



Utility Committee Meeting

AGENDA

November 5, 2013

I. CALL TO ORDER

II. MATTERS BEFORE COMMITTEE

1. [Approval - Public Service Commission Consent Agreement](#)
2. [Discussion / Approval - MEAG Power Sale of Excess Reserve](#)

III. ADJOURN



Utility Committee Meeting

AGENDA

November 5, 2013

Item:

Approval - Public Service Commission Consent Agreement

Department:

Additional Information:

Financial Impact:

Budgeted Item:

Recommendation / Request:

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Attachments / click to download

[PSC Consent Agreement](#)

**BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION
STATE OF GEORGIA**

IN THE MATTER OF:

City of Monroe, Respondent

)
) **DOCKET NO. 37070**
) **(Inspection Report No. AT13-015)**
)

CONSENT AGREEMENT

WHEREAS, the Georgia Public Service Commission (“Commission”) Pipeline Safety Staff (“Staff”) and the City of Monroe (“Monroe” or “Operator” or City”) hereby jointly enter into this Consent Agreement to recommend a resolution of the issues as discussed in Inspection Report AT13-015;

WHEREAS, Commission Staff and Monroe believe that the terms and conditions of this Consent Agreement constitutes a reasonable resolution of the issues as discussed in AT13-015;

WHEREAS, adoption of this Consent Agreement is in the public interest represents an efficient, effective and responsible discharge of the Commission’s responsibilities in this matter;

NOW THEREFORE, the Commission Staff and Monroe mutually agree and propose the following Consent Agreement:

Findings and Conclusions

1.

The Georgia Public Service Commission (“Commission”) has jurisdiction over this matter pursuant to inter alia: 49 C.F.R. Parts 191 and 192; O.C.G.A. §§ 46-2-20, 46-2-30, 46-2-53, 46-2-90, 46-2-91, 46-4-1, 46-4-31, 46-4-34, 50-13-1 *et. seq.*; and Commission Rules 515-9-1-.01 *et. seq.*, 515-9-3.01 *et. seq.*, and 515-9-7-.01 *et. seq.*; all regarding the safe installation and operation of gas distribution systems within the State of Georgia.

2.

Pursuant to Commission Rules 515-9-1-.01 and 515-9-3-.03; the Rules and Regulations prescribed by the United States Department of Transportation applicable to the "Transportation of Natural and Other Gas by Pipeline: Minimum Safety Standards" (49 C.F.R. Parts 40, 191 192, 193 and 199) have been made the Rules and Regulations of the Commission for the safe installation and operation of all natural gas transmission and distribution facilities by companies subject to the jurisdiction of the Commission.

3.

The Facilities Protection Unit Staff (“Staff”) of the Commission has the authority to inspect the facilities of municipal natural gas providers pursuant to the legal citations contained *supra*.

4.

The Commission may propose a Compliance Order in conjunction with this Notice of Probable Violation (“NOPV”) pursuant to the legal citations contained *supra*.

5.

The City of Monroe is a natural gas distribution operator that is subject to the jurisdiction of the Commission.

6.

Pursuant to O.C.G.A. § 50-13-13(a)(4), the Commission is authorized to resolve matters by Consent Agreement.

7.

During Staff’s April 10, 2013 inspection of Monroe’s Public Awareness Program (“PAP”), Staff determined that Monroe had committed probable violations of the minimum federal safety standards required by 49 CFR, Part 192. (See Inspection Report AT13-015). Staff informed Monroe of the probable violations during the exit interview.

8.

On August 8, 2013, an NOPV was sent by certified mail to Monroe. Said NOPV alleged:

As a result of this inspection Staff has determined that the City of Monroe has committed a probable violation of the pipeline safety standards, specifically:

§192.13 What general requirements apply to pipelines regulated under this part?

(c) Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part.

Probable Violation: The City of Monroe failed to follow the procedures required by their Public Awareness Program.

9.

On August 29, 2013, pursuant to Commission Rule 515-9-3-.09(i)(c), Monroe requested an informal conference to discuss the probable violations noted in Inspection Report AT13-015.

10.

On September 25, 2013, Commission Staff met with Monroe to discuss the probable violations noted in Inspection Report AT13-015. During the informal conference, it was decided that a follow-up inspection will be required in order to clear the probable violations. In addition, the parties agreed that mitigation of the recommend civil penalty was in the public interest.

11.

Violations found during recent or past inspections other than those mentioned in the previous section (8) or future violations of other Commission Utility Rules or Federal Pipeline Safety Rules in 49 C.F.R. PARTS 40, 191, 192, 193 and/or 199 are intentionally excluded from this Consent Agreement. Any such previous or future violations shall be dealt with as such violations are found by Commission inspectors or otherwise not resolved in a timely manner and come to the attention of the Commission. Moreover, Operator cannot use this Consent Agreement as a defense against violations besides those expressly covered by this Consent Agreement.

12.

Operator's conduct described *supra*, constitutes sufficient grounds for the imposition of sanctions by the Commission pursuant to *inter alia*: 49 C.F.R. §§ 40, 191, 192 and 199; O.C.G.A. §§ 46-2-20, 46-2-21, 46-2-30, 46-2-53, 46-2-90, 46-2-91, 46-4-1, 46-4-31, 46-4-34, 50-13-1 *et. seq.*; and Commission Rules 515-2-1.04, 515-9-1.01, 515-9-3.03, 515-9-3.04, 515-9-3.06, 515-9-3.07 through 515-7-9-13.

13.

Operator makes no contest to the allegations set forth in the NOPV attached hereto as "Exhibit A." Operator understands that by doing so, it is not admitting the truth of any of the allegations or acknowledging any impropriety but is agreeing that the Commission may enter an order based upon the alleged probable violations without the necessity of receiving evidence in support thereof. Operator hereby waives any further Findings of Fact and Conclusions of Law with respect to the above-styled matter.

Agreements Between the Parties

1.

This Joint Consent Agreement, if approved by the Commission, shall constitute a final resolution of the alleged probable violations in AT13-015. Operator agrees that it will abide by the terms of this Joint Consent Agreement.

2.

Monroe is subject to civil penalties pursuant to O.C.G.A. §46-2-91 for violation of any Commission Order or Statute or Rule administered by the Commission. Staff reviewed the circumstances surrounding Monroe's probable violations of 49 C.F.R. §192.13(c) cited in Inspection Number AT13-015 and recommended a civil penalty in the amount of Fifteen Thousand Dollars (\$15,000.00).

3.

Based upon Staff's review of the facts and circumstances surrounding this inspection and the progress that Monroe has demonstrated concerning its Public Awareness Program, Staff recommends the following remedial action in mitigation of the recommended civil penalties, based on the Operator's agreement and adherence to:

1. Monroe shall notify the Staff within thirty (30) days of this agreement when the City is ready for a follow-up inspection.
2. Monroe shall adequately fund the Public Awareness Program.
3. Monroe shall purchase a new gas detector for use on all parts of the City's gas system. Such purchase shall be made no later than October 31, 2013. The estimated cost for the gas detector is approximately \$1,900.00.
4. Monroe shall establish and provide maintenance and calibration on the gas detector according to the manufacturer's instructions for five (5) years from the date of purchase.
5. Monroe shall provide all persons responsible for using such gas detector with the following training:
 - a. First responder training for natural gas incidents. This will be provided in addition to the required communications for emergency responders; and
 - b. Proper use of the gas detector equipment.

The training shall be provided within thirty (30) days of the City's receipt of the gas detector. The estimated cost of this training is approximately \$575.00.
6. Monroe shall allocate additional budgeted funds in the amount of \$20,000.00 into the City's natural gas budget for 2014 for use towards the PAP plan and marketing of the natural gas system.

4.

Should complications arise as to compliance with and/or implementation of this Joint Consent Agreement, Operator and Commission Staff agree to work in good faith to resolve any such complications. Any matters not resolved between the parties shall be timely presented to the Commission for consideration and final adjudication.

5.

This Joint Consent Agreement shall not become effective until and unless it is approved by the Commission. Operator enters into this Joint Consent Agreement without admission of fault or liability.

6.

The undersigned authorized representative(s) of Operator acknowledge by their respective signatures below that each has read this Joint Consent Agreement and understands its contents. The undersigned hereby further acknowledge that the City has a right to a hearing in this matter and does freely, knowingly, and voluntarily waive such right by entering into this Joint Consent Agreement. The undersigned hereby consent on the City's behalf to the resolution of this proceeding as provided for herein.

IN WITNESS WHEREOF, the parties hereto have executed this Consent Agreement as of the day and year first below written.

By: _____
Matthew Chancey, City Administrator
City of Monroe

By: _____
Michelle Thebert, Director
Facilities Protection Unit
Georgia Public Service Commission

Agreed to this ____ day of October 2013.



Utility Committee Meeting

AGENDA

November 5, 2013

Item:

Discussion / Approval - MEAG Power Sale of Excess Reserve

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Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

Attachments / click to download

[MEAG Power Sale of Excess Reserve Info](#)



October 1, 2013

City of Monroe, Georgia
Attn: The Honorable Greg Thompson, Mayor
215 North Broad Street
Monroe, GA 30655

City of Forsyth, Georgia
Attn: The Honorable John T. Howard, II, Mayor
26 North Jackson Street
Forsyth, GA 31029

**Re: MEAG Power Sale of Excess Reserve Capacity to the City of Forsyth
on Behalf of the City of Monroe**

Dear Mayor Thompson and Mayor Howard:

This Letter Agreement sets forth the agreement between the Municipal Electric Authority of Georgia ("MEAG Power"), the City of Monroe, Georgia ("Monroe"), and the City of Forsyth, Georgia ("Forsyth") for MEAG Power's sale on behalf of Monroe of certain excess reserve capacity to Forsyth pursuant to Section 312 of the Power Sales Contract between MEAG Power and Monroe. MEAG Power is willing to facilitate and execute this transaction pursuant to Section 312, subject to this Letter Agreement.

The capitalized words or terms that are used in this Letter Agreement, but are not defined herein, shall have the same meanings as assigned to them in the Power Sales Contract.

In consideration of the mutual agreements set forth herein, the sufficiency and adequacy of which are acknowledged by MEAG Power, Monroe and Forsyth, it is understood and agreed that:

(1) Sale of Excess Reserve Capacity by MEAG Power on Behalf of Monroe.

(a) Pursuant to Section 312 of the Power Sales Contract between MEAG Power and Monroe, Monroe has declared capacity in the amount of 1,003 kW, as measured at B1, of the total kW of its Project One Entitlement Share (the "Sales Amount") to be excess to its needs. Monroe has requested MEAG Power to sell, and MEAG Power shall, in accordance with this Letter Agreement, sell this capacity, but no energy associated therewith, to Forsyth.

(b) This Sale Amount shall not reduce Monroe's Entitlement Share of output and services under the Power Sales Contract and Monroe shall remain liable to MEAG Power for its entire Entitlement Share. All payments received by MEAG Power from Forsyth for the Sale Amount pursuant to this Letter Agreement shall be credited to Monroe's obligation to MEAG Power to pay for its Entitlement Share.

Municipal Electric Authority of Georgia
1470 Riveredge Parkway, NW
Atlanta, Georgia 30328-4686

Item # 2
1-800-333-MEAG 770-563-0300
Fax 770-953-3141

(2) Purchase of Excess Reserve Capacity by Forsyth. Forsyth agrees to purchase the Sale Amount for a price of \$2.43 per kW-year (the "Contract Price"). MEAG Power shall bill Forsyth for such amount and Forsyth shall pay all amounts due in the same manner as other payments under the Power Sales Contract between MEAG Power and Forsyth.

(3) Costs. Monroe shall be obligated for all costs incurred by MEAG Power as a direct result of the transaction identified in this Letter Agreement. MEAG Power agrees to provide sufficient documentation to Monroe to enable it to verify any such costs.

(4) Indemnification. Monroe hereby indemnifies and holds MEAG Power and the remaining MEAG Power Participants harmless from and against any and all losses, costs, liabilities, damages, expenses (including without limitation attorneys' fees and expenses) of any kind and incurred or suffered by MEAG Power or its Participants as a result of, or in connection with, Monroe's sale of excess reserve capacity pursuant to this Letter Agreement.

(5) Term. The initial term of the sale of Monroe's excess reserve capacity to Forsyth pursuant to this Letter Agreement shall begin at 0000 hours on January 1, 2014 and end at 2400 hours on December 31, 2014, and until all obligations under this Letter Agreement are satisfied, including, but not limited to, Monroe's obligation to indemnify MEAG Power and the Participants. All times referenced herein are Central Prevailing Time.

(6) Termination and Unwind. If MEAG Power changes its policy concerning the computation of necessary reserve capacity from a "budgeted coincident peaks" standard to an "actual peaks" standard and such policy change goes into effect during the Term of this Letter Agreement, Monroe and Forsyth shall be returned to their respective positions as if this Letter Agreement had not been entered into (e.g., Forsyth shall receive a credit for amounts it paid pursuant to this Letter Agreement and Monroe shall be billed for all such amounts). Subsequently, this Letter Agreement shall terminate, except that Sections (3) and (4) shall remain effective.

If you are in agreement with the foregoing and after this Letter Agreement has been duly authorized by the respective governing bodies of Monroe and Forsyth, please execute this Letter Agreement in the space provided below.

**MUNICIPAL ELECTRIC AUTHORITY OF
GEORGIA**

ATTEST:

By: _____
Robert P. Johnston
President and Chief Executive Officer

[SIGNATURES CONTINUED ON NEXT PAGE]

Agreed to and accepted, this ____ day
of _____, 2013.

Agreed to and accepted, this ____ day
of _____, 2013.

CITY OF MONROE

CITY OF FORSYTH

By: _____

By: _____

ATTEST:

ATTEST:

City Clerk

City Clerk

[SEAL]

[SEAL]