Docket No. 28320

IN RE: MEMORANDUM OF UNDERSTANDING BETWEEN THE GEORGIA DEPARTMENT OF HUMAN SERVICES AND THE GEORGIA PUBLIC SERVICE COMMISSION

THIS AGREEMENT ("Agreement"), between the Department of Human Services ("DHS") and the Georgia Public Service Commission Service Commission ("Commission") is effective for the Regulated Provider Referral Program for the term of the Regulated Provider that commenced September 1, 2009.

WHEREAS, the Commission has created a universal service fund ("USF") pursuant to O.C.G.A. § 46-4-161(a). A purpose of the fund is to assist low-income residential consumers in times of emergency and consumers of the Regulated Provider of Natural Gas in accordance with O.C.G.A. § 46-4-166.

WHEREAS, in accordance with O.C.G.A. § 46-1-5, DHS has developed a program to identify those low or fixed income consumers of gas and electricity utility services who should benefit from public assistance in paying their energy bills.

WHEREAS, DHS has notified the Commission that it will need additional funding in order to process applications pursuant to the Regulated Provider Referral Program through August 31, 2012.

NOW, THEREFORE, in consideration of the mutual covenants herein set forth, the parties hereby agree that the Regulated Provider Referral Program shall be operated in accordance with the following terms:

1. On May 19, 2010, the Commission ordered an initial disbursement from the USF in the amount of $100,000.00 to be used in the Fresh Start Program. The Commission authorizes the transfer of $44,720.05 of that disbursement from the Fresh Start Program to the Regulated Provider Referral Program. In addition, the Commission approves a disbursement from the USF in the amount of $41,822.95 for the Regulated Provider Referral Program. The total amount that the Commission approves pursuant to this Memorandum of Understanding for DHS to process applications in accordance with the Regulated Provider Referral Program is $86,543.00.

2. Applications will be funded at $18 per application for the Regulated Provider Referral Program. Therefore, DHS shall use the $86,543.00 dedicated to the program pursuant to this Memorandum of Understanding to process at least 4,807 applications for the Regulated Provider.

3. Applications will be processed pursuant to this MOU through the earlier of August 31, 2012, or until funds run out.

4. For the purpose of this MOU, the term "process" means to (1) evaluate each application, (2) approve or disapprove each application, and (3) refer all qualified applicants to the Regulated Provider, indicating which of the consumers qualify for Group 1 service. DHS currently contracts and will continue to contract with community action agencies for the purpose of processing the applications discussed herein.

5. Of the $86,543.00 dedicated to the Regulated Provider Referral Program pursuant to this Memorandum of Understanding, $76,927.12 shall be used exclusively to pay the community action agencies to process the applications as that term is defined in paragraph 4 of this MOU. The fee charged by community action agencies to process applications is $16.00 per application. The remaining $9,615.88 shall be used to pay DHS for the administrative costs it incurs that are directly and solely associated with processing applications under the Regulated Provider Referral Program. In order to cover these administrative costs, DHS shall be paid $2.00 for every application that is processed. These administrative costs include the costs associated with the electronic transmission of applications between the community action agencies and the Regulated Provider, expenses to restock Regulated Provider paper application forms, and any other routine administrative costs incurred by DHS as a direct and sole result of the Regulated Provider Referral Program.

6. DHS may transfer to the community action agencies any administrative funds that it has been paid for applications that have been processed under the terms of this MOU. Any such transfer will be reflected in the "Energy Regulated Referral Monthly Reports" described in paragraph 9. DHS shall not transfer any of the funds dedicated to paying the community action agencies to the funds dedicated to pay its administrative costs.

7. In the event that DHS is required or requested to implement computer or other changes, related solely to the processing of Regulated Provider Referral applications, that are not included in the $9,615.88 that was budgeted for routine administrative costs, DHS shall file cost estimates with the Commission for it to consider granting additional funds. Any such requests shall be filed with the Commission within 45 days of DHS' receipt of a request or mandate to implement computer or other changes, and shall include supporting documents demonstrating the need for the requested funding. The Commission may request additional documents, if necessary to complete its review.

8. If, by August 31, 2012, the full amount of this grant has not been used for the purposes of processing consumer applications for the Regulated Provider, then the amount left over shall be returned to the Commission to be deposited into the USF.

9. Each month, DHS shall file "Energy Regulated Referral Monthly Reports" to the Commission. The form for this monthly report is attached and incorporated into this MOU. (Exhibit A). These reports shall set forth the number of applications processed, the amount of administrative expenses incurred and the balance of the funds dedicated to processing applications of consumers seeking to be served by the Regulated Provider.

10. Any consumer who received Low-Income Home-Energy Assistance ("LIHEAP") funds within 24 months from the date of application for the Regulated Provider Program and any consumer qualified from the effective date of this MOU shall remain qualified for a period of two years.

11. Any senior citizen, defined as a person age 65 or over, qualified as described in the previous paragraph shall remain eligible for a period of five years from the date of qualification. The eligibility for qualified senior citizens is dependent upon the consumer remaining the person responsible for paying the natural gas bill.

12. Consumers who have not been previously qualified for LIHEAP and who request Group 1 service will be referred by both the Regulated Provider, currently SCANA Energy Marketing, Inc. ("SCANA"), and DHS to the appropriate community action agency.

13. The Community Action Agency will enter electronically the consumer's name, Atlanta Gas Light Resources account number, application date, date of birth, and a security number into DHS's system.

14. DHS application forms used to qualify low-income consumers for the Regulated Provider Program shall include language that authorizes the energy supplier to release records to and discuss account status with representatives of DHS and the community action agencies that serve as agents of DHS.

15. DHS shall work with the Regulated Provider, currently SCANA, and the Commission to ensure the smooth operation of the Regulated Provider Program; DHS shall provide notice to the Commission as soon as it becomes aware of any problem that may disrupt the operation of the Regulated Provider Program.

16. In the event that additional funding is needed to process applications for the Regulated Provider, DHS shall file with the Commission any request for additional USF funding to process applications pursuant to the Regulated Provider Referral Program in a timely manner and shall include in its request supporting funds management documents demonstrating the need for the requested funding. The Commission may request additional documents if necessary to complete its review.

IN WITNESS WHEREOF, the parties have hereunto affixed their signatures on the dates indicated.

COMMISSION EXECUTION:

_____
Stan Wise
Chairman
Georgia Public Service Commission

Date: _____

DHS EXECUTION:

_____
Clyde Reese, III
Commissioner
Georgia Department of Human Services

Date: _____