



2010 Legislative Session

Friday, January 29, 2010

8 Legislative Days Down...32 Legislative Days to Go

**EMC Grassroots Effort Needed To Battle Pole Attachment Legislation
- Committee Action Possible February 02**

SB 328, legislation that targets EMCs' ability to govern their poles and introduced on behalf of the cable industry by Sen. Chip Pearson (R - Dawsonville) was dropped on Tuesday, January 26. As introduced, the bill would render contracts regarding pole attachments between cable companies and EMCs useless. ****Please find a complete list of updated and complete talking points attached to this bulletin.**** The bill has been sent to Senate Economic Development committee, chaired by Pearson, the bill's primary sponsor. EMC grassroots efforts throughout the state are beginning to pay off. Senators and legislative staff at the Capitol have noted that the personal messages from EMC personnel, management, board members and customers have had a noticeable impact and greatly affected the responses of legislators approached by the cable industry and the bill sponsor for support. GEMC Government Relations staff has worked to counter misinformation and to slow the bill down. Not coincidentally, the legislation has failed to move at the rate of speed that sponsors of the bill and cable lobbyists predicted. EMC grassroots efforts must continue full throttle in order to show Senators, especially members of the Economic Development Committee, that this bill seriously infringes on the safety of the electric infrastructure that serves nearly half of all Georgians. Reports indicate that the bill will be scheduled for a hearing and a possible vote on Tuesday, February 2. Georgia EMC is preparing testimony and witnesses for this committee meeting. Please continue to contact your Senators, especially if they are members of the committee (attached) and stay tuned for more on the evolving situation surrounding this bill.

Water Contingency Task Force provides update to House and Senate Natural Resources

John Brock, Co-Chairman of the Governor's Water Contingency Task Force along with Department of Natural Resources (DNR) Commissioner Chris Clark in the almost two-decades old tri-state waters wars case involving Georgia, Alabama and Florida met with House and Senate members this week to discuss the specifics of U.S. District Judge Paul Magnusson's ruling, the Governor's four-pronged approach (appeal, negotiations, congressional reauthorization, and contingency planning), and the task force recommendations. The task force found that the court's ruling creates a gap of 280 million gallons per day. This will negatively impact 10-15% of Metro-Atlanta's GDP. The task force concluded the options were to; conserve, capture, and control. Mr. Brock also stated that they know more water will be necessary in addition to conservation. Commissioner Clark followed with potential plans for the legislature; those include creating incentives for water conservation (tax rebates, credits, etc...), mandates in some areas (retrofits, sub metering, performance based contracting), and further study of some items like inter-basin transfers.

Water Councils Hear EPD Assessments

Regional Water Council members across the state are currently meeting to hear EPD assessments regarding ground water availability, surface water availability and surface water quality. The meetings are taking place with multiple councils so that members can discuss the assessments and how best to handle the situations where water is shared across council-region lines. These assessments will be finalized by EPD in the near future and then the council will make their recommendations on a plan of action. Members of the Georgia EMC Government Relations Team, EMC personnel that serve on the councils and Oglethorpe Power are covering each meeting.

Forestry Product Fairness Act

There is likely to be a bill entitled the Georgia Forest Product Fairness Act introduced this session. The bill will be aimed at insuring equal and fair treatment for existing forest product businesses that does not place them at a competitive disadvantage with other segments of the forest products industry. Similar legislation passed in Louisiana. Members of the Georgia EMC Government Relations team along with Oglethorpe Power are working to insure that there will be no negative impacts for biomass.

HB 938 – Texting While Driving

HB 938 introduced by Rep. Allen Peake (R-Macon) along with HB 944 and HB 945 introduced by Rep. Amos Amerson (R-Dahlonega) intend to outlaw texting while driving and levying fines for the act. In HB 938 it would be a \$100 fine and two points on the driver's license. In the initial hearing for the bill this week and in conversations with the sponsors there have been some concerns raised by law enforcement and utilities as to how it would impact some personnel in emergency situations trying to receive and send information on the way to a scene. Georgia EMC along with Georgia Power and Atlanta Gas Light have provided language to the Rep. Peake to address those concerns.

Potential Legislation to Address EPD Permitting

There will be an effort this year to clarify the process of EPD permits. The reason for the proposed legislation is to address the administrative law overruling the Longleaf Plant EPD permit. The proposed legislation will do two things, it will not declare an EPD permit invalid if it is not signed by a professional engineer, and in the case of permits it will require an administrative law judge to defer to the technical rulings of EPD. There was similar legislation introduced in the Senate last year dealing with the deference issue that narrowly failed in the Senate.

Speaker Ralston's Changes in House Continue to Occur

The House of Representatives passed HR 1168 on Thursday, January 28. This resolution removes all references to Hawks, legislators named as a sort of ex-officio members allowed to vote in any committee. Also contained in the resolution are measures aimed at limiting the power of the Rules Committee. The committee's ability to strictly structure bills and to alter bills already passed through a legislative committee have been severely limited in an effort by House members to ensure a more open process for debate.

Joint House & Senate Meeting Held to Discuss Ethics Reform

Senator Dan Moody (R - Johns Creek) and Rep. Joe Wilkinson (R - Sandy Springs) presided over a joint meeting of Senate and House Ethics Committees on Monday, January 25. Committee members heard expert testimony from speakers including former House minority leader Bob Irvin, former secretary of the State Ethics Commission Rick Thompson and Ethics Commission member Robert Highsmith. Topics of discussion included limits on lobbyist

spending; tighter lobbyist disclosure requirements and campaign contribution limits; an end to transfers between the campaign funds of different candidates; an independent ethics panel to review complaints; and a code of conduct for all legislators. Additional ideas touched on a "loser pay" provision aimed at complaints merely intended to embarrass lawmakers or candidates.

Monday, Feb. 8 at The Railroad Depot --- Remind Your Legislators About Our Reception

The Annual Georgia EMC Legislative Reception honoring members of the General Assembly and State Constitutional Officers will be held on Monday, February 8th at the Georgia Railroad Depot from 5:30-7:30. EMCs are encouraged to contact your legislators to remind them and invite them to attend. This is an important annual event and your contact and reminder will do much to ensure your legislators attendance. If you need contact information for your legislators you can go to www.legis.state.ga.us and if you need to confirm legislators for your cooperative district, please feel free to contact Travis Bussey at Georgia EMC at travis.bussey@georgiaemc.com or by phone at 404-521-7602. For more information about the reception, please contact Rachael Young at rachael.young@georgiaemc.com or 404-521-7644.

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**SB 328 - by Sens. Pearson, Mullis, Rogers, Williams, Murphy and Sims
Adversely Impacts Consumers of
Electric Membership Corporations (EMCs) Regarding
Cable Television (CATV) Pole Attachment Agreements
January 29, 2010**

- **EMCs Oppose SB 328**

- SB 328 compromises the reliable and safe operation of electricity distribution networks in Georgia, an essential component of our state's critical infrastructure.
- SB 328 increases government regulation by legislating provisions of what should rightfully be business-to-business, negotiated contracts for CATV pole attachment rental agreements with EMCs.
- SB 328 subsidizes CATV operations on the backs of EMC customer-owners – many who do not have access to CATV service. Such a subsidy serves only to increase CATV profits while further skewing the competitive issues in the marketplace already existing between telecomm and CATV interests in our state.
- SB 328 is an unnecessary waste of the 2010 General Assembly's vital time while lawmakers deal with the most challenging economic times in decades. EMCs and CATV interests agreed upon a model statewide agreement for CATV pole attachment contracts only 20 months ago (April 2008), and SB 328 is merely an attempt to legislate provisions of pole attachment contracts to the exclusive benefit of CATV owner-operators at the expense of EMC consumers.

- **Background**

- CATV operators (CTAG is their state trade association) are resurrecting an effort from 2007-2008 to legislate provisions in cable television (CATV) pole attachment agreements with EMCs and municipally-owned electric systems (ECoGA).
- Senator Chip Pearson (R – Dawsonville) informed GEMC on Jan. 14 that he had agreed to introduce CTAG's legislation (Jan 25) and intended to move it quickly (Jan 28) out of the Sen Econ Devel Committee, which he chairs.
- Sen. Pearson did not agree to meet with GEMC until Jan. 25. Although aware of GEMC objection to the proposed language and circumstances claimed by CATV interests, Pearson introduced SB 328 Jan. 27 and is expected to hear and potentially act on the legislation Feb. 2 before the Senate Economic Development Committee, which Pearson also chairs.
- EMCs (via GEMC) began negotiating provisions of a model pole attachment agreement in early 2007 – an agreement which is similar to a statewide joint-use agreement between EMCs and AT&T – and an agreement requested by CTAG to be used as a model for negotiations. CTAG apparently believed it necessary to use legislation as leverage to strengthen their negotiating posture, and was successful in spurring the introduction of SB 105 in January of 2007 before the negotiations began. EMCs and CTAG ultimately reached a formal agreement accepted by both parties in spring of 2008. This model agreement was embraced by specifically-assigned negotiating teams representing the membership of both CTAG and Georgia EMC, and both organizations

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(Background continued)

urged their respective members to execute the agreements. A significant number of these agreements have been executed over the past 20 months, and more remain to be executed. One legitimate claim and a significant driver of CTAG members' concerns revolved around inconsistencies in operational terms and conditions from one utility to another, and this model agreement provides a balanced statewide template that meets the needs of both CTAG members and EMCs. Predictability of costs was also another major concern for CTAG members and the model agreement helps address these concerns related to CATV challenges with system planning and revenue forecasts.

- CTAG is apparently no longer in acceptance of this model agreement and is asking the General Assembly to legislate some key provisions in existing pole attachment contracts, departing from provisions in the statewide model agreement reached just 20 months ago.
- SB 328 contains provisions that will compromise safety for our employees, compromise reliability of the EMCs' distribution networks, and compromise public safety with critical infrastructure along thousands of miles of roads and highways where traffic signaling equipment and 911 systems are often co-located.
- This legislation will impact 4.8 million Georgians who live in EMC-powered homes and businesses in almost every county in this state – many of whom do not presently have access to CATV nor will likely ever have access to CATV.
- With our state's economy in the worst recession since the great depression, this legislation will impact electric energy costs to our customer-owners – all of whom are tax-paying Georgians.
- EMCs are an indispensable part of our state's critical infrastructure, operating a 180,000+ mile distribution system, the largest such system in our state. Any legislation which could impact the reliability and safety of the EMCs' distribution system, or any public utility's distribution system, should cause great reservations for any public official.
- We have existing, legally-binding agreements with cable companies. This proposed action suggests that CTAG wants the General Assembly to have our electric consumers subsidize their cable TV systems - absolving CATV operators of existing contractual operating terms wherein they assume a fair share of our consumer-owners' costs and liability exposure – while compromising reliability, public safety and employee safety at the same time.

Contact Georgia EMC Government Relations for more information.
404-521-7644

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Brown	Robert	26	Tri-County EMC
Brown	Robert	26	Washington EMC
Buckner	Gail	44	Central Georgia EMC
Buckner	Gail	44	Snapping Shoals EMC
Butler	Gloria	55	Snapping Shoals EMC
Butler	Gloria	55	Walton EMC
Butterworth	Jim	50	Blue Ridge Mountain EMC
Butterworth	Jim	50	Habersham EMC
Butterworth	Jim	50	Hart EMC
Butterworth	Jim	50	Jackson EMC
Chance	Ronnie	16	Central Georgia EMC
Chance	Ronnie	16	Coweta-Fayette EMC
Chance	Ronnie	16	GreyStone Power Corporation
Chance	Ronnie	16	Southern Rivers Energy
Chance	Ronnie	16	Upton EMC
Harp	Seth	29	Central Georgia EMC
Harp	Seth	29	Coweta-Fayette EMC
Harp	Seth	29	Diverse Power Inc.
Harp	Seth	29	Flint Energies
Harp	Seth	29	Southern Rivers Energy
Harp	Seth	29	Upton EMC
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Hooks	George	14	Flint Energies
Hooks	George	14	Middle Georgia EMC
Hooks	George	14	Pataula EMC
Hooks	George	14	Southern Rivers Energy
Hooks	George	14	Sumter EMC
Hooks	George	14	Upton EMC
Jackson	William	24	Hart EMC
Jackson	William	24	Jefferson Energy Cooper
Jackson	William	24	Rayle EMC
Jackson	William	24	Washington EMC
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