



Contact: **Bill Edge**
Phone 404-656-2316
Fax 404-656-3020
E-mail: bille@psc.state.ga.us

Georgia Public Service Commission

244 Washington St., S.W.
Atlanta, Georgia 30334
Phone: 404-656-4501
Toll free: 800-282-5813

News Release

PSC Approves Resolution of Alleged Violations of Natural Gas Act by Natural Gas Marketer Southern Company Gas; Takes Position Against Use of Automatic Renewal of Fixed Price Natural Gas Contracts

ATLANTA, July 1, 2003 – The Georgia Public Service Commission (Commission) today unanimously accepted a stipulated agreement to resolve alleged violations of Georgia law and Commission rules by Southern Company Gas. Among the alleged violations are that Southern Company Gas sent notices to its customers threatening disconnection with less than the required 15-day notice, and required customers to pay the entire amount due rather than the amount past due more than 45 days. The stipulated agreement requires Southern Company Gas to credit \$45,000 to affected customers' accounts and to contribute \$100,000 to the Low Income Heat Energy Assistance Program (LIHEAP) for a total payment of \$145,000.

Commissioners made it clear they expect all marketers to abide by the law and Commission rules in the future. Chairman Robert B. Baker, Jr. said "The rules are in the law, they are not tricky. We hope we won't have these cases in the future and that our staff can spend more time assisting consumers." Commissioner Angela Speir noted that Southern Company Gas is the fourth natural gas marketer this year to come before the Commission for alleged violations of natural gas laws and Commission rules. "Marketers have had their warning shot. If we see these types of violations continue, we will seek stronger sanctions."

Commissioner David Burgess noted that consumers will directly benefit from today's action. "This step will bring the total to \$1 million in credits this year that natural gas consumers have received due to Commission enforcement of state law and Commission rules," Burgess said.

Additionally today, a majority of Commissioners came out forcefully against the proposed use of automatic renewal provisions for fixed-rate gas contracts. The Commission's policy statement against the use of automatic renewal provisions was the result of a new tariff filed by Shell Energy Services Company that would have permitted the company to automatically renew a customer's service contract without receiving any affirmative consent from the consumer. The Commission Staff identified several matters where natural gas consumers had been given only a few days to respond and had received misleading and inaccurate information regarding gas contract renewal.

The Commission's policy statement against the use of automatic renewal provisions will be evaluated in conjunction with a proposed rulemaking proceeding pending before the Commission regarding the

use of automatic renewal provisions in gas customer contracts.

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