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News Release

PSC Approves Economic Assistance for Savannah Development; Requests Staff Prepare Plan for Heating Assistance

Atlanta, September 6, 2005 -- The Georgia Public Service Commission (Commission) today by a majority vote of 3-2 approved nearly \$400,000 in economic assistance for a major economic development in the Savannah area. The funds will be distributed from the Universal Service Fund (USF), a fund established by the Natural Gas Competition and Deregulation Act of 1997. The law allows the Commission to use the USF to provide funding for the extension of natural gas lines into unserved areas in the Atlanta Gas Light Company (Company or AGLC) service area.

The project will extend an AGLC natural gas main more than 2,500 feet under the Savannah River from the mainland to Hutchinson Island. The developer says 161 residential units will be developed initially. Commissioner David Burgess who made the motion in support of the funding, said, "This project is a great opportunity for the Commission to do something in the Savannah community." Commissioner Burgess says there are plans to tie an already existing hotel on the island into the pipeline as well as additional contemplated commercial, industrial and residential construction.

The Commission's action requires the developer, Savannah Harbor, to contribute \$100,000 to the project in order to receive the additional funding of \$396,541. Burgess's motion also requires the Company to track the number of units served by the pipeline and make refunds to the USF. Burgess says he believes it is possible the Company will eventually repay the entire amount of the funding back to the USF.

Commissioner Stan Wise, who joined Commissioner Burgess and Commissioner Doug Everett in voting for the USF disbursement said, "This is an opportunity to jump start economic growth in Savannah."

The Commission has previously approved grants from the USF for economic development in Wilkinson County in 2004 and Appling County in 2003.

Also, Chairman Angela Speir directed that the Commission staff in coordination with the Department of Human Resources (DHR) assess the needs for the upcoming winter in order that the Commission can make a disbursement from the USF to assist DHR through the Low Income Heat Energy Assistance Program (LIHEAP). Commissioner Speir said, "We need a plan of action - not reaction.

We must go ahead and get the wheels turning so that we can assist as many customers in need as possible, starting with the elderly, disabled, and those with young children in need of assistance.” Speir notes that as of today, the per therm price of natural gas filed at the Commission has jumped on average 27% for variable rates, and 31% for fixed rates. Speir added, “We need to plan ahead to help as many people as possible as we face what could be one of the toughest winters in history.” Last year the Commission disbursed \$3 million to assist low-income senior citizens and families with their winter heating bills. Since 2001, the Commission has approved more than \$24 million in funding from the USF to help low-income families with their winter heating bills.

For more information on this issue, go to the Commission website, www.psc.state.ga.us and enter Docket Number 11588-U in the Docket Search section.

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