years of what has occurred here at the
13 Commission. We've come a long way from when the state
14 legislature passed our bill to open up local markets here in
15 the state of Georgia. And I think he's hit the highlights.

16 I mean you can't argue with the fact that you have over
17 815,000 access lines being served by CLECs. We have had the
18 independent third-party testing that's gone on for almost
19 two years. We have had the performance measurements in
20 place and operational since May of this year and --

21 MR. BOWLES: March.

22 COMMISSIONER BAKER: March, thank you. -- and
23 we've had substantial penalties levied against BellSouth for
24 non-compliance with those performance measurements. And
25 today, the Commission's action does not mean that the CLECs'

1 problems will be ignored or that future issues will be swept
2 aside. We have the performance measurement review that
3 we're going to go on -- I mean that is the perfect docket
4 for anyone who has problems with the current measurements,
5 to come in, to propose amendments to those measurements and
6 to make sure that their needs are taken care of and that
7 incentives are provided for BellSouth to continue to make
8 the necessary improvements in order to have a more open and
9 fair competitive market in the state of Georgia.

10 And I think Commissioner Burgess hit it on the
11 head when he pointed out the fact that close to 30 percent
12 of business lines are now being served by CLECs and we have
13 close to nine percent of the residential market being served
14 by CLECs. And that's an impressive figure that no other
15 state in the country can match as far as the number of
16 customers being served by CLECs.

17 So with our action today -- whatever that may be -
18 - you know, we are going to stay fully involved in this
19 process. In fact, Mr. Bowles has already made a promise
20 that he is going to be just as tough as ever as far as
21 monitoring complaints and working with the CLECs to make
22 sure that their needs are addressed. And this Commission
23 will stay fully involved in this process, if it takes
24 another five years.

25 It wasn't an easy process. I remember when the

1 law was first passed, there were predictions by some of the
2 representatives of the CLECs that we'd have a fully
3 competitive market in one year. Well, that didn't
4 materialize and we learned a lot about what is necessary in
5 order to open up a network to third parties in order to
6 allow access so that competing companies can offer service
7 in the state of Georgia. And it's been a long road.

8 We initially had implemented resale discounts that
9 we thought would kick off a competitive market. That really
10 didn't jump start the process.

11 This Commission I think was very aggressive in its
12 order regarding the availability of unbundled network
13 elements and the pricing for those unbundled network
14 elements for CLECs. That was a critical step in the process
15 that allowed competitors to come into the market and take
16 advantage of buying in pieces those elements of the network
17 that they needed to complete their service to their
18 customer.

19 So I think this Commission's record stands proudly
20 for what it's done and I give a lot of credit -- most of the
21 credit -- to the staff for what they've done as far as
22 working with us, reviewing the information. There was an
23 enormous amount of paper filed in this last proceeding with
24 comments on the 271 application. It takes a long time to go
25 through all that paper. I appreciate the assistance they've

1 offered me as far as consulting advice on the issues that
2 have arisen.

3 So this is just one step, another step in the
4 process. It's not the final step. I anticipate that we
5 will still have a lot to do in the next few years as far as
6 moving forward in the state with opening up local markets to
7 competition and I appreciate all the help that staff has
8 offered to me.

9 Commissioner Burgess, in his dual role as
10 Commissioner and as Director of the Telecommunications
11 Section, has been instrumental in this entire process and
12 probably knows the history better than anyone else as far as
13 what actually occurred.

14 I endorse his -- I support his position as far as
15 the time has come. Initially, I was leaning heavily in
16 favor of granting to the CLECs their request for whatever
17 they needed. And I told them that and I told BellSouth
18 that, that the pendulum was swinging in their way when we
19 first initiated this process. And BellSouth griped and
20 complained about what we were doing, we were excessive, we
21 were going beyond what we should have done. But, you know,
22 it was necessary in order to change the way business was
23 being done, to implement the state and federal legislation.

24 And we are here today at a point where we're
25 beginning to see the fruits of all those efforts developing

1 and hopefully benefitting Georgia consumers, because that's
2 the ultimate objective of this whole process, is that we're
3 not doing it just as an academic exercise to see how you
4 deregulate a marketplace. It's a process that -- with the
5 intent of providing competition in the market so that retail
6 customers, both residential and commercial, can benefit from
7 a competitive market for local service. And I think we're
8 seeing that happen today.

9 Is it perfect? No. Are there problems? Yes.
10 Are we going to have to keep working to straighten out those
11 problems and keep making changes for the future? Yes.

12 But we've come a long way and I think it's time
13 now to recognize the dramatic changes that have been made
14 over the past several years and to recognize that the
15 company has complied with the current FCC guidelines and 14-
16 point checklist requirements, and just make an honest
17 assessment of where we are today in Georgia.

18 CHAIRMAN McDONALD: Commissioner Wise?

19 (No response.)

20 CHAIRMAN McDONALD: My comments are the fact that
21 it is a big move today. My congratulations to staff as well
22 and Commissioner Burgess, and Commissioner Wise and
23 Commissioner Baker, because there's a lot of hours by the
24 Commission that have been placed in this process.

25 But my commitment is again to the competitive

1 local exchanges that are going to be out there. BellSouth
2 is not going away from this Commission, they're moving into
3 a wider field and I challenge them, as they understand, that
4 they will continue to serve the CLECs in the competitive
5 marketplace and if not, we'll see them back here at the
6 Georgia Public Service Commission.

7 Is there -- all those in favor of the staff's
8 recommendation on R-1, say aye.

9 VICE CHAIRMAN WISE: Aye.

10 COMMISSIONER BAKER: Aye.

11 CHAIRMAN McDONALD: Aye.

12 COMMISSIONER BURGESS: Aye.

13 CHAIRMAN McDONALD: Opposed?

14 (No response.)

15 CHAIRMAN McDONALD: The ayes have it with
16 Commissioners Burgess, Baker, Wise and McDonald voting in
17 the affirmative, 4-0.

18 R-2.

19 MS. O'LEARY: Commissioners, item R-2 is Docket
20 Number 14106-U, Georgia Public Service Commission Notice of
21 Proposed Rulemaking regarding emergency procedures required
22 in conjunction with the Georgia Utility Facility Protection
23 Act. Consideration of action to be taken following the
24 issuance of the August 2, 2001 NOPR.

25 At its administrative session on July 23, the

1 Commission authorized staff to issue a Notice of Proposed
2 Rulemaking containing rules that require, within 60 days of
3 their effective date, that every entity under the
4 jurisdiction of this agency establish procedures that its
5 employees and agents shall follow in the event that a
6 utility facility is damaged when blasting or excavating is
7 being performed on behalf of the regulated entity.

8 As per the NOPR, comments regarding the proposed
9 rules were accepted by staff through September 21. Only the
10 CUC filed its opinion regarding the rules proposed, and that
11 opinion was supportive of the action being contemplated by
12 the Commission.

13 In light of this fact and because the underlying
14 purpose of the rules is to further public safety at
15 excavation sites and areas, staff recommends that these
16 rules be adopted by the Commission.

17 CHAIRMAN McDONALD: Are there questions for Ms.
18 O'Leary?

19 (No response.)

20 CHAIRMAN McDONALD: Is there objection to adopting
21 staff's recommendation?

22 (No response.)

23 CHAIRMAN McDONALD: Hearing none, staff's
24 recommendation is adopted 4-0.

25 (Commissioners McDonald, Wise, Baker and

1 Burgess present and voting.)

2 MS. O'LEARY: Thank you.

3 CHAIRMAN McDONALD: R-4.

4 MS. BARBER: R-4 is Docket Number 14206-U, a
5 Georgia Public Service Commission rulemaking concerning
6 natural gas marketers' service requirements. Consideration
7 of proposed rule changes to the Request-Off Non-Payments
8 process.

9 At the administrative session on May 1, 2001, the
10 Commission approved Rule 19 of Atlanta Gas Light Company's
11 tariff for a period of 120 days effective May 15. The
12 Commission has since that time extended Rule 19 for a period
13 of 90 days or until such time as a final rule has been
14 considered.

15 The Commission has directed the staff to initiate
16 a rulemaking to develop its own rule to address the RONP
17 issues. At the administrative session on July 23, 2001, the
18 Commission approved a Notice of Proposed Rulemaking to go
19 out for comments for a period of 30 days. Several parties
20 have filed comments. Staff has reviewed the comments and
21 has made revisions to the Notice of Proposed Rulemaking.

22 Staff recommends that this revised NOPR be
23 approved with comments due back by November 2, 2001.

24 CHAIRMAN McDONALD: Any questions for Ms. Barber?

25 (No response.)

1 CHAIRMAN McDONALD: Is there objection to adopting
2 staff's recommendation?

3 (No response.)

4 CHAIRMAN McDONALD: Hearing none, staff's
5 recommendation is adopted 4-0.

6 (Commissioners McDonald, Wise, Baker and
7 Burgess present and voting.)

8 CHAIRMAN McDONALD: R-5.

9 MR. VAUGHAN: R-5 is Docket Number 13841-U,
10 consideration of proposed revisions to Commission Rule 515-
11 7-5.

12 The staff requests the Commission to approve
13 issuance of the proposed USF rules for comment period. The
14 comments will be due back on November 2.

15 CHAIRMAN McDONALD: Is there any questions to Mr.
16 Vaughan?

17 (No response.)

18 CHAIRMAN McDONALD: Is there objection to adopting
19 staff's recommendation?

20 (No response.)

21 CHAIRMAN McDONALD: Hearing none, staff's
22 recommendation is adopted 4-0.

23 (Commissioners McDonald, Wise, Baker and
24 Burgess present and voting.)

25 CHAIRMAN McDONALD: R-6.

1 MR. BOWLES: R-6 is Docket 10547-U, it's a name
2 change. Everything is in order and staff recommends
3 approval.

4 CHAIRMAN McDONALD: Any questions for Mr. Bowles?
5 (No response.)

6 CHAIRMAN McDONALD: Is there objection to adopting
7 staff's recommendation on R-6?

8 (No response.)

9 CHAIRMAN McDONALD: Hearing none, staff's
10 recommendation is adopted 4-0.

11 (Commissioners McDonald, Wise, Baker and
12 Burgess present and voting.)

13 CHAIRMAN McDONALD: R-7.

14 MR. HOPKINS: Item R-7 is Docket Number 5825-U, a
15 Standard Telephone Company petition for de minimum claim
16 from the Universal Access Fund.

17 On September 6 of this year, Alltel filed this
18 petition on behalf of Standard. This petition has been made
19 in accordance with the Commission's August 23 order of this
20 year and with the annual capped amount of \$1.5 million, as
21 per the Commission's order of August 31, 1999.

22 On February 17 of last year, GTA filed on behalf
23 of 31 of its member companies to opt out of the formal
24 hearing process in this docket. Standard was not included,
25 as its annual disbursement amount of \$7.9 million exceeded

1 the annual cap amount of \$1.5 million.

2 Standard, in this petition, has stipulated to the
3 reduced UAF annual disbursement amount and withdraws its
4 petition for rate rebalancing under Docket Number 12420-U.

5 After reviewing this petition, the staff is of the
6 opinion that the request conforms with the Commission's
7 order of August 23 of this year. By accepting the annual
8 cap amount provisions of the August 31 order of 1999,
9 Standard becomes free to opt out of the formal process and
10 become a de minimus LEC claimant for UAF disbursements.

11 Therefore, the staff does not oppose Standard's
12 petition. Specifically, this would mean that Standard would
13 be entitled to receive disbursements of up to \$1.5 million
14 during the period of July 1 this year through June 30 next
15 year and up to \$1 million the following year and up to
16 \$500,000 during the third and final year of the current UAF.

17 CHAIRMAN McDONALD: Any questions of Mr. Hopkins?

18 COMMISSIONER BURGESS: Mr. Chairman, I've got a
19 comment.

20 I have really been concerned about the manner in
21 which Standard Telephone has continued to raise rates for
22 their customers up in the north Georgia area and my
23 conscience will not allow me to support this application to
24 the Universal Service Fund. I don't believe it's in the
25 spirit and intent of the Commission's order and therefore, I

1 will vote against the staff's recommendation in this case.

2 CHAIRMAN McDONALD: Any other comments?

3 COMMISSIONER BAKER: Well, let me ask Mr. Hopkins
4 a question. Did staff look at the recent rate increases or
5 the most recent rate increases Standard has had -- did you
6 take that into consideration?

7 MR. HOPKINS: Staff is aware of those increases
8 and what I'm proposing to you is -- the staff is willing to
9 go along with whatever the Commission finally decides on
10 this matter. We are simply stating the fact that Standard,
11 by opting for the \$1.5 million annually, does conform to the
12 Commission's order. We took no position relative to that.
13 We just don't find any legal reason why we can oppose it.

14 COMMISSIONER BAKER: Okay. But I mean do you have
15 information regarding what the cumulative impact is of the
16 most recent rate increases for the company? And if you know
17 what they are, could you tell us what they are?

18 MR. HOPKINS: I don't have those myself, the
19 Telecom Section may have an aggregate number as to what
20 those would aggregate to.

21 CHAIRMAN McDONALD: Any other questions to Mr.
22 Hopkins?

23 (No response.)

24 CHAIRMAN McDONALD: All in favor of staff's
25 recommendation, say aye.

1 (No response.)

2 CHAIRMAN McDONALD: All opposed, no.

3 VICE CHAIRMAN WISE: No.

4 COMMISSIONER BAKER: No.

5 CHAIRMAN McDONALD: No.

6 COMMISSIONER BURGESS: No.

7 CHAIRMAN McDONALD: Staff's recommendation is
8 lost, 4-0.

9 R-8.

10 MS. JOHNSON: R-8, we have consideration of two
11 applications for financing authority. Docket Number 9136-U,
12 which is an acquisition by Choctaw Communications, Inc.,
13 d/b/a Smoke Signal Communications by 1-800-RECONEX; and
14 Docket Number 6761-U, an acquisition of Teligent Services,
15 Inc. by Teligent Acquisition Corporation.

16 Staff has reviewed these applications and finds
17 them to be in order. We recommend that they be approved --
18 that the hearing be waived and they be approved.

19 CHAIRMAN McDONALD: Any questions?

20 (No response.)

21 CHAIRMAN McDONALD: Is there objection to adopting
22 staff's recommendation on R-8?

23 (No response.)

24 CHAIRMAN McDONALD: Staff's recommendation os
25 adopted 4-0.

1 (Commissioners McDonald, Wise, Baker and
2 Burgess present and voting.)

3 CHAIRMAN McDONALD: We'll move to a non-docket
4 item D-1. Mr. Bottone.

5 MR. BOTTONE: Yes. Last Energy Committee, there
6 was a request from the Commission to get certain information
7 from marketers pertaining to low-income seniors and the
8 amounts they owed.

9 That information has now been provided with the
10 exception of one small marketer. I think these numbers
11 represent what is out there currently. Do you want me to
12 run through the numbers for you?

13 CHAIRMAN McDONALD: Yes.

14 MR. BOTTONE: As of today, the number of low-
15 income seniors who have had their natural gas service
16 disconnected is 956 and that group owes \$589,000 roughly.

17 The number of low-income seniors that are more
18 than 45 days delinquent and subject to turn-off, but have
19 not been turned off as of yet -- although some of this group
20 are on payment plans, so not technically available for turn-
21 off. That group is 3522 customers and that group owes
22 \$962,000.

23 So the aggregate of the folks today is 4478
24 customers owing \$1.5 million.

25 There was a third request to take a snapshot in

1 time of May 1 to find out what those numbers were. A number
2 of the marketers have indicated that their systems did not
3 store that kind of information on a date basis and they have
4 been having to go back and hand calculate that number, so we
5 really don't have those numbers as of yet. We had two
6 marketers report that number but it wouldn't be
7 representative of what the total is.

8 CHAIRMAN McDONALD: Okay. I recognize
9 Commissioner Baker.

10 COMMISSIONER BAKER: Mr. Chairman, Commissioners,
11 the Georgia Legislature this year passed an amendment to the
12 gas deregulation legislation pursuant -- contained in
13 Section 46-4-161, which emphasized the need or their desire
14 to have this Commission address potential problems arising
15 from low income customers being subject to high prices for
16 natural gas service and potential disconnection or
17 termination of service. We have had discussions here in the
18 Commission regarding how to approach this problem of trying
19 to provide some assistance to low income elderly natural gas
20 customers here in the state of Georgia who have had
21 difficulty paying their gas bills from last winter or have
22 been disconnected for non-payment. And so after discussion
23 and input from Commissioners here, I'd like to put forward a
24 proposal for consideration today to provide a financial
25 assistance program for low income elderly natural gas

1 customers here in the state of Georgia.

2 What I would like to propose is to initiate a \$2
3 grant being authorized by this Commission from the universal
4 service fund to be allocated or given to a third party
5 agency for implementation. At this time, we are going to
6 move expeditiously trying to identify a suitable third party
7 to administer this \$2 million grant. What we need is a
8 party or an entity that has experience in administering
9 assistance programs for utility consumers. We're looking
10 for an agency that has or operates on a statewide basis and
11 is able to work with consumers from all over Georgia who
12 have problems with payment for their gas bills.

13 This initial program will be available at first to
14 those customers who are designated as low income senior
15 citizens. Assistance will be offered on their past due
16 natural gas bills and assistance will be offered on a
17 matching funds basis with no limit on the amount that a
18 consumer may receive based on the reciprocal amount that
19 that consumer will also make payment on. This offer is
20 an opportunity for those consumers who have been
21 disconnected to be reconnected and for those customers who
22 are struggling to make payments on outstanding balances for
23 past due bills to try to get current with those bills and
24 offer to the gas marketers an opportunity to receive payment
25 for debts owed to them and also to provide to them without

1 excessive amount of showing to get reimbursement through the
2 universal service funding.

3 Finally, I would like to state that we are going
4 to seek from this third party agency that is designated as
5 the administrator of this program an accounting of all funds
6 expended through the program to this Commission so that we
7 can make an analysis of the program in the future to
8 determine if additional funding should be made through this
9 program to this agency or possibly to another agency to
10 offer assistance to the low income senior citizens.

11 That is the initial proposal and I'd like to just
12 emphasize this is an initial proposal and this Commission
13 feels very strongly that we have an opportunity here to
14 provide some assistance at this time. We have the resources
15 available and this is a first step. We can take this step
16 by step and approach it based on the results that we see
17 with this initial program and we can address -- if there are
18 ongoing problems with offering service to disconnected
19 customers and trying to assist those customers with past due
20 amounts, we can initiate other actions with the available
21 universal service funds we have to develop new programs, if
22 necessary.

23 And I'd be happy to entertain any questions from
24 any Commissioners about this proposal.

25 CHAIRMAN McDONALD: One of the things in our

1 discussions about this proposal was the fact that, you know,
2 there's even the question mark out there as to how, if
3 someone is able under this proposal to get back into the
4 system and the credits that would be made over the five-
5 month period of time would reflect even to marketers that
6 there is going to be some income available to help offset
7 the cost.

8 We hope -- we truly hope that as we look, the
9 Commission looks at what's happening at the wellhead in
10 natural gas -- and we don't know whether we'll have the same
11 type of winter this winter that we had last year, but
12 certainly it's recognized that we had the coldest winter of
13 record last year and at a time when the supply side of
14 natural gas was very much depleted and the demand side was
15 much greater than normal and therefore, the price went out
16 the marketplace.

17 But hopefully that our marketers in our state will
18 look at these situations. This Commission has no governance
19 over the price of natural gas. We only can confide with law
20 that's dictated to us by the General Assembly of Georgia in
21 order to work with. We are trying to utilize every mechanism
22 that we can in letting the marketplace do what competition
23 does, as it is in the Telecommunications Act that we just
24 voted on a few minutes ago. We've seen what the competition
25 is there and we call on our marketers to help and do things

1 in that manner. And I hope that we can and I'm going to
2 hope to look for the Georgia community action agencies to be
3 one of the interested parties that would be looking at
4 implementation of the program. They've got 20 years of
5 experience statewide dealing with energy issues and I'm
6 hoping that that's a position that we can endorse.

7 Commissioner Burgess.

8 MR. LANGFORD: Mr. Chairman.

9 CHAIRMAN McDONALD: I'm sorry?

10 MR. LANGFORD: I'm asking that you suspend the
11 rules on this one --

12 CHAIRMAN McDONALD: I'm not going to suspend the
13 rules today.

14 MR. LANGFORD: We're sending people off to war to
15 fight terrorism and yet and still you all are allowing --

16 CHAIRMAN McDONALD: Mr. Langford, I'm asking you,
17 sir --

18 MR. LANGFORD: -- these marketers to terrorize
19 senior citizens --

20 CHAIRMAN McDONALD: I'm asking you, sir -- this is
21 a regular administrative session --

22 MR. LANGFORD: I'm pleading with you all to do the
23 right thing.

24 CHAIRMAN McDONALD: We are doing the right thing,
25 sir.

1 MR. LANGFORD: You are not doing -- you're a long
2 ways from doing the right thing. I beg to differ with you
3 on that. This staff cannot tell you how many people's gas
4 are cut off. They cannot give you accurate figures, you are
5 depending on that. The marketers and all of them have not
6 even been able to give you accurate facts, but yet you all
7 will make a decision --

8 CHAIRMAN McDONALD: Mr. Langford, one second --
9 hold it.

10 I'm willing to sit here and listen to you when
11 this administrative session is over. But we have a docket,
12 we have a procedure and we're going to follow that. And
13 when we adjourn this regular administrative session, I will
14 be glad to sit and listen to you as long as you want to
15 discuss it with me.

16 MR. LANGFORD: But does that agree with your
17 colleagues as well?

18 CHAIRMAN McDONALD: I don't know.

19 MR. LANGFORD: Well, why don't we just ask right
20 quick, let's do a little poll and see.

21 CHAIRMAN McDONALD: You've heard my position.
22 That's it.

23 MR. BOAZMAN: Mr. Chairman, why don't we -- what
24 we really need to do --

25 CHAIRMAN McDONALD: We have procedures --

1 MR. BOAZMAN: I understand, but Mr. Chairman, you
2 all are talking about a program that's supposed to help the
3 least of these. We've been here year after year, month
4 after month trying to craft something that's reasonable. If
5 you're going to do that --

6 CHAIRMAN McDONALD: We are in a recess. This is
7 off the record.

8 (Whereupon, there was an interruption in the
9 proceeding.)

10 CHAIRMAN McDONALD: Mr. Burgess.

11 COMMISSIONER BURGESS: Mr. Chairman, if I could be
12 recognized.

13 This Commission has been concerned and
14 compassionate trying to assist those who have had trouble
15 paying their bills. We don't have all the answers, but this
16 Commission has provided assistance.

17 And I put back on the table my recommendation from
18 last Thursday, that I still want to offer, for the five
19 month period beginning in November through March, for those
20 seniors that are qualified for the discount, a \$50 credit to
21 their bill each month for a five-month period. Based on the
22 number of seniors that are available for the discount today,
23 this would equate to about an \$8 million assistance and when
24 combined with Commissioner Baker's proposal, which is
25 designed to assist those who are currently disconnected or

1 subject to disconnection, get back on the system, I think
2 this goes a long ways toward ensuring that our seniors on
3 fixed income will be able to get back on the system as well
4 as maintain their service through these upcoming winter
5 months.

6 I put that proposal back on the table.

7 CHAIRMAN McDONALD: Anybody else?

8 COMMISSIONER BAKER: Well, let me just --

9 CHAIRMAN McDONALD: Go ahead.

10 COMMISSIONER BAKER: I'm sorry.

11 CHAIRMAN McDONALD: Go ahead.

12 COMMISSIONER BAKER: After the confusion, I just
13 want to re-emphasize, the proposal I'm putting forward today
14 is a first step. You know, this Commission understand its
15 obligation and the legislative mandate that has been handed
16 down to us and we're trying to act responsibly and trying to
17 address the problems that are out there. And we recognize
18 there are problems. And what we're trying to do as a first
19 step is to provide an opportunity to assist those low income
20 senior citizens who are easily identifiable with an
21 opportunity to receive on a dollar-for-dollar matching funds
22 basis financial assistance through the Universal Service
23 Fund to be administered by a third party agency to be
24 designated hopefully by the end of this week, and then to
25 provide notice to those customers who have been disconnected

1 and those customers who are subject to disconnection, that
2 this program is available and allow them the opportunity to
3 participate if they choose.

4 And this is what a first step is. I mean it's not
5 the final step, it's not going to be absolutely -- you know,
6 I understand it's not perfect, but this Commission is being
7 proactive, it's being responsive and we're taking a first
8 step and there's a long journey, so we're beginning the
9 journey. And we're going to try to make sure that deserving
10 consumers who have problems with their gas bills are offered
11 an opportunity to have service and to get assistance for
12 their unpaid balances for their gas bills. And that's it. I
13 mean if we need to take further action, we will look at
14 taking further action. This is not the final action, this
15 is the first action.

16 CHAIRMAN McDONALD: If parties had listened
17 carefully as I was proceeding through the agenda, I said
18 that this is a proposed discussion agenda. This item is not
19 going to be voted on today at this Commission, it is a
20 proposed discussion agenda.

21 We have put it in motion, it has to come back in a
22 regular agenda form in order to take total action on it.

23 Is there any other discussion on it?

24 VICE CHAIRMAN WISE: Mr. Chairman, yeah, I have
25 some comments on this.

1 I've listened to the debate and I've listened to
2 two separate proposals on these issues. And I'm sensitive
3 to this issue and what we're talking about here today, but
4 I'm still concerned about what we're trying to do and where
5 we're going with this and the fact that we're talking about
6 seniors, about low income folks, folks who have been
7 impacted by what we've commented about, this cold winter,
8 about the high gas prices. I still believe that the USF is
9 an appropriate use. This becomes another subsidy in an era
10 when we're trying to get away from subsidies.

11 If this is an over-funded account, as this USF
12 appears to be, if we can talk about a \$2 million proposal,
13 then an \$8 million proposal, it's time if these are over-
14 funded, to refund this fund to all ratepayers if in fact
15 we're not going to use it for the intent of which it was set
16 up.

17 I'm concerned that we're going to continue to go -
18 - and you know, if it wasn't going to be just the \$2
19 million, but then I hear Commissioner Baker talk about it's
20 a first step, so this means there's an ongoing issue that
21 there's going to be a second step and a third step. So we
22 talk about taking away subsidies, we talk about taking the
23 opportunities for competitive change to work to benefit the
24 ratepayers.

25 Again, as I said in Committee, the legislative

1 body that voted out Senate Bill 215 and in its wisdom formed
2 the Universal Service Fund for line extension, there lies
3 the body that should take care of these low income seniors
4 damaged by high prices and cold winter. And if we're going
5 to see real and meaningful relief, it should not come from
6 this agency, but in fact the body that passed the
7 legislation that has impacted these ratepayers so severely.

8 It's time to get away from funding out of the supplemental
9 budget outhouses and concession stands for football fields
10 and batting cages for high schools. If the legislature
11 wants to do something, January is the time to go ahead and
12 give real meaningful relief and not ask us at this time to
13 invade the Universal Service Fund to further add subsidies
14 in a situation that is not appropriate.

15 CHAIRMAN McDONALD: Any other comments?

16 VICE CHAIRMAN WISE: All the ratepayers pay for
17 this, Mr. Chairman, and I think that if there is a place for
18 a real and meaningful debate, it belongs across the street.

19 COMMISSIONER BAKER: I fundamentally agree with
20 what you're saying, but we have an immediate problem here
21 that we're trying to address with this proposal. And that
22 problem, immediate problem, is those low income senior
23 citizens who have been disconnected or are subject to
24 disconnection in the immediate future. Now they're not
25 going to wait until January and they're not going to wait

1 until next July and they shouldn't expect to wait that time.

2 And the legislation creating the Universal Service
3 Fund is very, very clear on its face as far as what is the
4 primary purpose of that fund. And if you look at the
5 language of the Code, the legislature has given a directive
6 to this Commission that says we want you to primarily direct
7 the funding from the Universal Service Fund to provide
8 assistance to low income customers in times of emergency, as
9 determined by the Commission.

10 I understand your concerns, but right now, we've
11 got an immediate problem and I think we need to be proactive
12 about it and provide some mechanism for those customers who
13 have been disconnected or are subject to disconnection, to
14 try to stay on the system and help them continue to pay
15 their bills to the marketers. So I'm asking, you know, that
16 this Commission take action today in authorizing the grant
17 of \$2 million from the Universal Service Fund, and that's \$2
18 million out of approximately \$25 million, to set up this
19 program and we will request an accounting of the
20 expenditures from whatever agency is selected to administer
21 this program. And I'm not saying to just wipe the debt off
22 the books and just give it away for free, but I think this
23 Commission has an obligation to take some action to provide
24 some affirmative relieve to consumers who are making a good
25 faith effort to pay their bills and to stay on the system.

1 I don't want to have, you know, a situation arising in the
2 future where we're going to find senior citizens with
3 incomes of less than \$12,000 not being able to have heat for
4 the winter time. We're not talking about a huge group of
5 folks that are qualified to receive these grants. And
6 they're probably the most needy in the state of Georgia.

7 So I understand your concerns about, you know,
8 being prudent and not handing out gratuities to consumers,
9 but in this particular case we've got a situation I think we
10 need to take some action on today, and I will propose a
11 motion to that effect, that this grant -- this authorization
12 for setting up this grant program be made today.

13 COMMISSIONER BURGESS: Mr. Chairman --

14 CHAIRMAN McDONALD: I have a motion and recognize
15 Commissioner Burgess.

16 COMMISSIONER BURGESS: Mr. Chairman, we've got a
17 clear legislative mandate here, it's not in question. The
18 General Assembly voted unanimously to give this Commission
19 the right to utilize this Universal Service Fund to assist
20 those that need assistance. And there's clear need, we've
21 identified some 70,000 households in this state where the
22 income is \$10,000 or less. These people are making
23 decisions daily as to whether or not they're going to have a
24 roof over their head, food to eat or their medication or pay
25 their utility bills. The need is always there, the need

1 will be there.

2 We've got a clear legislative mandate and funding
3 to help assist that need and I believe this Commission would
4 be acting irresponsible not to do so.

5 VICE CHAIRMAN WISE: Mr. Chairman, once again, you
6 know, if it was just the one step, but I've heard the
7 promise of a second step and a third step -- I've heard \$2
8 million, I've heard \$8 million. And that is my concern.

9 If the legislature had really wanted to do
10 something, while they had their spare time in the last
11 couple of months, they could have gone ahead and taken up
12 this issue and looked to provide real, true, meaningful
13 relief for the low income senior ratepayers in this state.

14 COMMISSIONER BAKER: The Governor sets the agenda
15 for the special session. The special session was restricted
16 to the reapportionment and the video poker issue. So while
17 I'm sure numerous legislators are concerned about this issue
18 and have constituents who are impacted by high gas prices
19 and have problems with meeting their obligations to their
20 gas marketers, their hands were tied, in effect, by the laws
21 of the state regarding what agenda items could be brought up
22 for discussion, and sure, they can bring it up next session
23 in January. But I'll just emphasize we're trying to address
24 an immediate situation and I don't think we can act
25 responsibly in saying let's wait until January to address

1 the issue.

2 CHAIRMAN McDONALD: Commissioner Burgess.

3 COMMISSIONER DURDEN: Mr. Chairman, I'll offer the
4 amendment to Commissioner Baker's motion with the five-
5 months \$50 credit for qualifying low income seniors
6 beginning November through March, 2002.

7 CHAIRMAN McDONALD: Okay.

8 COMMISSIONER BAKER: November billing cycle?

9 COMMISSIONER BURGESS: Yes, November billing
10 cycle.

11 CHAIRMAN McDONALD: Any other discussion?

12 (No response.)

13 CHAIRMAN McDONALD: We're looking at a total of
14 \$10 million out of the Universal Service Fund, we'll vote on
15 Commissioner Burgess' amendment first.

16 All those in favor, say aye.

17 COMMISSIONER BAKER: Aye.

18 CHAIRMAN McDONALD: Aye.

19 COMMISSIONER DURDEN: Aye.

20 COMMISSIONER BURGESS: Aye.

21 CHAIRMAN McDONALD: Opposed.

22 VICE CHAIRMAN WISE: No.

23 CHAIRMAN McDONALD: The ayes have it with
24 Commissioner Burgess, Durden, McDonald and Baker voting in
25 the affirmative; Commissioner Wise voting in the negative.

1 Now we'll move to Commissioner Baker's amendment.
2 All in favor of adopting Commissioner Baker's
3 amendment, say aye.

4 COMMISSIONER BAKER: Aye.

5 CHAIRMAN McDONALD: Aye.

6 COMMISSIONER DURDEN: Aye.

7 COMMISSIONER BURGESS: Aye.

8 CHAIRMAN McDONALD: Opposed.

9 VICE CHAIRMAN WISE: No.

10 CHAIRMAN McDONALD: The ayes have it with
11 Commissioners Burgess, Durden, McDonald and Baker voting in
12 the affirmative; Commissioner Wise voting in the negative.

13 You've heard the recommendation -- well, that
14 takes care of it.

15 Now what we'll need to do, of course, is we will
16 be soliciting from agencies such as Salvation Army, United
17 Way, Georgia Community Action Association, as the third
18 party, and others that might be interested, to formulate a
19 proposal to administer the funding on behalf of the \$2
20 million for the matching funds.

21 Is there any question about that, Commissioners?

22 (No response.)

23 CHAIRMAN McDONALD: Okay, we'll move to another
24 item of discussion, Docket Number 2.

25 MS. THEBERT: D-2 is Docket 8390-U, discussion of

1 marketer true-up issues.

2 This item was discussed at last Thursday's Energy
3 Committee meeting regarding certain marketers failing to pay
4 the true-up amount to AGL for disbursement to other
5 marketers. Staff was provided a list of marketer balances
6 last week and is currently working with the two marketers
7 who have not paid their quarterly true-up for the period of
8 January 2001 through March 2001.

9 Additionally, staff is verifying the amounts
10 currently in Infinite Energy's escrow account that should be
11 disbursed to the marketers. The verification should be
12 complete today and staff will notify AGL of the amounts to
13 be disbursed to the marketers.

14 CHAIRMAN McDONALD: Any questions or discussion
15 for Ms. Thebert?

16 (No response.)

17 CHAIRMAN McDONALD: Okay, thank you, ma'am.

18 MS. THEBERT: Thank you.

19 CHAIRMAN McDONALD: Gentlemen, any other issues to
20 come before the regular administrative --

21 (No response.)

22 CHAIRMAN McDONALD: We'll move to the
23 Transportation agenda. You have the agenda in front of you.
24 There's a consent agenda. Are there any items that you
25 desire to have held or moved to the regular agenda?

1 (No response.)

2 CHAIRMAN McDONALD: Hearing none, is there
3 objection to adopting the consent agenda as presented?

4 (No response.)

5 CHAIRMAN McDONALD: The consent agenda is adopted
6 4-0.

7 (Commissioners McDonald, Wise, Baker and
8 Burgess present and voting.)

9 CHAIRMAN McDONALD: We'll move to R-1

10 MS. O'LEARY: Commissioners, Transportation item
11 R-1 is Docket Number 17168-M, in the matter of Civil Penalty
12 Hearing for Scott Mason Enterprises, Inc. doing business as
13 A-1 Towing, Valdosta, Georgia. Consideration of recommended
14 order issued by Hearing Officer on September 24, 2001.

15 On June 21, the Commission issued a Notice of
16 Hearing to Respondent Scott Mason Enterprises, doing
17 business as A-1 Towing, alleging that the company violated
18 in four instances 49 CFR Section 391.51(a) by failing to
19 maintain driver qualification files on each driver employed;
20 violated in four instances 49 CFR Section 395.8(a) by
21 failing to require drivers to make a record of duty staff;
22 and violated in two instances Section 396.11(a) by failing
23 to require drivers to prepare driver vehicle inspection
24 reports. These violations were found to exist by PSC
25 Officer Clay Greene at a compliance review that he conducted

1 on March 19.

2 A hearing was requested by the Respondent and held
3 on August 13, 2001, at which time Hearing Officer Nancy
4 Gibson presided and heard evidence regarding these charges.

5 Mr. Mason appeared on that occasion and represented
6 himself. In doing so, he did not dispute the allegations
7 made against him, but instead took issue with the onerous
8 nature of the federal reporting requirements placed on him,
9 his company and his drivers.

10 In the recommended decision issued in this matter,
11 Hearing Officer Gibson found that the evidence presented by
12 Transportation staff supported the allegations made against
13 A-1 Towing and that a fine in the amount of \$4,260 should be
14 paid by Mr. Mason on his company's behalf.

15 Transportation staff recommends that the
16 Commission adopt the recommended decision of the Hearing
17 Officer as its final decision in this matter.

18 CHAIRMAN McDONALD: Are there questions of Ms.
19 O'Leary?

20 (No response.)

21 CHAIRMAN McDONALD: Is there objection to adopting
22 the Hearing Officer's recommendation?

23 (No response.)

24 CHAIRMAN McDONALD: The Hearing Officer's
25 recommendation is adopted 5-0.

1 MS. O'LEARY: Thank you.

2 (Commissioners McDonald, Wise, Durden, Baker
3 and Burgess present and voting.)

4 COMMISSIONER BAKER: Before we leave the
5 Transportation Division agenda, could I ask that -- I know
6 we had requested from Commissioner Burgess a letter or some
7 kind of documentation -- Tim Burgess from the Georgia
8 Department of Motor Vehicles --

9 (Laughter.)

10 COMMISSIONER BAKER: -- of this Commission's
11 authority to continue acting on Transportation issues
12 through October 31. Could I ask that that be made part of
13 the record, and the original be put into the record? All
14 right.

15 CHAIRMAN McDONALD: Is there objection?

16 (No response.)

17 CHAIRMAN McDONALD: I'd like to say of course
18 probably this is our last administrative session with our
19 Transportation Division. It has been a pleasure from this
20 side, I hope it has been on your side. We wish you well in
21 your new agency.

22 We'll move to the Administrative Affairs agenda.
23 Mr. Bond, do you --

24 MR. BOND: It's a consent agenda, Mr. Chairman.

25 CHAIRMAN McDONALD: Okay, is there any item that

1 you would like to be moved from the consent agenda to the
2 regular agenda?

3 (No response.)

4 CHAIRMAN McDONALD: Is there objection to adopting
5 the consent agenda as presented?

6 (No response.)

7 CHAIRMAN McDONALD: The consent agenda is adopted
8 5-0.

9 (Commissioners McDonald, Wise, Durden, Baker
10 and Burgess present and voting.)

11 CHAIRMAN McDONALD: Is there any other business to
12 come before this administrative session?

13 (No response.)

14 CHAIRMAN McDONALD: If not, we'll stand adjourned.
15 Thank you very much for your attendance.

16 (Whereupon, the administrative session was
17 concluded at 10:58 a.m.)

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C E R T I F I C A T E

I, William L. Warren, Certified Court Reporter, do hereby certify that the foregoing transcript is an accurate record of the proceedings had in the above-entitled matter at the time and place therein set forth.

William L. Warren

The minutes of the Administrative Session were approved this _____ day of _____, 2001.

Lauren McDonald, Jr., Chairman

Reece McAlister,
Executive Secretary