

GEORGIA PUBLIC SERVICE COMMISSION**NEWS RELEASE**

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PSC SET TO OPEN GAS MARKET TO COMPETITION THURSDAY

ATLANTA -- The Georgia Public Service Commission (PSC) is expected to issue ground breaking rules Thursday that will give customers of the state's largest gas utility a choice in who sells them gas. Georgia will be the first state in the nation to fully open the gas market to competition at the residential level.

"Competition should lead to more efficient service, more choices and lower prices," said PSC Chairman Bobby Baker.

Under a new state law passed in 1997, the sale of natural gas in the Atlanta Gas Light (AGL) territory will be opened to competition as early as November 1, 1998. Once the market is fully deregulated, AGL will no longer sell gas directly to consumers, but will become a distribution company responsible for transporting gas to homes and businesses. Marketing companies will be responsible for selling gas directly to the 1.4 million customers currently served by AGL.

Also on Thursday, the PSC will rule on rates that AGL will charge consumers during the transition to competition. AGL is seeking an \$18 Million increase in rates while the PSC staff is expected to offer a different recommendation for the Commission to consider.

Beginning this fall, consumers can expect to be contacted by as many as fifteen marketers offering to sell gas. The marketers must apply for PSC certification by July 16 in order to compete in the fall. PS Energy Group, Inc. became the fifth company to seek marketer certification joining Williams Energy Services, Shell Energy Services, PG&E, and Enron Corp.

The delivery of natural gas to homes and businesses will not change. The prices charged by AGL to marketers will continue to be regulated because the system remains a monopoly. Marketers will set their own competitive prices to supply customers with gas.

Atlanta Gas Light Company will operate its own marketer that will compete against other marketers. A PSC hearing officer ruled Tuesday the Company may not name the affiliated marketer Atlanta Gas Light Services. The hearing officer reasoned that using the same name and logos would "accrue an advantage" unfair to other competitors and would "mislead the public" as to whom the customer was dealing.

The hearing will be held at 10:00 a.m. in the PSC Hearing Room located at 47 Trinity Avenue, 5th Floor.

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