# NEWS RELEASE
# GEORGIA PUBLIC SERVICE COMMISSION

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## PSC Cuts Atlanta Gas Light's Revenues By $30 Million Over The Next Three Years

ATLANTA – Today, the Georgia Public Service Commission (the Commission or PSC) reduced Atlanta Gas Light Company's (AGLC or Company) annual revenues by $10,000,000 and adopted a three-year performance-based regulation (PBR) plan. Commission Chairman David L. Burgess said, "The PSC's decision achieves three goals of reducing rates, improving customer service and safety, and providing a mechanism to refund any future overearnings to consumers in a timely manner. In addition to benefiting the consumers, this plan ensures a viable natural gas company that can meet the demands placed upon it and provides incentives for the Company to further reduce costs." In its decision, the Commission:

- Lowered monthly residential bills starting May 1, 2002, by reducing Company revenues by $10 million annually for three years and setting AGLC's allowed return on equity (ROE) at 11%.
- Adopted an earnings band of 10% to 12%. If AGL earns above the band, the excess earnings will be split automatically between ratepayers and the company, with ratepayers receiving 75% and the Company 25%. As long as earnings remain within the band, the Company may not seek a rate increase.
- Increased the senior citizen discount to $10.50 per month from the current $9.05.
- Ordered AGL to improve customer service and emergency response times, and to invest $9 million in a Customer Information System for more accurate and reliable information.
- Opened a docket to establish and implement comprehensive performance measurement standards with the ultimate end of improving customer service quality consistent with the Natural Gas Consumers' Relief Act of 2002.
- Provided an incentive to get disconnected customers back on the system by offering amnesty from past due AGL base charges. As many as 30,000 of the customers disconnected in 2001 have not been reconnected.
- Required AGL to file a cost of service study in three years at the end of the PBR period.

Last year, the PSC initiated this review of AGL's earnings after Commission Staff's analysis and audit findings indicated possible overearnings. AGL contended that it needed an additional $45 to $50 million in revenues. The lower rates approved by the PSC go into effect on May 1, 2002.

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