Communication is Key

Turn Information Into Action

Load Growth "Matters"

May 24, 2018

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electric cities of georgia

Territorial Act Review

Peter Floyd

Disclaimer

- This presentation of the Georgia Territorial Act is a overview of many areas of the Act that apply to many cities.
- The presentation does not include all issues.
- Public Service Commission renders decisions which set presidents from time to time.
- Please note that this presentation is a high level summary of a complex area of law and is not legal advice. It contains paraphrases of portions of the Territorial Act and important cases.

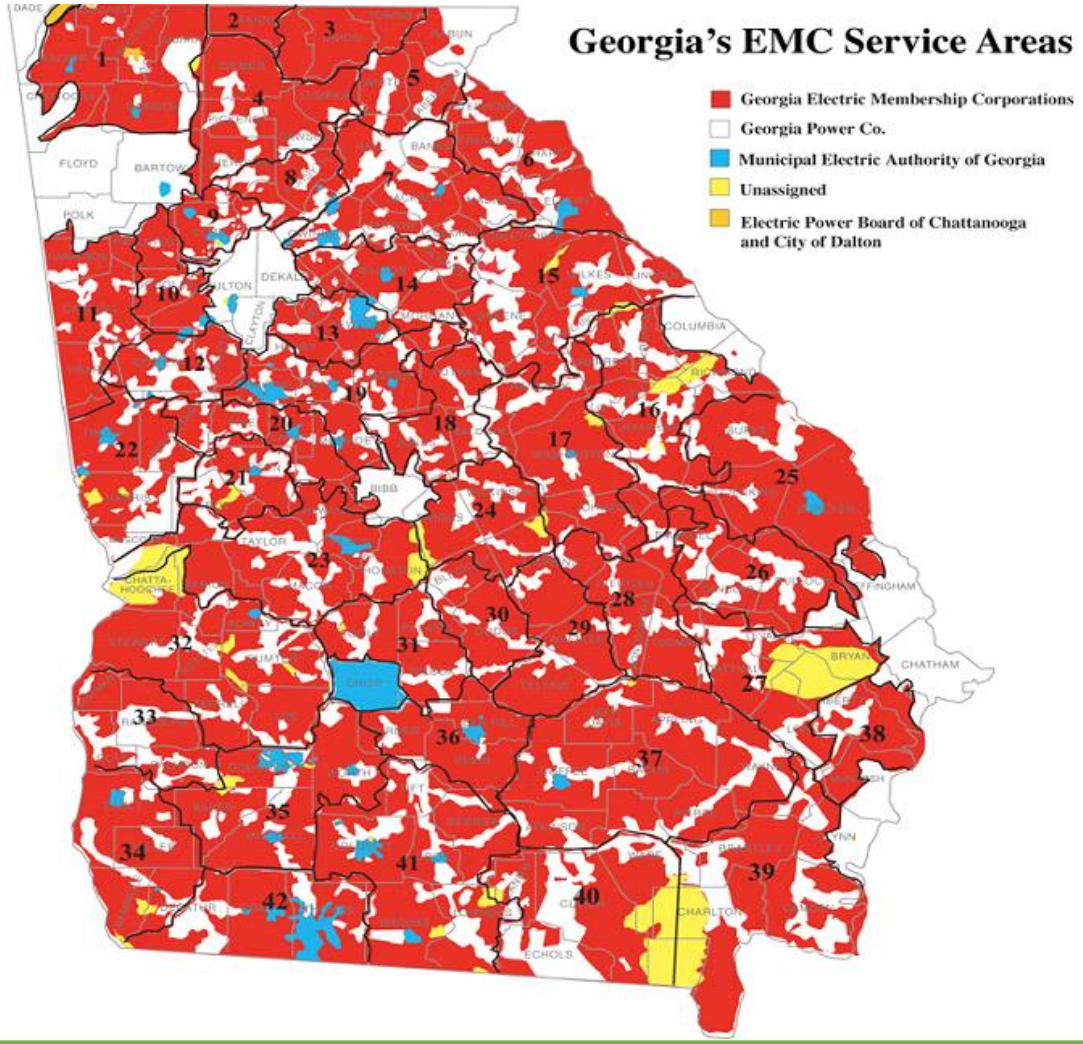
Public Purpose and History

- Georgia State Legislature passed in 1973
- To assure efficient, economical and orderly retail electric service
- To stop duplication of lines
- To foster extension and location of lines in a manner compatible with environment
- To protect and conserve lawful line investment

General Principles of Territorial Act

- Assigns retail electric service territory for most customers
- Provides for and promotes competition for certain customers
- Gives jurisdiction to Public Service Commission
  - PSC

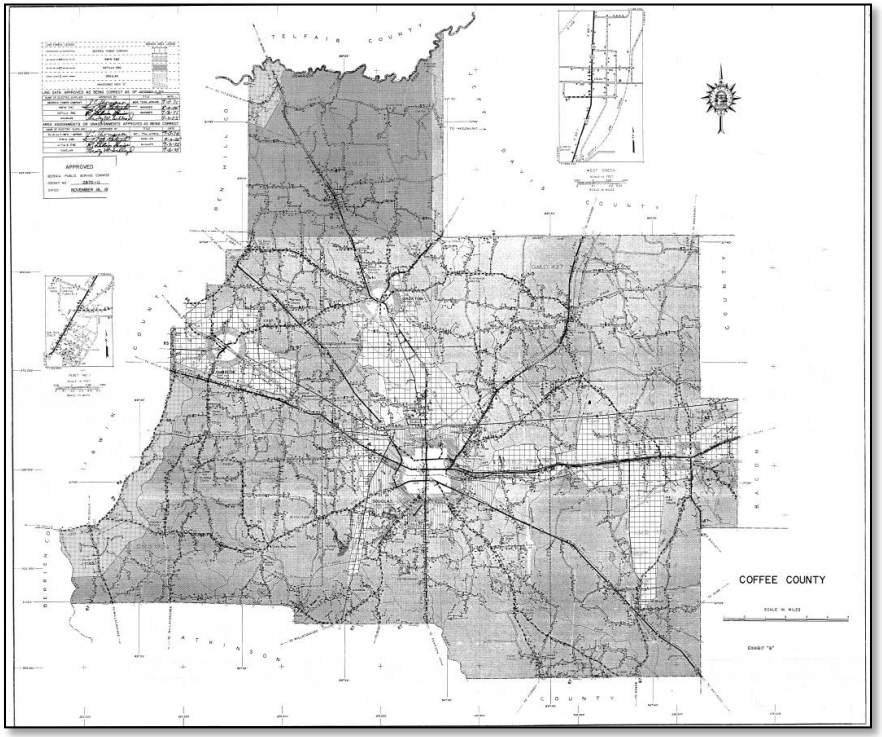
“Red Map”


Georgia’s EMC Service Areas
Georgia Electric Membership Corporations
Georgia Power Co.
Municipal Electric Authority of Georgia
Unassigned
Electric Power Board of Chattanooga and City of Dalton
FLOYD
BARTOW
POLK
DEKALB
COLUMBIA
BIBB
TAYLOR
BRYAN
CHATHAM
CHARLTON
ECHOLS

Sample Territorial Maps

Sample City Map

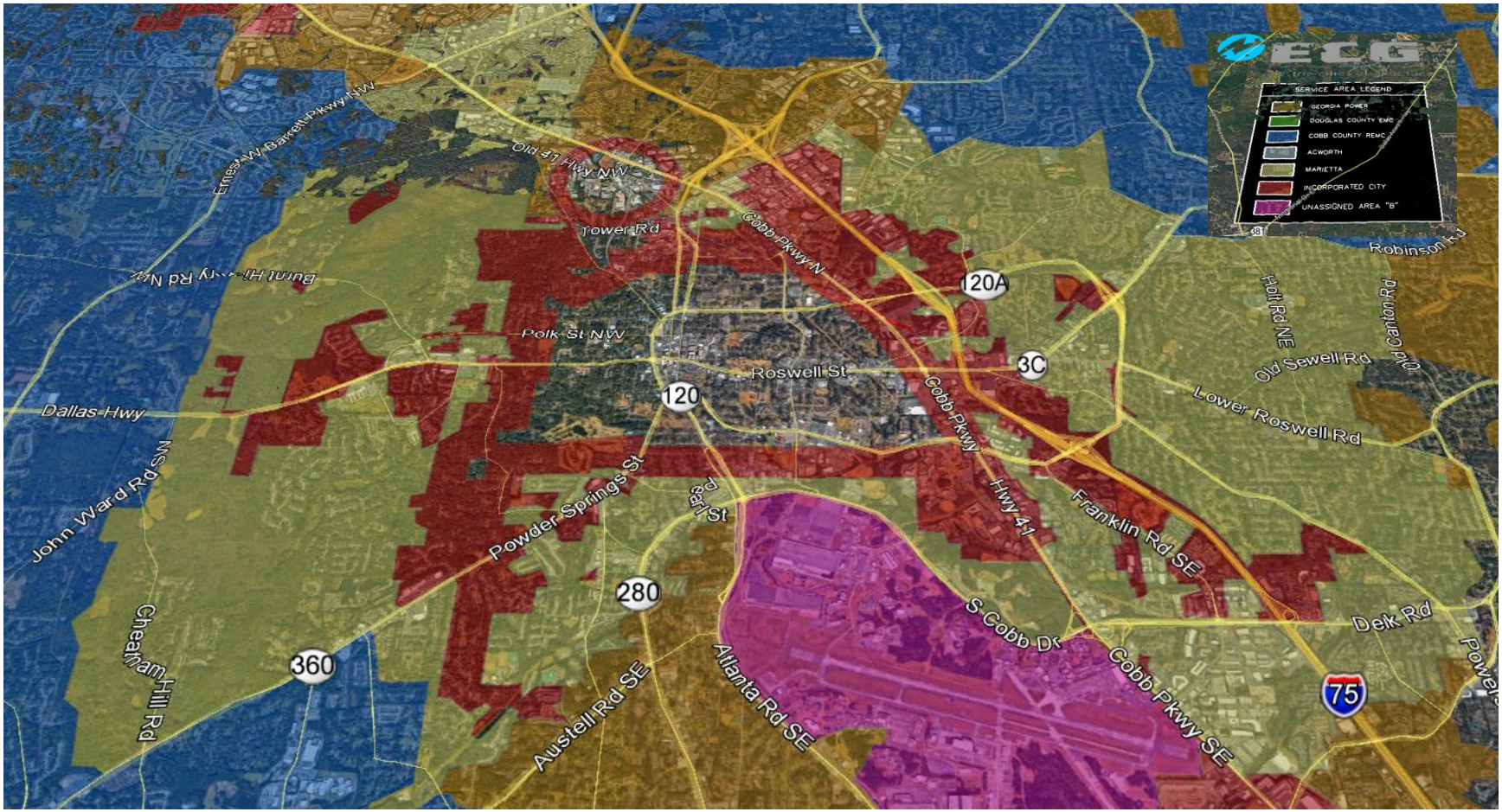
Sample County Map



Territorial Maps

- Territorial Maps are Legal Documents
- Territorial Maps Consist of 3 Maps (per city)
  - County Map Exhibit “A”
  - County Map Exhibit “B”
  - City Map
- Know Your Service Areas within your Territorial Maps
- ECG has Google Earth Maps for Members
  - Great Reference Tools
  - Not Legal Documents

Google Earth Territorial Reference Map



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Definitions and Concepts

Premises

- Building, structure, or facility to which electricity is being or is to be furnished
- Provided that two or more buildings, structures, or facilities which are located on one tract or contiguous tracts of land
- Utilized by one electric consumer
- Shall together constitute a premises

Definitions and Concepts continued

- Primary Supplier– an electric supplier within a municipality in existence on March 29, 1973:
  - That, on March 29, 1973, was furnishing service to the majority or to a plurality, whichever was the case, of the retail electric meters then inside the corporate limits of the municipality;
  - Or, to which the PSC reassigned a geographic area, previously assigned to another electric supplier, located within such municipality as its limits existed on March 29, 1973.
- Secondary Supplier – a supplier within a municipality in existence on March 29, 1973, which owns lines on that date within such municipality and which is not a primary supplier.

Assignment of Areas

- Establish Assigned Areas for which only one electric supplier has assigned territory
- Provided assigned electric supplier exclusive right to extend and continue furnishing service
- WITH LIMITED EXCEPTIONS

Assignment of Areas Inside Municipalities

- Preponderance of lines determined Primary Supplier
- Others providing service within municipalities upon passage of Act declared Secondary Suppliers
- If host municipality owned and operated electric system, by definition declared Primary Supplier

Assignment of Areas Outside Municipalities

- Territory outside city limits generally assigned to electric supplier with preponderance of lines

Exceptions

- Corridor rights
- Large load exception
- Grandfather rights
- Right to serve own facilities devoted to public service [NOTE: consider during Service Delivery Act Negotiations, e.g., Barnesville]

Nuances to Exceptions

- Territorial agreements
  - NOTE: on map and separate agreements (official and unofficial)

- Burden of proof

Corridor Rights - Generally

- "Corridor Rights" apply when an enclosed Line of a Secondary Supplier that is located in another Primary Supplier's Assigned Area (and which provided retail electric service on March 29, 1973) maintains certain service rights.

- Corridor Rights are granted in order to protect the integrity of the Line and the investment made by the Secondary Supplier.

Corridor Rights – Within Municipalities

- Generally, within a municipality's corporate limits existing on March 29, 1973, an enclosed Line maintains corridor rights.
- The Secondary Supplier owning the Line has the exclusive right to extend and continue furnishing service to new Premises located therein at least partially within 300 feet of its Line and wholly more than 300 feet from the Lines of every other electric supplier.
- "Overlapping corridors" results in customer choice

Rights – Outside Municipalities

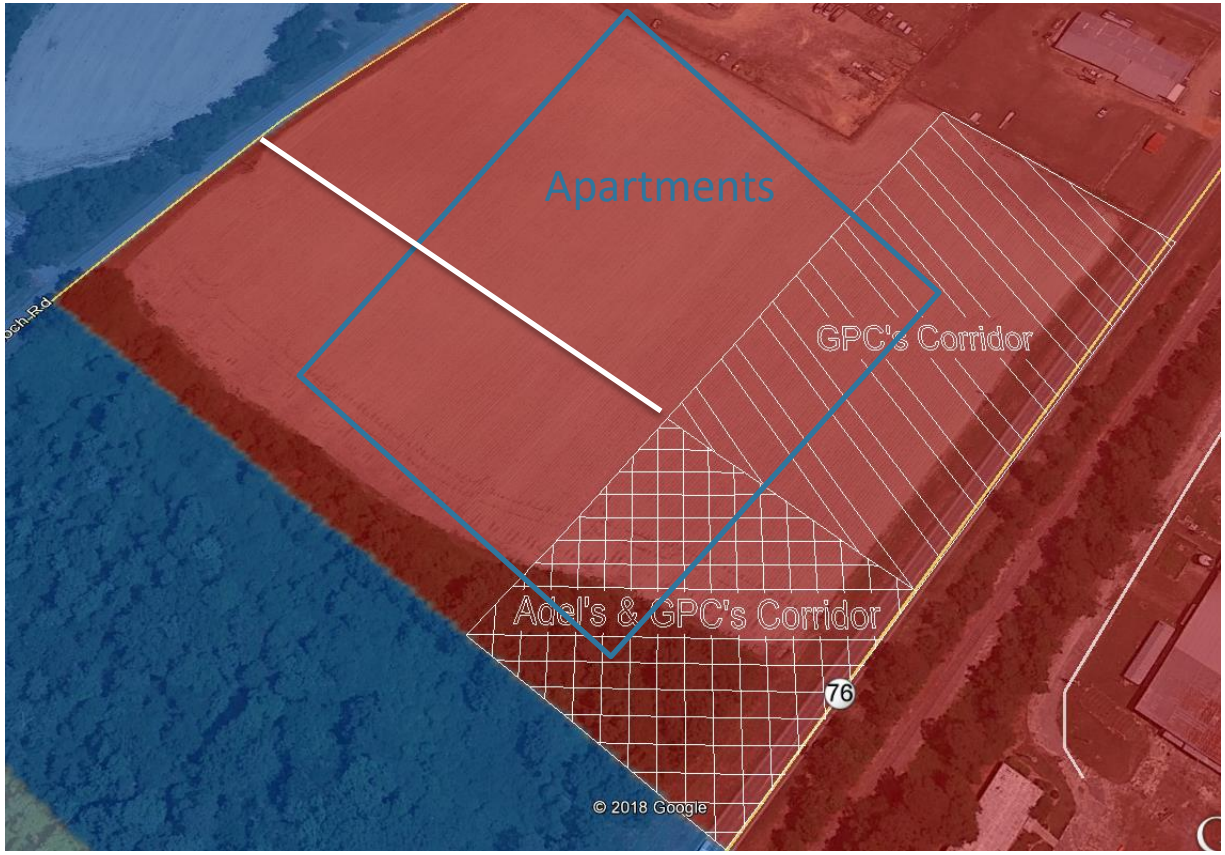
- In areas outside of a municipality's corporate limits existing on March 29, 1973, the Secondary Supplier owning such enclosed Lines has the exclusive right to extend and continue furnishing service to all new Premises located at least partially within 500 feet of such Line and wholly more than 500 feet from the assignee electric supplier's Lines.

- "Overlapping corridors" results in customer choice

Corridor Rights – Points to Remember

- Line had to serve retail load as of 3/29/73
- Corridor rights associated with Lines outside 1973 city limits established on approval date on "B" maps
- Corridor does not move if Line is relocated
- Corridor does not disappear if Line is removed
  - Permanent abandonment?
- 115 kV line upgraded to 230 kV retains corridor

Corridor Example



Large Load (Customer Choice) Exception

So-called "large load (customer choice) exception"

- Service to one or more new Premises
  - If more than one, such Premises must be located on the same tract or on contiguous tracts of land
  - Utilized by one consumer and having single meter service in a connected electric load
  - At the time of initial full operation of the Premises, is 900 kilowatts or greater
    - Excluding redundant equipment
- May be extended and furnished by the electric supplier chosen by the consumer.

- Being an exception to the general rule of assignment of exclusive service areas, the large load (customer choice) exception is to be strictly construed.

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Large Load (Customer Choice) Exception

- Premises
- Initial Full Operation
- Connected Load – “Load Counts”
- Redundant Equipment

Large Load (Customer Choice) Exception

- Premises located anywhere within the limits of such municipality as they existed on March 29, 1973
  - The primary supplier within a municipality
- Premises located at least partially within 300 feet of the lines of such secondary supplier
  - A secondary supplier within the limits of a municipality as they existed on March 29, 1973
- Premises located within the initial corporate limits of a wholly new municipality
  - Any electric supplier
- Premises located in a geographic area annexed in any manner to such municipality after March 29, 1973
  - Any electric supplier owning lines in a municipality
- Outside the limits of a municipality
  - Any electric supplier if the premises are so located

Large Load (Customer Choice) Exception

Take Away Comments:

- Master metering has generally been held to not create one premises when there are multiple ultimate users (consumers).
- Single-metered service is not always required, e.g., when different voltages are required.
- “Initial full operation” means when operation begins as initially designed, e.g., a ramp up period is permissible if the schedule is definite.
- Official load counts should be conducted by electrical engineer familiar with PSC requirements.
- Expansions can be considered part of the same premises if expansion functions as part of the original facility (e.g., short distance, operated by same entity, same purpose, functions together).
- Intent to “beat” the Act, e.g., adding a facility to achieve load or premises requirement, can back fire.

Grandfather Rights

- Operation of the Premises
- Products made
- Power delivery system and electrical infrastructure
- Machinery

When Lines Do Not Acquire Service Rights

- Lines constructed under the large load (customer choice) exception
- Lines constructed for the purpose of furnishing wholesale power
- Lines constructed to service an electric supplier's own Premises
- Lines of a Secondary Supplier that are not providing service inside a municipality as of March 29, 1973
- Lines not built in accordance with sound utility standards.

Binding Successive Councils (1 year rate contract limit)

- (1) No such contract shall be for a term in excess of ten years;
- (2) Any such contract which is for a term in excess of two years shall include commercially reasonable provisions under which the rates, fees, or other charges shall be adjusted with respect to inflationary or deflationary factors affecting the provision of the utility service in question; and
- (3) Any such contract shall include commercially reasonable provisions relieving the municipal corporation from its obligations under the contract in the event that the municipal corporation's ability to comply with the contract is impaired by war, natural disaster, catastrophe, or any other emergency creating conditions under which the municipal corporation's compliance with the contract would become impossible or create a substantial financial burden upon the municipal corporation or its taxpayers.
- NOTE: Proprietary service.

Summary

- Know Your Service Territory
- Access to a Territorial Map
  - The Legal Territorial Document
- Utilize the Google Earth Reference Map
- Competitors Don’t Always Play Fair
- Load Growth is Important

Territorial/Google Earth Reference Maps

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Overview

- The Territorial Maps are the Legal Documents
- Territorial Maps are approximately 45 years old
- A lot has changed in many cities
- ECG has Created Google Earth Reference Maps
- Reference Maps are not Legal Documents
- Very Good Reference Tool
- Accurate Information is Important

Territorial Maps

- Territorial Maps Consist of 3 Maps (per city)
  - County Map Exhibit “A”
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  - City Map
- ECG + Alston & Bird Acquired New Digital Maps
- ECG has Google Earth Maps for Members
  - Great Reference Tool
  - Not Legal Documents
  - Not “all encompassing”

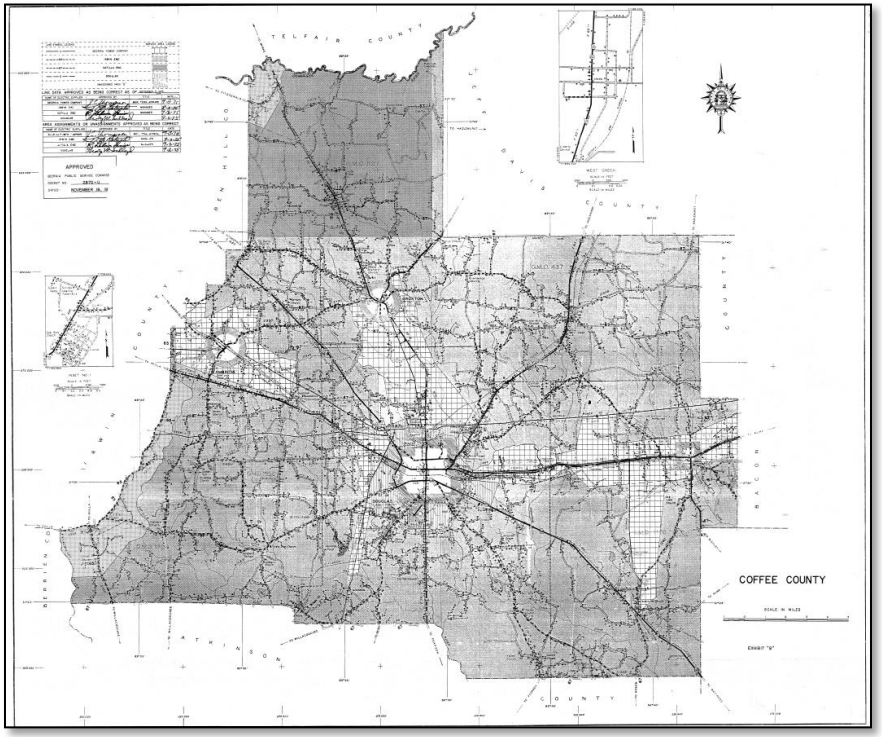
New Opportunity Process

- Locate Facility in Google Earth Reference Map
- Identify Opportunity to Service
  - Choice or Captive?
- Compare with Territorial Map
- ECG Team is Available to Assist

Sample Territorial Maps

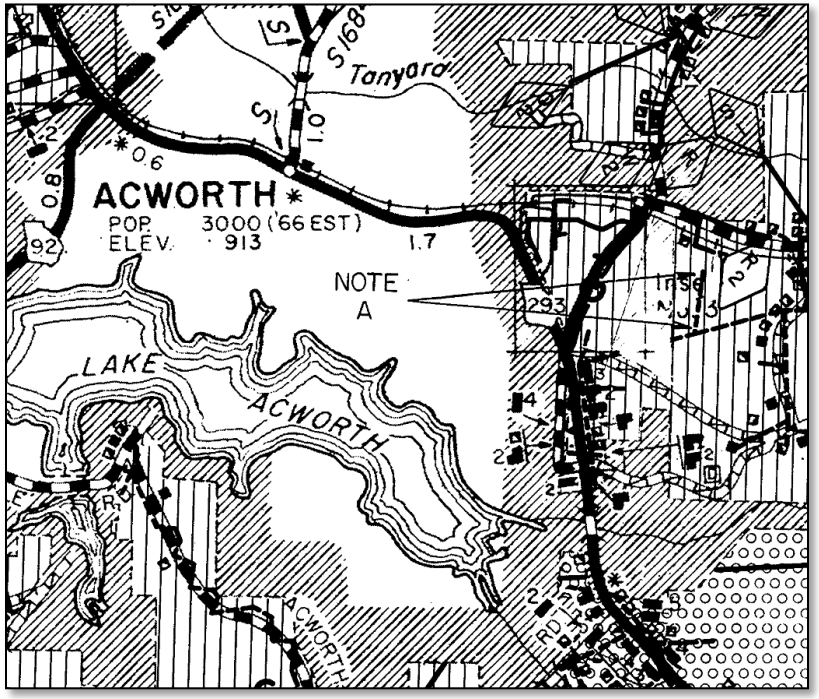
Sample City Map

Sample County Map



Sample Territorial Maps

Sample "B" Map



Sample Google Earth Map

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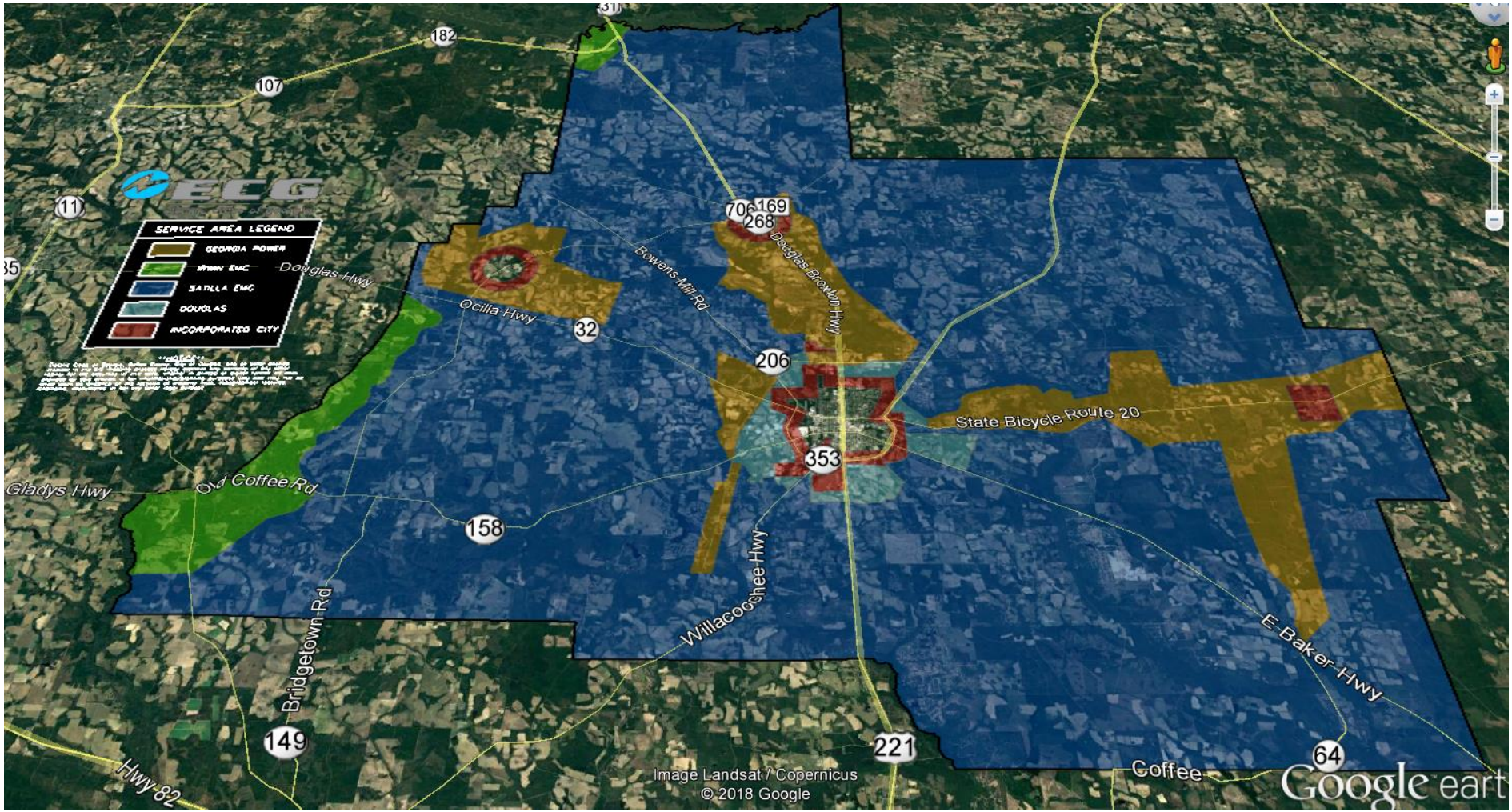
Google Earth Territorial Reference Map



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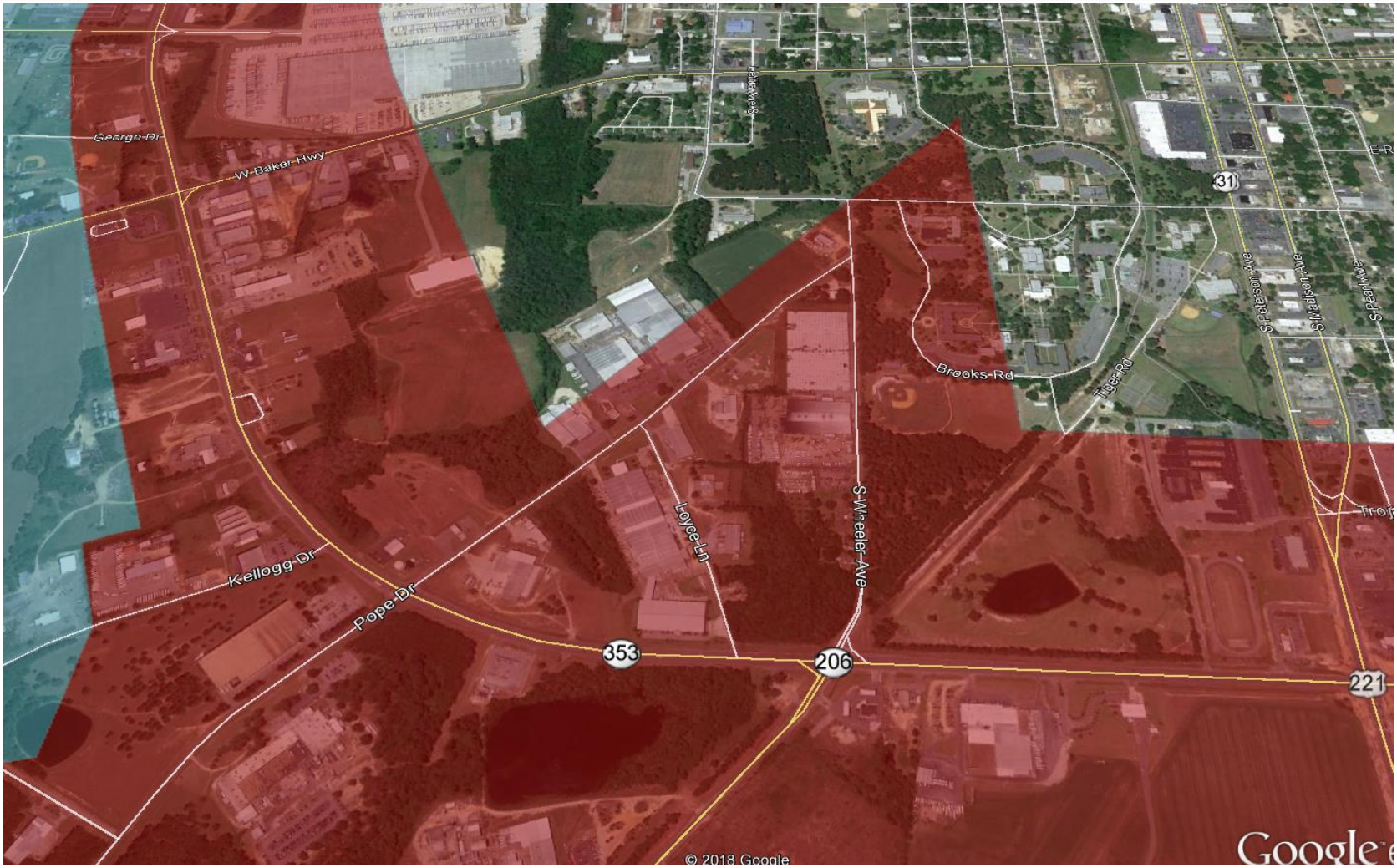

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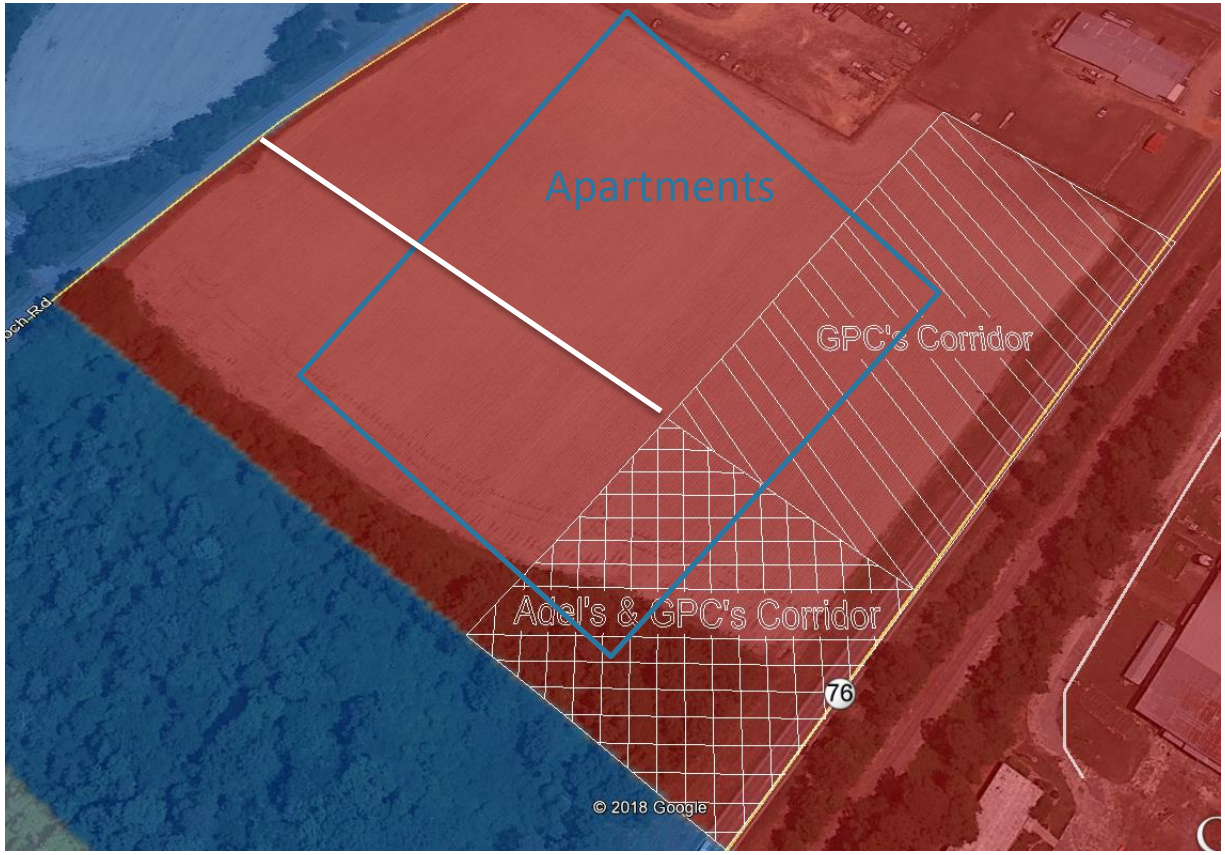

Summary

- Know Your Service Territory
- Access to a Territorial Map
  - The Legal Territorial Document
- Utilize the Google Earth Reference Map
- Competitors Don’t Always Play Fair
- Load Growth is Important
- The ECG team is Available to Assist

Key Accounts

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Key Accounts Program

WHY

(h)wī/

The Purpose of a Key Account Program

- To Attract
- To Retain
- To be Accountable
- To ensure Reliability

of any person or entity that has a significant impact on your community.

What is a Key Account?

- Large load customers (existing or new)
  - Substantial usage of offered utilities.
    - Electric
    - Water
    - Sewer
    - Telecom
    - Gas
  - Generate a large amount of revenue.
- Developers
- National Brand Accounts
- Leaders with a significant impact
- Large employment base
- Display a significant influence in the community.

The Risks of not having a Key Accounts Program

- Customer leaves
  - Moves operation elsewhere
    - Loss of revenue
      - Affects other utilities
    - Economical Impact
      - Loss of jobs
- Expansion
  - Probable to expand but no communication with City
  - Negative reference for future growth

Benefits of a KA Program

- Capturing loss revenue
- Economic Development
- Adding value to your customers
  - Customers adding value back to the community.
- Building relationships – bridging the gap between Industry / Community
  - Establish networking opportunities from business to business.

Contact

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