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NEWS RELEASE

PSC Approves Stipulation Settling Lawsuit Over Regulated Provider Resources

ATLANTA, October 30, 2002 – The Georgia Public Service Commission (Commission) today by a 3-1 vote approved a stipulation to settle a lawsuit filed by industrial users concerning the financing of the Regulated Provider program. Commissioner Robert Baker opposed the Commission's decision to decide the surcharge issue without any evidence or hearing as required by law.

The stipulation ensures the continuation of the Regulated Provider program that makes natural gas available at lower prices for low-income consumers and senior citizens. It also allows consumers who have been unable to receive service from any natural gas marketer due to past credit problem to obtain natural gas service. Commission Chairman David L. Burgess noted, "The stipulation guarantees that the 90,000 consumers who have been disconnected or are without natural gas service will have access to natural gas."

The stipulation also contains provisions that reflect how a surcharge will be assessed against large industrial customers to recover their equitable cost of using Atlanta Gas Light Company's natural gas distribution system. SCANA Energy Regulated Division, as the Regulated Provider, and the industrial users will share in the cost of bad debt once the number of customers who sign up for the Regulated Provider Program exceeds 25,000. The amount of the surcharge will be determined at the end of the first year of the Regulated Provider Program in September 2003. No funds from residential ratepayers will be used in the program.

The stipulation does not preclude the Commission from providing additional refunds to residential and commercial customers from the Universal Service Fund.

The Commission established the Regulated Provider pursuant to authority granted to it under the Natural Gas Consumers' Relief Act, which was approved by the 2002 Georgia General Assembly. The Georgia Textile Manufacturers Association and the Georgia Natural Gas Group had filed a civil suit in Fulton Superior Court on August 23, 2002, challenging the Commission's method of funding the Regulated Provider Program.

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