



NEWS RELEASE

GEORGIA PUBLIC SERVICE COMMISSION

FOR IMMEDIATE RELEASE: February 17, 1998

CONTACT: Shawn Davis, Public Information Officer
(404) 656-6558 or 1-800-282-5813

PSC RULES AGAINST MEAG ENTRY INTO TELECOMMUNICATIONS

ATLANTA -- The Georgia Public Service Commission (PSC) issued a setback today to the Municipal Electric Authority of Georgia (MEAG) declaring by a 4 to 1 vote that the public corporation is not eligible to apply for certification to sell telecommunications services on its planned \$35 million fiber network.

"MEAG was created by the legislature and I believe we should exercise restraint here and let the General Assembly grant them the authority to get into the business," said Commissioner Stan Wise during Tuesday's administrative session.

MEAG attorneys argue that in the coming competitive environment, electric distributors must have adequate infrastructure in place to allow for a host of electric pricing options and more efficient management of its statewide electric system. The infrastructure, a 1200 mile fiber network which would interconnect the 48 municipally run power systems, would also be capable of delivering other communications services such as telephone, cable or Internet. Being able to sell more services over a broader customer base would enhance MEAG's competitive position and allow them to recover infrastructure improvement costs.

The Cable Television Association of Georgia and BellSouth Telecommunications filed briefs in opposition to MEAG's intentions. As a creature of the legislature set up to sell bulk electricity, they argued, MEAG can not enter other areas of business. Immunity from anti-trust laws, the power of eminent domain, tax-free status and the ability to obtain low interest and no cost capital would create an unfair advantage over private companies.

Chairman Mac Barber, the lone dissenting vote, offered a substitute motion in favor of allowing MEAG into the business per the 1995 Georgia Telecommunications Act. Barber argued that the Act allows **any** corporation to enter the telecommunications market. Commissioner Dave Baker countered, however, stating that in drafting the Act, the Legislature included local governmental entities but did not include public corporations or governmental authorities such as MEAG. The PSC has certified five municipalities to provide telecommunications services - Marietta, Fairburn, LaGrange, Newnan and Thomasville (Calhoun and Cartersville are also pending).

MEAG has released a statement indicating they will decide "in the coming weeks" whether or not to appeal the decision.

###