



NEWS RELEASE
GEORGIA PUBLIC SERVICE COMMISSION

FOR IMMEDIATE RELEASE: January 5, 2001

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Commission Responds to Legislator's Comments On Gas De-Regulation

The Public Service Commission wishes to respond to several inaccurate statements released this week by State Representative Mike Snow. In his release, Representative Snow says that the Universal Service Fund is intended to give all gas users a price break this winter. He also says the Fund will be depleted. Neither statement is accurate.

By law the Universal Service Fund is intended to do two things: 1) pay for pipeline extensions; and 2) reimburse marketers for uncollectibles (money owed by customers who have not paid.) The law does not mention elderly or low-income citizens therefore the only opportunity to aid consumers directly with the USF is to refund any excess money in the fund. Last year, the Commission voted to refund more than \$52 million dollars in order to provide credits to consumers this winter. Low-income and elderly citizens will receive a \$10 credit on their natural gas bills for gas used in January, February and March while all consumers will receive a \$14 credit for natural gas used in February and March. Representative Snow's statement that the USF will probably be depleted is simply not true. The USF is funded mainly through interruptible revenues collected by Atlanta Gas Light Company.

Representative Snow says that the price of "propane" gas can be attributed to de-regulation. In Georgia, the Public Service Commission has no regulatory authority over the price of "propane" gas whatsoever. In fact, the Commission has never had any authority over the price of "propane" gas.

The Commission also points out that the increase in natural gas prices again is a function of supply and demand not of de-regulation. This Commission continues to monitor de-regulation and has taken steps to ensure that consumers receive accurate, timely bills and reliable service.

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