



NEWS RELEASE
GEORGIA PUBLIC SERVICE COMMISSION

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**PSC Cuts Rates Of Chickamauga Telephone Company To
Resolve Allegations of Regulatory Noncompliance and Rate Over-earnings**

ATLANTA – The Georgia Public Service Commission (“Commission”) today voted to accept a Stipulation from Chickamauga Telephone Company (“Chickamauga” or “Company”) that will cut rates for Chickamauga Telephone customers by \$311,000 a year. Chickamauga customers will see reductions in their rates for local residential and touchtone telephone service.

In its original complaint, the Commission contended that the Company violated an Order issued on December 15, 1992, in Docket 4077-U directing Chickamauga to cease making advances to its parent and to eliminate the balance that had accrued in past years from doing so. The PSC also contended that the Company was over-earning on the rates that it has been charging its subscribers.

Under the terms of the Stipulation accepted by the Commission, the Company will refrain from engaging in the activities prohibited in the 1992 Order until the monies owed by its parent are paid back with interest. Chickamauga also will pay \$50,000 into the State Treasury and reduce its earnings on an annual basis by \$311,000.00. The revenue, rate design and tariff changes called for in the Stipulation will take effect on August 15, 2002, at an approved return on equity of 12.17%.

Under the terms of the Stipulation, the Company made no admissions regarding the allegations made by the Commission.

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