



Contact: Bill Edge
Phone 404-656-2316
Fax 404-657-3020
www.psc.state.ga.us

Georgia Public Service Commission

244 Washington St S.W.
Atlanta, Georgia 30334
Phone: 404-656-4501
Toll free: 1-800-282-5813
(outside metro Atlanta)

FOR IMMEDIATE RELEASE

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NEWS RELEASE

PSC Approves Transfer of Retail Electric Service for South Georgia Manufacturer

Atlanta, October 3, 2006 – The Georgia Public Service Commission (Commission) today approved the request of ERCO Worldwide in Valdosta to transfer its retail electric service from Colquitt Electric Membership Cooperative to Georgia Power Company. (Docket Number 23549) The Commission held a full hearing on this issue on September 20, 2006. ERCO Worldwide had applied to the Commission for the transfer in August, 2006.

In approving the transfer, the Commission voted 4-1 to find that Colquitt EMC's rates were discriminatory. The Commission also accepted a number of findings recommended by the Commission staff:

1. The three party agreements between ERCO, Colquitt EMC and Oglethorpe Power effectively caused Colquitt EMC to abandon ERCO and fail to provide adequate and dependable service.
2. Georgia Power will have the right to serve the ERCO facility for the life of the facility and the right to serve any new facilities at that location.
3. The Commission declares that opt out clauses such as that contained in the ERCO contract are contrary to public policy and in violation of the Territorial Act.
4. Colquitt EMC is ordered to file all rates, charges, service rules and regulations with the Commission including the three party contract with ERCO.

Commission Chairman Stan Wise said, "This case was difficult but it is about economics and providing an opportunity for a customer to serve and stay in Georgia."

Commissioner Doug Everett said he could not support the finding of discriminatory rates but he supported the main decision in order to ensure that ERCO Worldwide continues to provide an economic benefit for the state of Georgia.

ERCO Worldwide manufactures chemicals used in the production of paper products. It employs approximately 80 people and has a payroll of \$2 million.

The Commission ordered the transfer to take place no later than January 31, 2007.

You can find more information on this issue on the Commission web site, www.psc.state.ga.us under Docket Number 23549.

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