

BLUE RIBBON NATURAL GAS TASK FORCE

Final Report to

Governor Roy E. Barnes

and

General Assembly of the State of Georgia

February 5, 2002

February 5, 2002

Honorable Roy E. Barnes, Governor
Office of the Governor
State Capitol
Atlanta, Georgia 30334

Dear Governor Barnes:

Pursuant to your executive order dated November 18, 2001, it is my pleasure to submit to you and the General Assembly the report from the Blue Ribbon Task Force on Natural Gas. Speaking on behalf of the Task Force as Chair, I am confident we have provided a range of policy options to address the issues created as a result of deregulation of natural gas in 1997.

In the course of our activities, we held four lengthy meetings of the Task Force, formed and met with the Industrial Advisory Group, heard from consumers through members of the task force and reviews of 14,000 records of consumer complaints, and worked with all parties to develop the final report. We have attempted to provide you and the General Assembly with a concise list of recommendations while backing them up with documentation to support our conclusions.

As you know, while deregulation was intended to benefit the consumer, there were many unintended consequences for consumers, businesses, state regulators, and gas marketers alike. The Task Force believes that resolution of these matters calls for a multi-pronged approach to provide for enhanced consumer protection and education, improved levels of service, and stability in the marketplace. We do not believe that re-regulating is appropriate at this time.

I know you will join me in thanking the members of the Task Force and the Industry Advisory Group. They worked hard and diligently to find a resolution that will serve the citizens and businesses of the State of Georgia well into the future. We benefited greatly from the support of the Public Service Commission and their staff. I would also like to express my appreciation to Mr. Chris Carpenter of your office and to members of our support team from Georgia Tech, Mrs. Lynn Durham, Dr. Jan Youtie and Mr. Andrew Harris.

This report brings to a close the primary charge you have given the Task Force. However, we stand ready to answer questions or provide commentary on our report as needed. Thank you for this opportunity to serve the State of Georgia.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Wayne Clough', with a long horizontal flourish extending to the right.

G. Wayne Clough

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EXECUTIVE SUMMARY

On November 18, 2001, Governor Roy Barnes issued an Executive Order creating a Blue Ribbon Task Force on Natural Gas, requesting it to address issues arising as a result of the 1997 deregulation of natural gas sales. Information and recommendations were sought that could be used by the Office of the Governor and the General Assembly to formulate legislation during the 2002 session and to shape regulations to correct problems and improve outcomes. The Task Force received nearly 60 reports and other documents, summaries from some 14,000 consumer complaints, and heard testimony from a range of competing viewpoints from consumer advocates and an Industrial Advisory Committee in the course of four meetings over a six-week period. Based on the information available, the Task Force arrived at the conclusions and recommendations incorporated in this report.

Current Situation: Summary of Findings

- The 1997 legislation that led to deregulation of the natural gas market in Georgia was designed to open the sale of gas to consumers to competition. While this aspect of the business was deregulated, the network through which the gas was provided, owned by Atlanta Gas Light Company (AGLC), remained regulated under the authority of the Public Service Commission (PSC). AGLC remained a critical link in the system since it was the entity that actually delivered gas to the consumer and reported information back to the marketers about consumption.
- It was expected that the competitive part of the market would include upwards of twenty marketers, and that competitive forces among them would reduce prices below levels existing in 1997. It was also assumed that other states would follow Georgia's lead, creating a regional or national market that would benefit Georgia consumers.
- Contrary to assumptions, deregulation in other states did not occur at the speed or comprehensiveness that took place in Georgia. To date, most states have maintained a regulated or partially regulated natural gas market.
- Georgia's early entry into deregulation has not yet affected a clear long-term advantage. The relatively small size of Georgia's market, and the lack of the entry of other states into the deregulated market, led to a smaller than expected competitive environment. As this report is written, four marketers control 94 percent of the market. The resulting changes were complicated in the second year of deregulation by the occurrence of a record cold winter accompanied by record high commodity prices.
- The benefits of deregulated rates have been decidedly mixed with a small number of natural gas users, particularly large industrial customers, receiving lower prices than before deregulation, but with most users, particularly those with fixed and lower incomes, being buffeted by higher than anticipated prices, volatile prices, poor customer service (billing error, billing failure, inability to reach marketer call centers,

disputed disconnections of service), and increased difficulty in responding to the high bills of last winter, resulting in higher overdue balances, particularly for low-income customers.

- Deregulation in its early phases led to confusion on the part of consumers as to the reasons for the charges they were receiving and the changes in them. Marketers in many cases were not prepared for the challenges of the numbers of consumers they acquired and excessive numbers of billing errors occurred.
- Consumers have in large part indicated they want understandable and reliable service, fair prices, stability, and accurate and timely bills, not deregulation per se. As it was stated during the course of the Task Force proceedings, “Consumers did not ask for this and are not seeing clear benefits from it.”
- Rather than less regulation, considerable regulatory and legislative involvement has occurred following the initial 1997 legislation, with much of this activity responding to various crises and lack of comprehensive regulations or pro-active low-income programs when deregulation was first enacted.
- Most of the problems and consumer issues have proven to reside in urban and suburban areas in the AGLC territory.

Issues that Need to be Addressed

- Enhancing measures of consumer education.
- Enhancing consumer protection and disclosure of service terms.
- Providing accurate billing and reducing cases of erroneous service cut off.
- Ensuring adequate “safety net” service to low income and disabled customers.
- Reducing levels of bad debt incurred by the marketers in a deregulated market.
- Improving business interactions between AGLC and the marketers; this is a key element to Georgia’s business model since the marketers are dependent on AGLC for delivery of gas, reporting of billing information, and cut off of service if required.
- Encouraging an environment that will yield the most favorable, least volatile pricing.
- Maintaining a robust competitive market with improved options for consumer choice.
- Balancing the distribution of costs between different types of consumers for lost and unaccounted for gas and the expansion of the gas network.

Task Force Process

The task force mandate was open to all approaches that might be options to address the issues that resulted from deregulation. A full range of options was considered, from minimal changes to the possibility of returning to a fully regulated market. All task force members were active participants in the process and in the end consensus was reached on all of the recommendations that were made.

Recommended Approaches

The question of re-regulation was given considerable discussion. It was felt that this option was not desirable for a number of reasons, including the potential cost, loss of jobs, loss of credibility with industry for changing course only three years following deregulation, possible litigation, reduced consumer choice, loss of options for the state should more states choose to deregulate, and the challenges and time required in re-establishing a regulated service company. As one task force member said, “A common reaction to the problems we face is to say why not re-regulate, but we need to be responsible and consider what would have to go into that and what the costs would be.” There were concerns about significant potential monetary costs—estimates of hundreds of millions of dollars and possibly as high as \$500 million to compensate marketers for claims they might allege under the U.S. or Georgia Constitution that property has been “taken” without due process or adequate compensation, as well as the estimated costs in the \$50 to \$60 million range to recreate Atlanta Gas Light Company (AGLC)’s billing, customer service, and field operations. As a result, the Task Force consensus opposed returning to a traditional regulated monopoly.

This report focuses largely on recommendations that would refine and improve the present deregulated market. Although every member of the Task Force does not necessarily endorse all approaches and recommendations, consensus was reached on all recommendations.

Proposals Needing Legislative/Regulatory/Executive Action

- Introduce a provider with regulated rates.
- Improve consumer education by giving the responsibility to the Governor’s Office of Consumer Affairs, assisted by an independent advisory board.
- Develop a compilation of natural gas consumer rights.
- Seek additional funding for federal LIHEAP and require uniform marketer participation in the charitable contributions program.
- Raise eligibility requirements for LIHEAP in Georgia to 175 percent of federal poverty standards, provided that sufficient additional funds are available
- Bundle low income heating assistance initiatives into the state’s larger efforts to communicate the availability of services to Georgia citizens.
- Task the Georgia Department of Industry, Trade, and Tourism to proactively recruit additional marketers to the state.
- Set expectations, monetary incentives/disincentives for improved interaction between AGLC and marketers, and for level of services AGLC provides to marketers.
- Remove barriers for EMCs to market natural gas services
- Enhance PSC emergency powers if competition no longer exists.
- Settle true-up procedures through the regulatory process.
- Settle permanent assignment of interstate assets through the regulatory process.

Proposals Needing Review

- Review the legislatively imposed 24-month limitation on the use of the Universal Service Fund for bill payment assistance programs for low-income customers.
- Study problems related to marketer access to bank accounts and credit cards.
- Consider removing the requirement for straight fixed variable pricing charged by AGLC for the delivery portion of the bill.

Proposals Considered, but Not Recommended

- Raising deposit levels, particularly for those seeking re-establishment of service.
- Opening new lines for competition of ancillary services.
- Expansion of right of action to redress damages; Georgia Fair Business Practices Act protections may be sufficient.
- Adding bad faith clause for false claims against marketers; Georgia Fair Business Practices Act protections may be sufficient.

Proposals Considered but No Conclusions Drawn

- Expansion of the PSC's authority to approve marketers' changes in service terms and conditions was discussed.
- Expansion of the PSC's authority to require marketers to file notification of changes in variable rates was considered.
- Redressing ongoing disconnection/reconnection enforcement problems, particularly those experienced by low-income and medically disabled customers, was discussed but no remedy was agreed on.
- Various sources for a consumer education fund were discussed, including contributions from marketers, government, and consumers.
- The lack of interruptibles' contributions for the distribution system and lost and unaccounted for gas drew concern.
- Increasing PSC resources to add staff

The Task Force made every effort to be specific, but was restricted by the complexity of issues and time constraints. It is acknowledged that these general recommendations must be translated into specific legislation or regulation by the Governor, General Assembly, and PSC to affect implementation.

Introduction

The provision of natural gas to consumers in Georgia was deregulated by legislation in 1997. The legislation provided that the physical network for supply of natural gas by its owner, Atlanta Gas Light Company (AGLC) would remain regulated, but that the marketing of natural gas to consumers would be deregulated. Since 1997, issues related to natural gas supply and its services have come under increasing criticism. “ I have never found an issue that has galvanized the public and at the same time confounded the regulators, legislators and industry participants,” observed one state policy maker. Problems with natural gas have had their focus with residential and urban and suburban consumers. The benefits of deregulation seemingly were with heavy industrial users.

Task Force Mission and Organization

On November 8, 2001, Governor Roy Barnes issued an executive order appointing a Blue Ribbon Natural Gas Task Force. The Governor’s executive order directed the Task Force to address the following issues: (1) the inadequacy of competition in price and services among natural gas marketers, (2) payment by retail customers of disproportionately higher prices for natural gas when compared to regulated markets in the region, and (3) long-term solutions for the many residential consumers in Georgia who are, or soon may be, without gas service. (See Appendix 1 for a copy of the Order.) Concerns about liquid propane or customer experiences in the regulated markets or municipally run systems in the state were outside the scope of this mission.

Nineteen members were appointed to the Task Force, including the chair, President G. Wayne Clough of the Georgia Institute of Technology. All five commissioners of the Public Service Commission (PSC), six members of the Georgia General Assembly, four members of the executive branch, the executive director of a community action agency, and two consumers were also asked to serve. In addition, the executive order called for the creation of an advisory committee composed of representatives of natural gas marketers, local distribution companies, and others. Fifteen members were asked to serve on this committee, including representatives from the seven of the eight marketers currently serving customers in Georgia, AGLC, five other energy companies, and two industrial customers. (See Appendix 2.)

The Task Force held four 3 to 4-hour meetings over a six-week period. Some 60 documents—presentations, reports summarizing approaches from other states, statistical data on pricing, market share, disconnections, implementation activities, timelines, and other materials—were reviewed at this meeting. Particularly important were summaries of consumer complaints, which the Georgia Public Service Commission, Governor’s Office of Consumer Affairs, and AGLC provided. These summaries documented complaints from 14,000 natural gas consumers in Georgia.

Overview of Report

The aim of this report is to identify the main problems and dislocations affecting residential consumers as a result of natural gas deregulation. It then defines public policy approaches necessary to address these problems and dislocations, and provides recommendations to the Governor and to the General Assembly.

Throughout this document, the term “deregulation” is used to describe the unbundling of natural gas supply services or “merchant services” from the delivery and local transportation of the natural gas by the local distribution system. Supply/merchant/marketer services include billing, collection, disconnection/reconnection orders, and customer service aspects of natural gas service. Delivery and local transportation services include reading customer meters, sending usage information to the customer’s marketer, and physically deactivating or reactivating service. It is acknowledged that not all aspects of natural gas service are really deregulated. Distribution companies (i.e., AGLC) and marketers are still subject to various rules and regulations set forth in legislation and implemented by the PSC. The term deregulation thus refers to price and service elements of natural gas supply service that are not provided solely by a regulated utility.

History

Assumptions About Deregulation

The impetus for natural gas deregulation sprang from several assumptions, which reflected a desire to improve natural gas services.

- Deregulation trends at the national level¹ would spur states to deregulate and create a large competitive market for natural gas
- It was assumed that deregulation would yield lower prices and better customer services through competitive pressures.
- Customers would value these lower prices and better services, and as a result, want customer choice.
- Marketers coming into the state and becoming certificated to provide service would largely be stable businesses.
- With an adequate transition period, Georgia’s early entry into deregulation would provide a significant advantage

Key Concepts

SB 215, The Natural Gas Competition and Deregulation Act, was signed into law in April 1997. SB 215 established a framework for transitioning from traditional regulation to deregulated natural gas service through the introduction new concepts. One concept was a new base rate for delivery service, the straight fixed variable (SFV) rate. Prior to SB

¹National Gas Policy Act of 1978, FERC’s Order 436 and 636, Arcadian Corp. v. Southern Natural Gas Co [61 F.E.R.C. (1992)].

215, base rate charges were assessed based on usage (i.e., volumetric pricing). The SFV rate developed a uniform base charge for each residential and commercial customer to recover the full cost of the system. SFV base charges originally were levied in equal annual payments regardless of season, and were unbundled to provide more information to the consumer. “This rate design upset customers because they saw their bills go up in the summer and they didn’t understand why. With unbundled bills people thought they had all sorts of new charges,” explained one member. In 2001, these rates were sculpted to reflect historic seasonal patterns.

At the same time, there was a change to charges for service to large industrial customers (i.e., interruptibles). Interruptibles formerly contributed about \$50 million of the cost of the local distribution system. It was contended that this contribution could be artificially subsidizing residential and small business customers (i.e. firm customers), because interruptibles do not use the system at peak times. There were additional concerns that large customers would bypass the local distribution system entirely. Deregulation ended the requirement that interruptibles’ contributed to the local distribution system base charges.

Another concept was the Universal Service Fund (USF). The USF originally was created to support line extensions and reimburse marketers for bad debt they incurred in providing natural gas service to residential customers. The USF is financed mostly by interruptible customers’ payments to AGLC. Currently, the USF receives between \$6 million and \$8 million per year from all sources, including interruptible customers’ payments.

Deregulation Timeline in Georgia

It was believed that deregulation would take place over several years at least. Deregulation actually took place in about 10 or 11 months. (See Appendix 3 for summary of deregulation activities.) Nineteen marketers went through the PSC’s process to verify technical and financial capability and were certified by November 1998, although five were inactive (did not serve customers in Georgia). Under the Act, once five marketers were certified, AGLC’s price for commodity sales service became deregulated. AGLC’s new unregulated rate model for commodity sales increased bills for many customers and hastened firm customers’ move to marketers. HB 822 was passed to further enhance choice. By August 1999, all firm customers in the AGLC service areas that did not choose a marketer (roughly 280,000 out of the 1.6 million former AGLC customers) were randomly assigned to one based on marketers’ shares of existing customers. By October 1999, AGLC exited the merchant function.

One member summed up the result of this quick transition by stating, “I have never seen another market that experienced a complete change in less than 10 months. The infrastructure and systems were not in place to accommodate this change. There wasn’t adequate time to tell consumers what was happening to them. It created problems at the very beginning.” The fast pace of deregulation left some marketers unprepared for the large numbers of customers requiring service and for some time, reliable and timely bills

were not produced. Slamming complaints surfaced in 1999, leading the PSC to issue rules in early 2000. The bankruptcy of Peachtree Natural Gas (one of the market leaders at the time) in 1999 led to the establishment of a marketer to act as an “interim pooler” to handle customers of marketers that left the system. In all, five marketers exited the state.

The winter of 2000-2001 saw record cold temperatures and higher than normal commodity rates. Wholesale prices also rose from nearly 50 cents to about \$1 per therm. Because most customer contracts called for variable rate prices for natural gas supply, the resulting increase in variable rate prices for residential gas (which went from below 80 cents to \$.99 to \$1.29 per therm over a one-month period) led to the disconnection of substantial number of consumers who could not or would not pay their bills. These trends were not unique to Georgia, as surrounding states also experienced high cutoff rates. (See Appendix 4.) Taken together with large customer migration volumes and billing problems, many refer to what happened as the “perfect storm.”

In January 2001, the PSC imposed a 10-week moratorium on customer disconnections to avoid denying heat in record cold weather to about 20 percent of former AGLC customers in arrears. Many of these arrears were caused by long delays by some marketers in billing customers and the Commission was concerned that customers who were not at fault would face disconnection. The Governor signed SB 217 in April 2001, which limited deposit amounts, provided additional customer protections, and permitted emergency use of the USF to supplement low-income customer heating assistance over a 24-month period.

The billing problems and moratorium made bad debt an important issue for the major marketers throughout 2001 and eventually nine more marketers left the state by the end of the year. Major marketers’ retail prices on average remained higher in the summer and fall of 2001 than expected given the substantial drop in wholesale prices below 30 cents a therm during that time. Over 100,000 disconnections occurred, and as of December 2001 approximately 50,000 households remained disconnected.

By the end of 2001, the PSC distributed \$15 million from the USF to assist low-income households and seniors, \$7 million of which was administered through the Georgia Department of Human Resources. The PSC designated Infinite Energy as a temporary emergency provider of last resort (POLR) ending in June 2002. Georgia Natural Gas, SCANA, and Shell also announced that they would defer payments of overdue balances to restore service for low-income customers, and Atlanta Gas Light agreed to waive \$25 disconnection charges and waive or defer other charges for low-income households.

Other State Models

Throughout this time period, 26 other states experimented with natural gas deregulation. Many states targeted unbundling programs to industrial, commercial, or small business customers only (e.g., Arizona, Florida, Kansas, Rhode Island). Several states have large utility-based programs not authorized through legislation (e.g., Michigan, New York, Maryland, Massachusetts). Pennsylvania, Ohio, New Jersey, and Montana have

comprehensive, legislatively enacted statewide natural gas deregulation programs. Most of these programs were done relatively slowly through pilots. All continued to involve the utility in merchant services by providing a “regulated” natural gas provider for those customers who choose not to enter the competitive market or serve those customers who were “dropped”² by the competitive marketer for nonpayment or any other reason. Under this typical approach in other states, the regulated utility maintains its billing function and offers billing services to competitive natural gas marketers. In addition, most states increased funding to their commissions and public advocate offices with the onset of competition because of the added consumer education responsibilities, need for new and revised rules, cases to unbundle charges, certification of marketers, implementation of new low income programs, need to respond to customer calls and complaints, and, enforcement to redress customer dissatisfaction.

Georgia Market To Date

To what extent have experiences in the Georgia market supported the initial assumptions? To date, deregulation has had mixed results, which are summarized below.

Deregulation in Other States Did Not Occur at the Speed or Comprehensiveness That Took Place in Georgia.

Georgia was and continues to be the only state that removed the utility from the natural gas merchant function. Customers in other states have the option to remain with the regulated utility (“default” or provider of last resort service) and have stayed with the regulated utility for the most part. Even in states with some type of residential unbundling program, the American Gas Association reports that only 19 percent of residential customers on average went with a non-utility marketer.³ The assumption that other states would deregulate and create a large competitive market with significant scale economies has not proven true.

Georgia’s Early Entry Into Deregulation Has Not Yet Affected a Significant Long-Term Advantage.

Deregulation has been in place for about three years. In this time period, Georgia was able to attract 25 marketers, which resulted in early promotions and competitive offers beneficial to consumers. Seventeen of these marketers eventually declared bankruptcy or exited the state despite going through thorough technical and financial certifications. The state’s early entry into deregulation prompted legislative and regulatory activity to address problems, which may have created regulatory uncertainty and led potential marketers to avoid or hold off doing business in Georgia.

² No other state has allowed competitive marketers to physically disconnect service for nonpayment of unregulated charges. Rather, marketers may cancel the contract and the customer returns to regulated service. Under this approach, the regulated utility retains its ability to disconnect service.

³ American Gas Association, Providing New Services To Residential Natural Gas Customers: A Summary of Customer Choice Pilot Programs and Initiatives 2000 Update, Washington, DC: American Gas Association, April 2001, p. 6. This percentage includes the 100 percent of Georgia customers with the choice option.

Since January 2000, the combined share of the top four marketers grew from 89 percent to 94 percent. A report conducted by the National Regulatory Research Institute found that Georgia gas market is highly concentrated and there is little or no price competition. (See Appendix 5.) As one member said, “The basic assumption of a competitive market is to have competition. One thing that troubles me is that Georgia has gone from 20 marketers early on and now there are four marketers that have 94 percent of business.”

The Benefits of Deregulated Rates Have Been Mixed

The benefits of deregulated rates have been decidedly mixed. A small number of natural gas users, particularly large industrial customers, receive lower prices than before deregulation. A segment of firm customers also has benefited from taking up well-timed fixed price services, a new offering in the deregulated market that can have lower rates than traditional variable price offerings. But most users, particularly those with fixed and lower incomes, have been buffeted by higher than anticipated prices, price variability, and larger than expected levels of bad debt. While interruptibles pay only marginal costs, firm customers’ cover the entire fixed costs of the local distribution system.

The market has experienced price volatility. The Georgia PSC has been monitoring retail and wholesale natural gas prices since July 2000. Until the winter of 2000-2001, retail prices essentially tracked wholesale prices (wellhead plus interstate capacity price). Since spring 2001, retail prices in Georgia have remained high while retail prices in other southeastern states (and wholesale prices) fell. (See Appendix 6.) A number of factors can determine retail prices. For example, it is common for marketers to purchase gas months in advance at different costs than current wellhead prices. However, concentration of market share, lack of economies of scale, lack of regulated market subsidies, lack of customer education, inelastic demand, and bad debt also play a role.

The marketers report that they have incurred a higher than expected level of bad debt due to the moratorium on disconnection, increased incidence of nonpayment due to last winter’s extremely high bills, and perception that some customers have taken advantage of the moratorium, and systems problems in accepting legitimate payments of proper charges. The PSC undertook a study to determine the validity of these reports. A review of income statements from the four largest marketers in the state indicates that the marketers have incurred a much higher level of bad debt than the utility under regulated rates. (See Appendix 7.) For the first nine months of 2001, the top four marketers wrote-off more than \$30 million and expensed \$84 million for bad debt for a net increase in bad debt reserve account of \$54 million. Marketers have marked up their prices since February 2001 by about 15 percent, a further indication of market competition issues. The bad debt situation, together with the market concentration, has resulted in higher prices in the last year even though wholesale prices for natural gas have dropped dramatically since the summer of 2001.

Deregulation Has Not Yielded Better Customer Service And Has Raised Concerns About Service To Low-Income Customers

Deregulation in its early phases created confusion on the part of consumers. Much of this confusion centered on billing and the reasons for what appeared to be new charges. Marketers in many cases were not prepared for the challenges of the numbers of consumers they acquired and excessive numbers of billing errors occurred.

As a result, deregulation has given rise to high levels of complaints about natural gas service. The PSC reported that the number of complaints grew from around 200 in the first half of 1998 to nearly 8600 in the first half of 2001—a 40-fold increase. Complaints have since dropped by more than one-third in the second half of 2001. Nevertheless, the number of natural gas related complaints is 30 times the number of electricity-related complaints (and more than 100 percent higher than electricity when normalized by customer base size). While these complaints comprised only a small percentage of all customers, it cannot be assumed that those who were silent were content with their service. For every formal complaint there were many more who experienced the same problems or concerns but did not call a government agency.

Of the 14,000 complaints in 2001, only 12 percent were related to high prices alone. The remaining complaints had to do with a range of problems: (1) unexplained charges and deposits, (2) pricing methodology issues, (3) disputes over whether the customer was on a fixed or variable rate plan, (4) cancellation fees, (5) not receiving bills, (6) mistakes on bills, (7) disconnection and reconnection, and (8) inability to contact marketer service representatives. Disconnection and reconnection issues (e.g., lack of advanced notice, payments not properly posted, payment plan issues, disputed billing errors, time lags without gas service, high security deposits or prepayments, access to credit cards and bank accounts) represented 9 percent of all complaints, and nearly 60 percent of service-related complaints. For example, one complaint to the PSC alleged that a marketer mistakenly withdrew money from the checking account, which led to insufficient funds and bounced checks. Appendix 8 includes a sample of verbatim complaints.

Marketers faced transitional issues in providing service as the rapid migration of customers initially exceeded expected billing and servicing needs. Some of these billing and servicing problems have been addressed and may be reflected in the drop in numbers of complaints in the second half of 2001. Marketers and AGLC also experienced operating inefficiencies in ancillary services such as meter reading, service establishment and disconnection, call center, information system data interfaces, true-up, and lost and unaccounted for gas.

Some of the complaints are tied to low-income customer experiences following last year's record cold winter. All utility services face challenges in serving low-income customers. Georgia has several low-income heating programs in place. (See Appendix 9.) Some of these programs are linked to the federal Low Income Energy Assistance Program (LIHEAP) and some are based on charitable contribution. Nevertheless, these programs for low-income eligible customers are limited. Georgia's share of federal LIHEAP moneys is relatively smaller than that of states with more severe winter weather.

Georgia received nearly \$13.5 million in net funds from LIHEAP in fiscal year 2002 (from a federal budget of over \$1 billion), which serves fewer than 71,000 households at an estimated \$196 per applicant. The charitable Heating Energy Assistance program draws participation from only two marketers—Georgia Natural Gas and SCANA—for a contribution of only \$368,000 to the Department of Human Resources fiscal year 2002 energy assistance program. SB 217 sought to supplement these two programs with the USF moneys for a 24-month period. The PSC dispersed \$7 million to the Georgia Department of Human Resources for 2002, which raised the amount of low-income heating assistance by 50 percent. The temporary POLR and related allowances by other marketers and AGLC further augment these programs for low-income eligible customers.

The record number of complaints, the increase in disconnections, and the strain on Georgia's financial assistance agencies in responding to low-income customers indicate that deregulation has not provided better service to many Georgia residential customers.

Most Consumers Want Reliable Service, Fair Prices, Stability, Accurate And Timely Bills, And Not Deregulation Per Se

“Deregulation did not come from a grassroots movement,” acknowledged one participant. The rapid migration of consumers to marketers in Georgia may have suggested that consumers did prefer deregulation, even though random assignment required this migration and AGLC's price changes encouraged it.

To assist with the deregulation process, AGLC instituted a customer education program with \$5 million funding by an education rider, to inform and educate natural gas customers about natural gas deregulation. Most educational activities focus on bill inserts. Marketers also have held town hall meetings through the summer of 2001, many of which were not well attended. The PSC developed a Web site to assist consumers in selecting a market and comparing rates; this information is also disseminated in the business section of the Atlanta Journal-Constitution. SB 217 added the involvement of Georgia Public Television to further disseminate service information.

Despite these educational efforts, consumers do not appear highly interested in spending time to understand service options under deregulation. As summed up by one Task Force member “Consumers have simple needs. They want reliable service, fair prices and stability. And they would like an accurate and timely bill.”

Much Regulatory And Legislative Involvement Has Occurred Following The Initial 1997 Legislation

“Normally in a deregulated market you would think there would be less regulatory and legislative involvement, but it seems we have had more and more,” said one Task Force member. The number of docketed cases at the PSC increased from 400 per year prior to deregulation to 1500 per year in 2001. The number of consumer natural gas-related complaints to the PSC rose from 601 in 1997 to 15,981 in 2000; in 2001 the number of natural gas complaints dropped slightly (to more than 14,000) but were still at high

levels. The new activities associated with deregulation (e.g., certification of marketers, setting rules for interaction with AGL, addressing bankruptcies and increased customer complaints) occurred on top of existing activities (e.g., rate cases) that did not diminish with deregulation. Likewise, two additional legislative bills were enacted since the initial 1997 act. The PSC and the General Assembly have made considerable efforts to try to make deregulation work better.

Issues that Need to be Addressed

The state's experiences with natural gas deregulation have led the Task Force to identify issues that need addressing.

Consumer Education

How can consumers be better informed about natural gas choices?

What organization has the combination of familiarity with the issues, acquaintance with consumer capabilities, and degree of independence to coordinate a higher level of consumer education?

How can consumers without Internet access be better reached with information about natural gas service choices?

How should consumer education initiatives be funded?

Consumer Protection, Disclosures, Contract Terms, Disconnections

How can changes in service terms and conditions and variable rates be disclosed without overly burdening or otherwise negatively impacting the competitive market?

Do current safeguards against erroneous disconnections provide sufficient protection?

Do consumers have sufficient rights to redress damages or prevent unauthorized access to bank or credit card accounts?

Is a comprehensive consumer bill of rights needed in a deregulated market?

Should customers be promised a certain level of customer service (billing accuracy and timeliness, accurate payment posting, compliance with Commission rules, access to customer call centers, handling complaints promptly) by marketers?

Ensuring an Adequate Safety Net for Low Income and Disabled Customers

Is the state getting its fair share of assistance moneys from federal programs and charitable contributions?

Are current eligibility thresholds adequately meeting the needs of customers who truly need a supplement to be able to pay heating bills?

Do the current disconnection rules give sufficient priority to low income seniors and disabled customers?

Bad Debt

Has bad debt played a role in higher than expected prices and if so, is this impact temporary in the aftermath of last winter's experience or a permanent fixture of deregulation?

To what extent should consumer deposit sizes be returned to pre-SB 217 levels to reduce marketer exposure to bad debt?

AGLC Interaction with Marketers

Could customer service improve with the establishment of performance standards for AGLC's services to marketers?

Organizational Issues

Is the PSC able to adequately handle its increasing workload following deregulation? What role should the PSC take in responding to customer complaints that allege a violation of the Commission rules applicable to marketers? Is the PSC capable of conducting enforcement activities with its current resources?

Are heating issues well incorporated into state government information dissemination plans?

Pricing

Can lower costs and less volatility be obtained from changing from SFV to pre-deregulation pricing models for the AGLC portion of the bill?

How can the costs of the distribution system, lost and unaccounted for gas, and the expansion of the gas network be balanced between different types of consumers?

Enhancing Competition

Can more marketers or EMCs be recruited to offer service in Georgia?

Should the state do more to open ancillary services such as meter reading to competition?

Should the state consider offering an option to be served by a provider with regulated rates?

Does the state have sufficient resources and authority to protect against anti-competitive practices?

Recommendations

The Task Force mandate was open to all approaches that might be options to address the issues that resulted from deregulation. Recommendations were developed based on input from Task Force members, natural gas marketers, the PSC, interest groups such as the AARP, as well as the general public. Consideration was given to a full range of options—from minimal changes to the possibility of returning to a fully regulated market. All Task Force members were active participants in the process and in the end consensus was reached on all of the recommendations that were made.

Do Not Return To A Traditional Regulated Monopoly

The question of re-regulation was given considerable discussion. One member expressed that “many people want to go back to re-regulation. It may be simple to say that we need to re-regulate because we have a mess on our hands. But there are significant costs associated with that.” Although no formal, cost-benefit analysis was done, one reason being that some of the largest costs would likely be proprietary to marketers, the estimates below represent the best information available to the Task Force.

While the Task Force did not evaluate the potential legal claims, it is likely that marketers would seek claims from the state for unconstitutional “takings” if they were not allowed to conduct business and were forced to turnover their customers to a regulated entity. Estimates suggest that it could cost Georgia taxpayers hundreds of millions of dollars, and some have estimated this amount to be as high as \$500 million. The value of customers constitutes much of this cost; other components include legal expenses, stranded costs (call centers, billing systems & software, etc.), expenses associated with unwinding business partnerships and gas supply contracts, and bad debt. There would also be lay-off costs as an estimated 1000 employees lose their jobs.

AGLC estimates it would cost \$48 to \$59 million a year for three years to reestablish and operate the merchant function if it were asked to do so.⁴ Customer service, natural gas purchasing, billing, and collection systems would have to be reconstituted. On the other hand, restoration of economies of scale in purchasing gas for 1.5 million customers could allow AGLC to save on customer service and natural gas charges. AGLC produced monthly estimates for the last six months of 2001 that projected savings of \$2 on average for customer service charges and 9 to 30 cents per therm over what marketers actually charged for the commodity. However, some marketers’ customers with low-cost fixed rate contracts could be worse off under re-regulation. Other tradeoffs include the stability of re-regulation compared to the loss of current or potential competition-induced efficiencies in some underlying operations.

In addition to these tangible costs, there are many intangible expenses. The potential for serious disruptions would likely be high during this transition. Transferring all 1.5 million customers back to AGLC could cause the same level of confusion and difficulties as occurred subsequently to the initial legislation. Billing problems and account balance

⁴AGLC, “Governor’s Natural Gas Task Force Response to Question 11,” January 9, 2002.

resolution conflicts, lack of customer service, and lingering customer dissatisfaction would likely result. Although re-regulation might add back traditional protections to consumers, it would still probably take 18 months to resolve these problems.

The state's image and legislative authority might take a toll in admitting that deregulation was a failure. The state's long-term efforts to build a strong pro-business climate might be hurt, even if balanced against a more pro-consumer image built around traditional regulatory protections.

Most significant, Task Force members did not believe that re-regulation would solve many of the issues emerging from last winter's heating season. Appendix 4 and 5 demonstrated that last winter's high prices were as prevalent in regulated markets in and surrounding Georgia as in the state's deregulated market. Disconnection rates in some regulated markets in and surrounding Georgia also were higher than in Georgia's deregulated market.

Given the potential cost, loss of jobs, loss of credibility with industry for changing course only three years following deregulation, possible litigation, reduced consumer choice, loss of options for the state should more states choose to deregulate, and the challenges and time required in re-establishing a regulated service company, the Task Force was felt that this option was not desirable.

Adopt Approaches to Refine and Improve the Present Market

This report focuses largely on recommendations that would refine and improve the present deregulated market. The sense of the group and underlying issues discussed are summarized below in the following categories: (1) proposals needing legislative/regulatory/executive action, (2) proposals needing review, (3) proposals needing no further action, and (4) proposals considered but no conclusions drawn.

Proposals Needing Legislative/Regulatory/Executive Action

- **Introduce a provider with regulated rates.**

All other states that implemented natural gas deregulation allowed consumers to choose to continue with an entity with regulated rates. The purpose of retaining this entity was to (1) give customers' the choice of staying with a regulated utility, (2) assist customers needing assistance to supplement their bills, (3) add stability and simplicity to the market, and (4) establish a baseline for showing the benefits of competition.

One key consideration in introducing a regulated provider is the need for an open and fair selection process. Members agreed that there should be competition and bidding. All but one member would open competition to all providers including AGLC. A second major issue is how to set the price for this service. Traditionally, most states have passed through actual wholesale prices for natural gas supply in regulated utility rates. Utilities typically do not earn a "profit" on this pass through approach for natural gas supply

service, and are required to use their most efficient efforts to obtain a mix of short term and long term supply options to serve the projected customer needs. Members wanted a level playing field so that marketers would not leave the state because of an inability to compete with an established regulated rate. A third issue is how to address social needs. Designing a service focused only on those who cannot get heating from the competitive market can be difficult because the number of customers is small, these customers tend to be volatile, and it costs more to serve such customers in isolation from other residential customers. Some members believed that the regulated provider should serve all low-income customers whereas other members felt that low-income customers should have the same choice options as the rest of the marketplace. Given an open selection process, fair pricing scheme, and equitable treatment of low-income customers in a pool with other residential customers who choose the regulated provider, this proposal would put Georgia in line with state policy across the country.

- **Improve consumer education by giving the responsibility to the Governor’s Office of Consumer Affairs, assisted by an independent advisory board.**

“People don’t understand the concept of gas deregulation. People didn’t listen to the advertising and there has not been enough education to really allow a free market to work,” observed one member. Relying on inserts in customer bills is not effective. The manner in which natural gas service is priced is often difficult to understand and much of the information has a potential bias of the marketer providing it. Furthermore, understanding natural gas deregulation creates especial needs for some low-income and non-English speaking customer segments.

The Task Force recommended that the Governor’s Office of Consumer Affairs be responsible for improving, coordinating, and disseminating consumer information. It also was proposed that this office be assisted by an independent advisory board appointed by the governor, composed of a broad cross section of organizations including the PSC, marketers, AGLC, consumers, low income segments, small businesses, industrials, and representatives from other state agencies that play a crucial role such as the Georgia Department of Human Resources. This board would report to the Governor’s Office of Consumer Affairs. The Task Force indicated that natural gas should be the focus of the board. However, in the future, other energy or utility services could be added.

- **Develop a compilation of natural gas consumer rights.**

Various legislative and regulatory activities have established consumer rights and protections, but there is no single source for this information. Many of the PSC’s customer rights are not presented in one location and are buried in the Commission’s orders or rules that are not widely circulated or known to consumers. As a result, there is confusion among consumers and even Task Force members about what consumer protections are in place and what gaps need to be filled. An original proposal suggested that the state consider adopting a customer bill of rights such as is shown in Appendix 10. Some members were concerned that a customer bill of rights would create different and unequal classes of customers, and might hamstring the state’s flexibility in trying to deal

with a changing environment. At least one member desired to avoid building false expectations with a bill of rights that was unenforceable. This recommendation calls for the development of a statement of natural gas customer rights. It also calls for the PSC to develop a single document that provides a comprehensive list of all natural gas-related consumer protections to be disseminated with consumer education and protection initiatives.

- **Seek additional funding for federal LIHEAP and require uniform marketer participation in the charitable contributions program.**

Georgia needs a larger pool of funding for low-income customers. States such as Georgia, with relatively warmer winters, get a lesser share of the federal LIHEAP funding. Task Force members recommended that the state work with members of the Georgia congressional delegation to make the case for more LIHEAP funding for warmer winter states.

Task Force members also agreed that opportunities for heating customers to contribute to low-income consumers should be maximized. All marketers should be required to offer the option on their bills for customers to make heating assistance contributions.

- **Raise eligibility requirements for LIHEAP in Georgia to 175 percent of federal poverty standards, provided that sufficient additional funds are available**

The Georgia Department of Human Resources has the latitude to set heating assistance eligibility standards. Recently the Department raised these standards from 125 percent to 150 percent of federal poverty standards. Task Force members discussed including customers up to 175 percent of federal poverty standards in the state's heating assistance program. Such an increase would boost the income threshold from \$26,475 to \$30,888 for a family of four. At the same time, this higher level might raise expectations and result in fewer households receiving assistance. Consequently, Task Force members recommended that eligibility requirements be raised to 175 percent of federal poverty standards contingent on the state's obtaining more low-income assistance funds.

- **Bundle low income heating assistance initiatives into the state's larger efforts to communicate services to Georgia citizens.**

Information about heating assistance options for low-income customers needs to be expedited to avoid unnecessary and expensive disconnections. While some proposals considered by the Task Force relied on public assistance portals or one-stop approaches, these should not be developed in a vacuum. Several members informed the group that the state is embarking on initiatives to disseminate information to Georgia citizens. The Georgia Technology Authority is currently establishing a statewide portal. The state is developing a telephone-based "211" program that would allow citizens anywhere in the state to make a local call to obtain information about state services; this service is especially relevant to low-income segments that do not have ready access to the Internet.

The Task Force recommended that information about low income heating assistance initiatives be incorporated into these statewide initiatives.

- **Task the Georgia Department of Industry, Trade, and Tourism to proactively recruit additional marketers to the state.**

“We have to get more marketers into the system to increase competition,” one Task Force member said. Members agreed that the Georgia Department of Industry, Trade, and Tourism should be responsible for marketer recruitment activities, with input from the PSC. Additional recruitment efforts would need to address issues such as the attractiveness of Georgia’s seasonal market to additional marketers, marketer expansion opportunities in light of industry consolidations and Enron’s bankruptcy, the impact of regulatory changes and uncertainties in Georgia on the state’s ability to attract more marketers, and approaches and resources to learn about the needs of natural gas marketers and incentives necessary to attract them to the Georgia market.

- **Set expectations, monetary incentives/disincentives for improved interaction between AGLC and marketers, and for level of services AGLC provides to marketers.**

AGLC is the sole provider of distribution and ancillary related services. These services include meter reading, service establishment and disconnection, call center, information system data interfaces, true-up, and lost and unaccounted for gas. Marketers’ customer service is directly tied to AGLC’s service quality performance for these services, which in turn affects customer prices. The Task Force fully supported incentive-based regulation. Discussions stressed the need for monetary rewards or penalties assigned to AGLC for furnishing services to marketers. Particular emphasis was placed on including lost and unaccounted for gas in these performance standards. The PSC reported that lost and unaccounted for gas (which includes gas theft, line loss/minor leaks, and pressure changes and facilities damage) has increased 15 percent since deregulation to about \$10 million annually (with wide month-to-month variability). The application of performance standards to marketers was also mentioned, albeit marketers have to answer to the customer, whereas the ancillary services that AGLC provides are invisible to the end user.

- **Remove barriers for EMCs to market natural gas services**

There are 42 electric membership corporations (EMCs), which serve 1.6 million customers. Legislation creating the EMCs does not unambiguously permit them to establish a natural gas affiliate. Georgia courts have ruled that EMCs cannot establish a natural gas affiliate. Members agreed that removing barriers to EMCs becoming natural gas marketers is consistent with the intent of deregulation legislation to increase the number of providers in the state. Members emphasized importance of EMC market entry being fair and prohibiting cross-subsidization. Some members proposed that EMCs be allowed to market natural gas services outside their current geographic service area.

Whether the EMC amendment will be to the enabling legislation or SB 215 should be determined during the 2002 session.

- **Enhance PSC emergency powers if competition no longer exists.**

SB 217 added provisions to address anti-competitive practices if there were three or fewer marketers. These provisions did not require that the marketers be serving a single customer pool or delivery group, only that they be serving somewhere in the state. For example, the PSC would have no authority to impose controls on marketer pricing to group served by only one marketer as long as there were three other marketers serving residential customers somewhere else in the state. The Task Force agreed that the requirement for three marketers be qualified by adding references to a pool group, market share, indicator of tacit collusion, or an alternative measure.

- **Settle true-up procedures through the regulatory process.**

Each day AGLC forecasts and requires the marketers to deliver a certain amount of gas to the system to serve their customers. Marketers either over or under deliver the amount that their customers actually consume. AGLC calculates this difference or “true-up” amount for the marketers quarterly. Marketers who under deliver owe marketers who over deliver this true-up amount. There is no enforcement procedure in place to require marketers who owe to actually pay in a timely manner, which means that true-up dollars are passed on in customer bills. Members determined that the true-up issue should be addressed as a regulatory matter given that the true-up procedure currently in place was designed by a majority of the marketers.

- **Settle permanent assignment of interstate assets through the regulatory process.**

AGLC contracts for all of the interstate capacity required for Georgia consumers. They pass the cost of this capacity along to the marketers each month. Marketers maintain that permanent assignment of interstate assets will allow them to more efficiently utilize assets, which could result in reductions in customer bills. On the other hand, there is a risk that permanent assignment could result in insufficient interstate capacity to serve Georgia customers (either because a bankrupt marketer sells its interstate capacity outside the Georgia market or because of flawed business decisions). Members also determined that assignment of interstate assets should be addressed as a regulatory matter.

Proposals Needing Review

- **Review the legislatively imposed 24-month limitation on the use of the Universal Service Fund for bill payment assistance programs for low-income customers.**

SB 217 established the 24-month use of the USF for low-income customer assistance because of last winter’s unusually high prices. Members did not feel they had enough information about the impacts of this additional draw on the USF relative to other needs to build line extensions and recover bad debt. Because 24-month time period started in

July 2001, members recommended that the legislature revisit this issue in the 2003 legislative session to determine whether an extension is appropriate.

Additionally, members commended the interaction between the PSC and the Department of Human Resources to distribute USF to eligible customers, although specific requirements that the PSC disperse USF funds for low-income customers through the Department of Human Resources were not made, in part because of the temporary nature of this USF use.

One Task Force member suggested that the state consider requiring marketers to offer a budget billing for LIHEAP eligible customers. Other states require that budget billing practices are available to all LIHEAP eligible customers and that such customers are advised of this billing option. Although Georgia does not require this, all marketers have a budget billing option, which LIHEAP eligible customers can select. Again, however these customers may not be aware of their payment options.

- **Study problems related to marketer access to bank accounts and credit cards.**

Members expressed concern about marketer requirements for access to bank or credit card accounts to automated bill payment to the marketer as a condition of service for some customers. The only way that some consumers can obtain natural gas service has been to furnish such account information. Errors in charging these accounts have generated some serious, albeit small, number of complaints. A concern surfaced about consumer compensation for damages resulting from such errors. Task Force members considered this to be an important issue that needs to be studied and possibly addressed in the future.

- Consider removing the requirement for straight fixed variable pricing charged by AGLC for the delivery portion of the bill.

Legislation requiring that the SFV method be used generated some controversy at the beginning of deregulation. One member noted, “Customers complained about bills where the base rate was higher than the usage of natural gas.” On the other hand, members raised some advantages to SFV. SFV is a disincentive for heating-only customers to disconnect from the network during the summer months, because SFV requires backward compensation for months where service is not received. Removal of SFV could place more of the burden for supporting the network on small businesses and other customer segments that stay on the network year round. The Task Force recommended considering removal of the requirement that SFV be used, which would enhance the PSC’s flexibility in dealing with pricing for the distribution system.

Proposals Considered but Not Recommended

- **Do not raise deposit levels at this time**

SB 217 reduced deposit levels to an average monthly bill. Task Force members rejected a proposal to reduce marketer exposure and bad debt by returning deposit levels to 2.5 times an average monthly bill. Some members were concerned that about the numbers of complaints heard by the PSC indicating that some marketers were not adhering to the one-month deposit limit. On the other hand, the Task Force did not advocate some of the negative outcomes could result from lower deposit levels (e.g., all customers paying for those who purposely do not pay their bills, some customers not being able to obtain service without furnishing access to bank or credit card accounts). Members suggested that if compliance were improved, future consideration could be given to returning the deposit to 2.5 times an average monthly bill (with the possibility of maintaining the one-month deposit level for low-income eligible customers).

- **No action is needed for competition for ancillary services.**

Ancillary services include meter reading, service establishment and disconnection, call center, information system data interfaces, true-up, and lost and unaccounted for gas. Some members believed that technological and regulatory changes would potentially result in competition for these services on their own. Nothing in present legislation prohibits competition for ancillary services.

- **Expansion of right of action to redress damages may not be needed.**

It can be expensive and burdensome for consumers to recover damages as a result of billing or collection errors under the Fair Business Practices Act. In many cases, filing a costly lawsuit is the sole resource. One approach that surfaced involved adding language specific to natural gas practices and remedies. Another approach that came up was a middle course of action having to do with mediation and arbitration—the establishment of processes and rules, binding and non-binding arbitration options, and collection of statistics about complaints and resolutions. Legislation, either with or without a sunset provision that would provide a trial opportunity, could confer the PSC or the Consumer’s Utility Council of the Governor’s Office of Consumer Affairs with the authority and staff to provide mediation and arbitration. Some members were concerned about the cost of customer mediation and arbitration proceedings and it was believed that the Georgia Fair Business Practices Act already allows individual customers to seek damages.

- **Bad faith clause for false claims against marketers may not be needed.**

Anecdotal evidence suggests that about half of the complaints to the PSC were consumers who used gas but purposely did not pay their bills (“won’t pay”). This clause would allow marketers to pursue these customers with false claims taking private actions against marketers (see above proposal). Bad faith claims can have a negative impact on

natural gas prices for all consumers. The Task Force was advised that Georgia's Fair Business Practices Act might already encompass such false claims.

Proposals Considered but No Conclusions Drawn

- **Expansion of the PSC's authority to approve marketers' changes in service terms and conditions was considered.**

Marketers are already required to file their service terms and conditions with the Commission as part of their certification process. The Commission has the authority under existing rule to offer service "pursuant to rules and contract terms which the commission finds economically viable for the territory." 46-4-153(a)(2)(C)." Expansion of the PSC's authority to pre-approve marketers' changes in service terms and conditions would avoid implicit sanctioning of terms and conditions that are inherently unfair and deceptive, provide specific language to enhance enforcement, and improve consumer education. Task Force discussion favored giving the PSC more authority that would benefit consumers experiencing problems with service terms and conditions. However, some members did not want to go too far in granting authority beyond notification because of a concern that such authority would have the effect of re-regulating marketers.

- **Expansion of the PSC's authority to require marketers to file notification of changes in variable rates was discussed.**

During the winter of 2000-2001, the PSC received thousands of complaints from consumers on variable pricing plans about the rates they were charged. Consumers thought they were paying the advertised rate until they received their bill, which retroactively charged them a much higher rate after the gas had already been used. This recommendation would provide the PSC with the ability to disseminate more accurate pricing information to the public as well as enhancing enforcement and preventing pricing abuses during the winter months. One member advocated that price changes be filed with the PSC. Other members were concerned that such disclosures might have the effect of re-regulating prices, reporting trade secrets, or inducing collusion. A parallel recommendation about disclosing pricing methodology also was discussed, but many members did not support this recommendation. They did not believe that customers would likely understand such information.

- **Redressing ongoing disconnection/reconnection enforcement problems, particularly those experienced by low-income and medically disabled customers, was discussed but no remedy was agreed on.**

The PSC has developed detailed rules governing marketer disconnection activities. It was reported to the Task Force that natural gas customers have more protections against unauthorized disconnections than do any other utility customers. "Electricity or water is not guaranteed for free. At what level do we want to ensure that natural gas is an inalienable right?" remarked one participant. The disconnection issue before the Task Force was not whether marketers should be able to collect their overdue bills, but rather

the tools available to them to do so. Task Force members did not want to take from marketers the tools available to a competitive market to collect overdue bills. At the same time, the PSC's reported increase in disconnection-related complaints highlighted continued problems enforcing these rules. The Task Force was concerned about unauthorized or erroneous disconnections, but did not identify what further actions if any were needed to ensure compliance.

There was a particular interest in existing rules for disconnecting low-income seniors and medically disabled customers. These customers suffer most when heating service is disconnected. Members were informed that existing rules and notices provided sufficient protections, and again did not want to remove nonpayment disconnection abilities. Nevertheless, members wanted to ensure that consumers who were eligible for heating assistance were well informed about their rights, considering that such low-income customers could pay their bills if they obtained the assistance for which they were eligible. The consensus of the Task Force was to review the sufficiency of existing rules and medical waivers for disconnecting low-income and disabled customers.

- **Various sources for a consumer education fund were discussed, including contributions from marketers, government, and consumers.**

To pay for additional consumer education activities, a consumer education fund was considered by the Task Force. Members did not desire to further encumber firm customers' bills with educational riders to provide all the resources for consumer education. It also was not thought to be equitable to distribute this burden solely on Georgia taxpayers outside the former AGLC market. Members acknowledged that significant monetary contribution requested from marketers would likely be passed on the paying customers. Various sources including contributions from marketers, government, and consumers would be needed.

- **The lack of interruptibles' contributions for the distribution system and lost and unaccounted for gas drew concern.**

“When we were regulated, the ‘interruptibles’ paid a larger share than did the residential customers. That is an essential difference in terms of looking at the impact on consumers – regulation and post-regulation,” observed one member. In the Atlanta Gas Light Company service territory, the firm customers pay for the entire cost of the distribution system. Interruptible customers pay no more than the marginal costs to serve them. When the Act was passed, approximately \$50 million in costs was shifted to firm customers. The current system does not prohibit marketers from placing these charges on interruptibles, but it discourages this in practice. Ensuring interruptibles' contributions, for example, could involve the Commission authorizing AGLC to impose a surcharge on interruptibles, which would go toward meeting AGLC's revenue requirement for the distribution system. Because the current system does not prohibit marketers from placing these charges on interruptibles, the Task Force did not resolve this subject.

- **Increasing PSC resources to add staff**

One member said, “It was thought at the time of deregulation was that there would be less responsibilities and less duties put upon the PSC with deregulation, but every time there has been legislation the role of the PSC has increased and the job load has increased.” Unfortunately, the assumption that deregulation would reduce the PSC’s workload has been one of the many assumptions about Georgia’s natural gas deregulation program that has been proven wrong. Despite the increase in PSC workload from 400 docketed cases per year before deregulation to 1500 docketed cases in 2001, PSC staff resources have declined by about 20 percent. Consumer complaints rose by 4300 percent from 1998 to 2001; the PSC has used temporary staff to deal with this complaint load albeit experiencing high turnover among staff. The PSC have a budget request for eight permanent staff to deal with consumer issues and 7 new positions in compliance and enforcement. Despite some benefits to having more staff (additional positions could prevent problems before they become serious, more resources toward rate cases save ratepayers money) and the desire to avoid “unfunded mandates,” some Task Force members stated that the PSC’s increase in workload should be handled by other organizations (e.g., marketers, AGL). While it is not clear how marketers or AGLC can respond to customer complaints or undertake investigations to assure that the consumer protection rules are being enforced, the Task Force was not able to coalesce around any recommendations in this area.

Implementation

The Task Force made every effort to be specific, but was restricted by the complexity of issues and time constraints. It is acknowledged that these general recommendations must be translated into specific legislation or regulation by the Governor, General Assembly, and PSC to affect implementation.

Acknowledgements

The Task Force gratefully acknowledges the invaluable contributions of many individuals and organizations. We thank Barbara Alexander for reviewing this document and contributing indispensable insights on consumer protection, disclosure, and low-income issues. Particular thanks goes to the PSC Commissioners and staff; PSC staff not only provided important analytic information for the report, but also tirelessly answered our many questions over the course of this assignment. We also acknowledge the help we received from Ken Costello at the National Regulatory Research Institute and Gwin Copeland from the Senate Research Office. Finally, we thank the marketers and AGLC for readily contributing time and information to this Task Force.

Appendix 1

**Governor's Executive Order
Blue Ribbon Natural Gas Task Force**

PURSUANT TO THE AUTHORITY VESTED IN ME AS
GOVERNOR OF THE STATE OF GEORGIA, IT IS HEREBY

ORDERED: That the Governor's Blue Ribbon Natural Gas Task Force is created.

ORDERED: This Blue Ribbon Natural Gas Task Force shall:

Serve as an advisory body to the Governor on matters relating to the provision of natural gas service and delivery to all the citizens of Georgia.

Review the tremendous impact on the citizens of Georgia from natural gas deregulation in 1997.

Examine the inadequacy of competition in price and services among natural gas marketers. Investigate why retail customers in Georgia's deregulated market are now paying disproportionately higher prices for natural gas when compared to regulated markets in the region. And find long-term solutions for the many residential consumers in Georgia who are, or soon may be, without gas service.

Identify the public policy steps necessary to address these problems and the dislocations affecting residential consumers as a result of natural gas deregulation and provide these recommendations to the Governor and to the General Assembly. The Commission shall also make interim reports as directed by the Governor or the Chair.

ORDERED: The following individuals are hereby appointed as members of the Governor's Blue Ribbon Natural Gas Task Force:

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State Senator, District 31
Post Office Box 606
Rockmart, Georgia 30153

The Honorable Regina Thomas
State Senator, District 2
1406 E. 35th Street
Savannah, Georgia 31404-2918

The Honorable Jeff Mullis
State Senator, District 53
519 Cove Road
Chickamauga, Georgia 30707

The Honorable Lauren “Bubba” McDonald
Commissioner
Georgia Public Service Commission
47 Trinity Avenue, SW
Atlanta, Georgia 30334

The Honorable Robert Baker
Commissioner
Georgia Public Service Commission
47 Trinity Avenue, SW
Atlanta, Georgia 30334

The Honorable David Burgess
Commissioner
Georgia Public Service Commission
47 Trinity Avenue, SW
Atlanta, Georgia 30334

The Honorable Bob Durden
Commissioner
Georgia Public Service Commission
47 Trinity Avenue, SW
Atlanta, Georgia 30334

The Honorable Stan Wise
Commissioner
Georgia Public Service Commission
47 Trinity Avenue, SW
Atlanta, Georgia 30334

Barry W. Reid
Administrator
Governor's Office of Consumer Affairs
2 Martin Luther King, Jr. Drive, SE
Suite 356, East Tower
Atlanta, Georgia 30334

Kristy Holley
Director
Consumers' Utility Counsel Division
Governor's Office of Consumer Affairs
47 Trinity Avenue, SW
Suite 414-H
Atlanta, Georgia 30334

Janice Riley
Executive Director
Ninth District Opportunity Inc.
Post Office Drawer L
Gainesville, Georgia 30503

The Honorable Brenda Cornelius
Commissioner
Governor's Office of Human Relations
25 Martin Luther King, Jr., Drive
Suite 814, West Tower
Atlanta, Georgia 30334

The Honorable Jim Martin
Commissioner
Georgia Department of Human Resources
Two Peachtree Street, NW
Atlanta, Georgia 30303-3142

Langdon Sheffield
202 Mallon Road
Americus, Georgia 31709

Dr. William Nevin Jones
1209 Hermitage Road, NE
Rome, Georgia 30161.

ORDERED: All Task Force members shall serve at the pleasure of the Governor. Members of the Task Force shall serve without compensation, but shall be reimbursed for travel expenses by the State under the standard state travel regulations. The Task Force shall be administratively attached to the Office of Planning and Budget.

ORDERED: The Task Force shall meet at the call of the Chair, and all Meetings shall be held at such time and place as designated by the Chair.

ORDERED: The Chair is authorized, with the consent of the Governor, to appoint additional members to the Governor's Blue Ribbon Natural Gas Task Force at his discretion.

ORDERED: It is further ordered that Dr. Wayne Clough shall serve as Chair of the Governor's Natural Gas Task Force.

ORDERED: There shall also be an Advisory Committee appointed at the discretion of the Chair, with the consent of the Governor. This Committee will consist of representatives of natural gas distribution companies and natural gas marketers. Members of this Committee shall not have the right to vote on Task Force recommendations or reports and shall not be reimbursed for any expenses.

ORDERED: The Task Force shall expire on December 31, 2002, unless extended by order of the Governor.

This 13th day of November, 2001.

GOVERNOR

ATTEST:

EXECUTIVE SECRETARY

Appendix 2

Members of the Industry Advisory Committee

Evelyn Barratt
Manager of Regulatory Affairs and
Contracts
Infinite Energy

Roy Bowen
President
Georgia Textiles Manufacturing
Association

Michael Braswell
Executive Vice President & Chief
Operating Officer
Georgia Natural Gas

George T. Devlin III
Vice President/General Manager
SCANA Energy

Martha Duggan
Director, Government Affairs
The New Power Company

Bob Elsberry
Senior Vice President, Member
Relations
Cobb EMC

Sandy Engel
Director of Government Affairs
El Paso Energy Corp

Cliff Hare
Senior Vice President
Dynergy

D. Ronnie Lee
Chief Executive Officer/General
Manager
Walton EMC

Adrian Pye
Director, U.S. Regulatory Affairs
Energy America

Paula Rosput
Chief Executive Officer
Atlanta Gas Light

Tim Sheehan
Executive Business Manager
Shell Oil

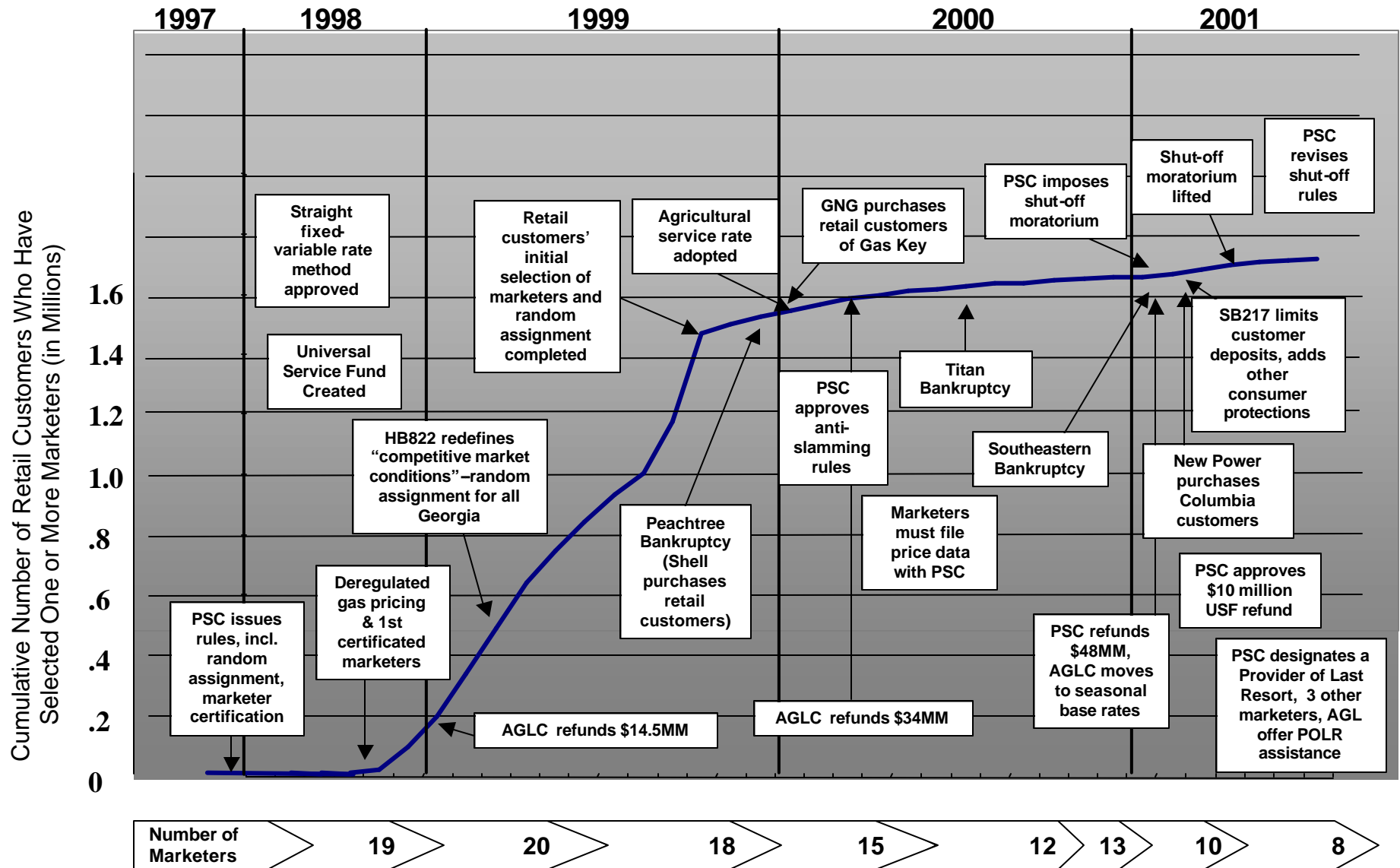
William Weiller
Chairman/Chief Executive Officer
Purafil, Inc.

Livia L. Whisenhunt
President/Chief Executive Officer
PS Energy Group

Phil Zirngbl
Director of Procurement
Georgia Pacific Corp

Appendix 3
Timeline and Deregulation Activities Regarding Natural Gas Deregulation
Since April 1997

Key Deregulation Actions Since Governor Signed Senate Bill 215—Natural Gas Competition and Deregulation Act



Source: AGLC, November 2001; Georgia Public Service Commission, December 2001.

Appendix 4
Disconnections and Reconnections

**Atlanta Gas Light Company Territory
Number of Disconnections and Reconnections
For the Years 2000 and 2001**

| Month | Disconnections | Reconnections |
|-------------|----------------|---------------|
| 2000 | | |
| January | 2,398 | 2,135 |
| February | 6,106 | 3,213 |
| March | 5,194 | 2,563 |
| April | 12,750 | 5,623 |
| May | 8,757 | 5,063 |
| June | 7,766 | 3,455 |
| July | 5,988 | 2,619 |
| August | 6,144 | 2,255 |
| September | 4,360 | 1,776 |
| October | 4,906 | 2,210 |
| November | 6,173 | 2,819 |
| December | 3,223 | 2,157 |
| 2001 | | |
| January | 3,256 | 1,315 |
| February | 311 | 200 |
| March | 286 | 128 |
| April | 18,316 | 4,192 |
| May | 21,662 | 9,541 |
| June | 20,095 | 9,538 |
| July | 22,176 | 9,583 |
| August | 28,852 | 17,805 |
| September | 16,604 | 16,685 |
| October | 18,937 | 24,857 |
| November | 18,561 | 21,701 |
| | | |

Source: Georgia Public Service Commission, December 2001.

Disconnections by State

| State | Number of Customers Disconnected | Number of Customers Served | Percentage Disconnected | State Reconnect Program? |
|---------------------|---|-----------------------------------|--------------------------------|---------------------------------|
| Kentucky | 18,300 | 746,000 | 2.5 | N |
| South Carolina | 9,000 | 297,000 | 3.0 | N |
| Tennessee | 9,000 | 290,000 | 3.1 | N |
| Georgia (Marketers) | 50,000 | 1,500,000 | 3.3 | Y |
| Alabama | 20,000 | 500,000 | 4.0 | N |
| Arkansas | 30,000 | 600,000 | 5.0 | Y |
| North Carolina | 37,000 | 600,000 | 6.2 | N |
| United Cities (GA) | 5,300 | 72,000 | 7.4 | N |

Additional states contacted but no information provided: Maryland (they don't track)
 Source: Georgia Public Service Commission, December 2001.

Appendix 5
The Competitiveness Of The Georgia Deregulated Gas Market

EXECUTIVE SUMMARY
OF NATIONAL REGULATORY RESEARCH INSTITUTE REPORT ON
THE COMPETITIVENESS OF THE GEORGIA DEREGULATED GAS MARKET

Purpose of Report: Assess the degree of competition in Georgia's Deregulated Gas Market

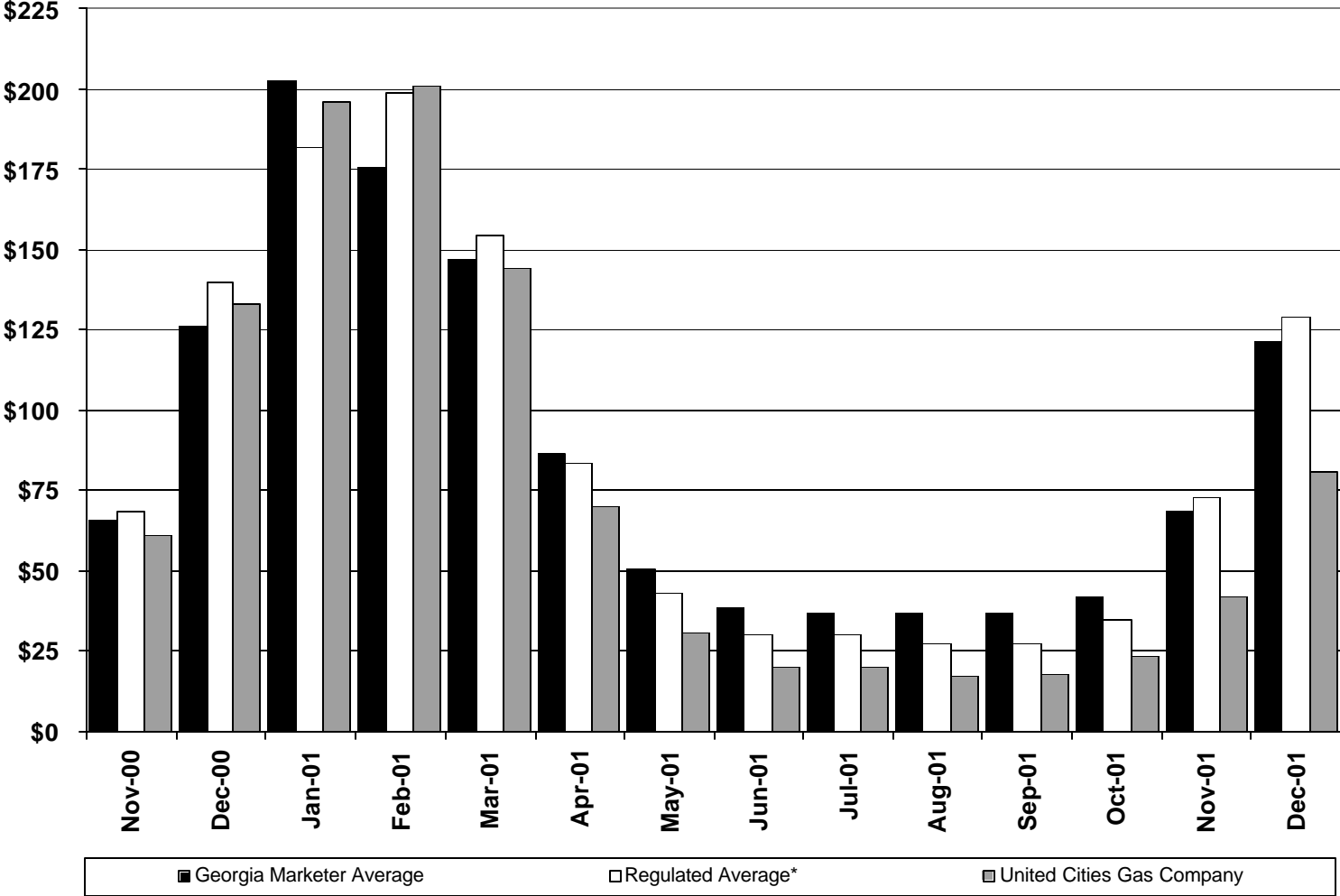
- Findings:**
1. High concentration in market (4 marketers hold 93% of customers) conducive to the exercise of market power, evidenced by high margins/prices relative to surrounding states.
 2. Georgia market an oligopoly – a single marketer's price/strategy depends on plans adopted by other marketers (interdependency).
 3. Conditions are ripe for tacit collusion; however, no conclusive evidence exists that marketers have actually colluded.
 4. Over 20 states have allowed marketers to compete with local gas utilities:
 - a. In all cases, the local utility assumes the role of provider of last resort, and
 - b. The vast majority of customers decided not to leave the local utility for a third-party provider.

Because Georgia does not have such a backstop, it is particularly imperative that marketer prices reflect competitive conditions with minimal market power being exercised by marketers.

Recommendations: Rather than discard deregulation, evidence supports incremental actions or modifications to make the Georgia market more competitive, such as the entry of more marketers and more active consumer behavior in responding to prices.

Appendix 6
Monthly Price Comparisons

Monthly Price Comparisons



*Regulated Average reflects prices charged in other southeastern states, which operate under traditional regulated models.
 Source: Georgia PSC, December 2001.

Appendix 7
Bad Debt Study

Bad Debt Study: Summary of Findings and Implications

Bad Debt Analysis

- **Until December 2000, the per therm natural gas prices offered by Natural Gas Marketers closely tracked the wellhead price of gas plus the transportation costs.**
- **Since February 2001, the mark-up has increased by \$0.24 per therm above the wellhead price of gas plus the transportation costs. For the typical residential customer that amounted to a \$31 increase to their December 2001 gas bill.**
- **Marketers have stated publicly that “bad debt” is the cause of the increase in the markup between wellhead price and retail price.**
- **Staff’s analysis indicates that \$0.11 of the additional \$0.24 per therm is attributable to the marketers’ ongoing bad debt expense (that is, the portion of current bills that the marketers expect not to collect on in the future).**
- **The other \$0.13 per therm increase is not attributable to the marketers’ bad debt expense. Causes could range from market power to new costs not discussed by marketers.**

What Does It Mean?

- **A higher level of bad debt (and the higher prices that go with it) may be a reality of this market. AGLC typically expensed ½ % of revenue for bad debt, while Marketers expensed 9.3% of revenues in the last 3 months of 2000 and 7½ % in the first 9 months of 2001.**
- **Higher prices resulting from increased bad debt is likely to be a problem in the future;**
- **If marketers can lower future Bad Debt Expenses with improved credit controls, retail prices could fall;**
- **Not all of the increase in retail price can be explained by bad debt, so even improved credit controls may not yield a significantly lower markup.**

Source: Georgia Public Service Commission, January 2002.

Appendix 8
Sampling of Verbatim Complaints to the PSC

**Sampling of Verbatim Complaints Received by the Georgia Public Service
Commission During 2001⁵**

We've come across some information which I would appreciate you forwarding to the proper person within your commission. X is a third party utility bill payment company which pays the utility bills for many large, corporate customers of NewPower and other utility companies across the country. In contacting NewPower about their late fees, we were told that unless the checks are mailed at least 10 days prior to the due date the payments will not be applied on time to prevent late fees. The checks go to a bank lock box which deposits the funds into NewPower's accounts immediately, but then a list of accounts being remitted is forwarded to another office in a different state for payment application. Therefore, even though the funds were received and deposited in time to avoid late charges, an internal procedure within NewPower causes them to apply these late, thus adding late fees to the next billing. We have been unable to contact anyone within NewPower to try to set up Electronic Funds Transfer or to help in any way to streamline this process to avoid late fees for our customers. This is more for information and not a complaint at this stage, but anything you might suggest or contacts your commission may have would be appreciated. Thank you for your time and attention to this matter.

Complaint. Although we are serviced by SCANNA, Georgia Natural Gas has turned off our gas for nonpayment. For months, we've received at our address (see above) mail from GNG, addressed to {x}. We know of no such person, have been here for 7 years, and the prior owners were not Wheelers. This is a single- family dwelling. Knowing that to destroy mail of others, I repeatedly marked the envelopes, "Addressee not known, Return to sender," even highlighting pertinent parts. After roughly doing this 12-15 times, I wrote a letter to the company on my letterhead, telling them what I've told you. STILL, we got mail to {x}. I went to the Post Office, who then did a form to GNG, saying that Ms. Wheeler had moved with no forwarding address. [I don't think any {x} EVER lived at this address.]Today, we have no gas, courtesy of Georgia Natural Gas.
Resolution I want Georgia Natural Gas to reinstate our gas immediately. I want a letter of apology. I want SCANNA to be put on notice that GNG is disrupting their customer's service. I want an investigation.

Complaint. For the first time, that I can remember, since deregulation started I was late with a payment. The payment was 39.45. The late charge was 10.12. I expect to pay a late charge, BUT, I feel that 25.6% is a bit to much! Shell declined to amend the charge. Why is such an egregious penalty allowed?

To whom it may concern: I live in Acworth, GA - and SCANA is our gas provider. My husband was out of work some last year - and we were behind on our gas bill. In December we made 2 payments to get the bill caught up - in excess of \$700.00. We received a disconnect letter in late December - but paid the balance before the disconnect date - 12/26/00. I talked with customer service to make sure that we would be paid in full

⁵Identifying information has been removed from the complaints appearing in this Appendix; otherwise, no other changes have been made.

with the amount - they assured me we were. I called after I made the payment to make sure we were OK - and I was told we were fine. Today - Scana disconnected our gas - no letter or disconnect note was left at our house or mailed to us. My husband spent almost 6 hours on the phone with Scana customer service to get this resolved. Once I got home from work - I called and asked to speak to a supervisor. After being on the phone for 40 minutes - she told me that it was their error - that part of the money had been applied to our electric bill - and therefore they showed us not making the full payment. I was very upset - I have 2 children - and the thoughts of no heat really was upsetting. She called Atlanta Gas Light - they said they would be out the next day - and unacceptable answer. Scana's support person left a message with their escalated support voice mail - and said she would call me once she spoke to them to see if they would come out this evening. After a few hours and not hearing from her - I called SCANA - they would not get her on the phone - said she had been on a call for 1 hour - but that she had talked to Atlanta Gas and they would not come out tonight and turn on our power. I asked that she call me as soon as possible - and that I wanted to talk to her tonight. I never got a call. I am so upset - we made a huge payment in December - which was very difficult. But complied and paid off the balance - and still had our power turned off - with no warning or call. I will have to get my children up in the morning in a cold house - they could not even take a bath tonight since the water heater does not work. I have to go to work without a shower or washed hair. And the only response from them "I can understand your frustration" - no I don't think they can. What recourse do I have? I am beyond livid. They get away with this - I have heard other stories just like ours. Will you email me and let me know what I rights we have in this case.

Complaint. After receiving numerous incorrect bills regarding charges and credits, I received a disconnect notice. I called Georgia Natural Gas. They informed me they would take care of their errors. I was assured that Gas service would not be terminated. This was in November and December of 2001. On Jan. 10, I arrived home at 11pm., and the gas had been disconnected. I called GNG and talked to Eve. She informed me nothing could be done until 7 am next morning. I called at 7 am and talked to Veronica and she said she would schedule gas turn-on between 8am and 5pm on Saturday. My house has been without gas for heating and cooking since Jan.10. I have had numerous problems with receiving bills since the onset of my service with GNG. I have always paid promptly. I have had a credit on my account and still received a late fee(?). The record keeping is abysmal. I never received one month's free gas service as promised.

Complaint. 1. On/Around 19 Nov 2001, we called Shell engergy to discuss the fact that the Bill was arriving via mail with little or no time allowed for the payment before the "due date". During that conversation, the Customer Service representative suggested that we sign-up for the Auto-Payment Plan. This allows me to pay the bill using a Credit Card. We let the Service Rep sign us up for this option. 2. The December Bill arrived at our house with text stating "DO NOT REMIT PAYMENT. Your next credit card statement will reflect this charge". 3. Between December 10th-18th, we received a notice from Shell that the Credit Card Payment did not work. It did not include a reason for the failure. We immediately called Shell to discuss the problem. Shell informed us that they did not know why the payment failed and suggested we call the Credit Card company to

confirm that there were no problems. We called Citibank and inquired about the status of our account and any reasons that the payment would be rejected. Citibank informed us that the account was in good standing and that they did not have any record of a rejection. We called Shell back and repeated the conversation with Citibank. We re-verified the credit card number and expiration with Shell. Shell then informed us that they would re-submit the bill for payment. 4. Subsequently, we received a letter from Shell postmarked Dec 19th informing us that their records indicate the payment method for our account was A) Credit Card; B) Billing and Service Address; C) Credit Card Type; D) Credit Card Expiration Date; E) Last four digits of Credit Card. All of the information was correct. We believed that the matter was closed. 5. On/Around Jan 7th, we received a bill from Shell with the same message "DO NOT REMIT PAYMENT. Your next credit card statement will reflect this charge". We assumed everything worked out fine. Upon closer inspection, we noticed that in smaller print in the "message center", Shell included the note. "Your account is past due. A service disconnection may be scheduled on your account unless payment is received. To avoid this action, we strongly encourage you to make immediate payment." Additionally, we reviewed the charges to find: A) Previous Balance; B) No (zero) payments; C) New Charges for usage; D) Late Fee of \$10.22. 6. On Jan 10th & 11th, we called Shell to investigate the situation. When talking to the Customer Service representative, we discovered that Shell had additionally charged us a "Bad Credit Card Fee" of \$25...AND...that they had removed us from the Auto-Pay Plan. Please note that at no time has any other company/business rejected this Credit Card or had any other trouble with our account. In fact, the card is used almost daily and we are in EXCELLENT standing with Citibank. The Shell Customer Service Rep checked the Credit Card and stated that it was a valid card but that she could not remove any penalty fees nor could she handle payment. She transferred us to another person who could handle the situation. After more than a 30 minute wait, the Payment Service rep informed us that she completely understood the situation, but would have to charge us an additional \$4.95 to make an immediate payment...AND...she could not remove the penalty fees. The Payment Service rep was the nicest person we had spoken to and submitted a request that the penalty fees be removed. The Payment Service Rep stated that she would "note" the account to indicate that we would be sending verification of the account status from Citibank and would be mailing payment minus the penalty fees. **WHY WE ARE COMPLAINING** 1. Bills are received with little or no time to remit payment via check 2. To fix #1, we went to the Credit Card payment...in order to assure timely payment. 3. We have spent the better part of a full day contacting Citibank(three times), time talking to Shell's customer service, and time on hold waiting for Shell. 4. This is a terrible waste of OUR time considering that the "problem" was caused by Shell's inability to process our credit card properly. 5. We are unsure if Shell has placed any "payment issues" in our credit report. 6. **SHELL IS DRIVING UP THE ADMINISTRATIVE COSTS** (which will be passed on to me) **BY NOT HANDLING THE BILLING AND RESOLUTIONS PROPERLY.** Their lack of efficiency will manifest itself with higher fees that customers will have to absorb. **Resolution** 1. ALL penalty fees be removed from our account. 2. Removal and Verification that no "late fee" documentation has been added to our Credit Report. (Positive written verification) 3. Shell should be required to get bills to all customers in a more timely manner. Seven to nine days is NOT an acceptable turn-around time from the date of receipt until the due date. 4. The Payment Rep should be

given the authority to waive the penalty fees and the "immediate Payment fee of \$4.95".
5. A letter from Shell acknowledging THIER problem. It must also state that we are not at fault in this situation.

Complaint. On September 8, 2000 I relocated from [1234 Address] to [1236 Address]. This relocation occurred within the same [Apartment Complex]. A transfer fee of \$25.00 was posted to the October 2000 SCANA statement and was paid. Monthly statements beginning October 2000 sent to [1234 Address] were received but with [Apartment Complex] as the resident and not [John Doe]. A name change to the account was requested with payment of the November 2000 statement. I did not receive a December 2000 statement. SCANA was called. A copy of the December 2000 statement was faxed to me showing [Apartment Complex] as the resident. Again I requested a name change to [John Doe]. The January and February 2001 statements were received indicating [Apartment Complex] as the resident. The statements were paid as presented. The March 2001 statement included a past due amount of \$129.27. SCANA was contacted. SCANA instructed me to pay only the new monthly service charge amount. I received a statement March 21, 2001 indicating a past due amount of \$241.52. SCANA was contacted. SCANA established a new account in an attempt to resolve the problem. From April 2001 through November 2001 statements arrived at [1236 Address] indicating [John Doe] as resident. Intermittent past due notices and letters were also received during this same period of time always followed up by phone calls to SCANA from me with requests for resolution to the issue. The last SCANA statement I received was dated November 4, 2001 indicating a new balance of \$27.57 with no Balance Forward. The statement was paid. The last past due notice I received was dated November 16, 2001 in the amount of \$280.05. SCANA was again contacted for a resolution. No December 2001 or January 2002 statement was received. SCANA was called 01/14/2002 for copies of both statements. The December 2001 statement indicates new charges of \$320.47 with no Balance Forward. The January 2002 statement indicates new charges of \$38.77 with a Balance Forward of \$292.47. Resolution I would like for someone at SCANA to resolve this problem that has persisted since October 2000, to notify me in writing that it is resolved, and to copy the Public Service Commission on the resolution.

Complaint. The due date for my gas bill was 12/27/01. They received it on 12/28/01 and my check cleared on 12/31/01. On 1/9/02, I returned home to find out that my gas had been cut off. When I contacted Scana, they told me that since I was late, they cut me off. My problem with this whole situation is this: If they received my payment in full and cleared my account, why is there no mechanism in place to remove us from the cut off list? I could get no satisfactory answers from Scana. There reply was on the order of: "If Atlanta Gas Light hadn't been running behind, you'd have been cut off on 12/28." I received my current bill on 1/10/02. It does not show any past due amount, only the current amount due. It seems to me that if the billing can be corrected in a timely manner, then they should be able to fix this other problem. I told them that I didn't have the \$150 to reconnect and that even if I did, I didn't feel I should have to pay it since they are the ones that messed up. They then suggested that I contact another provider and change over since that would eliminate the \$150 fee. I realize that life is full of ups and downs and we all go through it, so the following may or may not be pertinent: I mailed my payment in

time to be received before 12/27. I mailed a car payment the same day to Birmingham that still has not been received. Since 9/11 the mail service has been erratic at best as far as I can tell from my little corner of the world. A grandson was born to our family on 11/25 a month premature and very sick. Between that, the holidays, and sick elderly parents our family was in turmoil. That same grandson was life-flighted to Eggleston on 12/27 with RSV, a life threatening illness for a preemie. To top it all off, I am disabled and am in the middle of the "hurry up and wait" situation with Social Security. I do not have the \$150 they want us to pay to reconnect us. I do not believe I should have to pay a reconnect fee to get this resolved. I also believe that they should review their procedures so that this doesn't happen to anyone else ever again. Resolution Reconnect me and not charge me the reconnect fee, since they are the ones that made the mistake

Complaint. I discovered on Thursday (1/10/2002) that my home was not warm in fact it was quite cold. My first thought was the pilot light must have gone out on the hot water heater and the furnace but that was not the case. Because I soon found out I had no gas service at all. I called my service provider, Newpower, and spoke to a couple of people neither one giving me a good explanation as to why my service was disconnected. The last one told me that I had a balance of less than \$20 on my account which I knew nothing about. The last bill I received stated an amount less than \$54 which I sent a check in the amount of exactly \$54 to cover it. I did not get a bill (they have the correct mailing address on file) stating that I owed \$19 and change or much less when this amount was due. I highly doubt with all the non paying customers in Georgia that \$20 was an amount that warranted getting my gas service cut off. Atlanta Gas Light told me my account had been voided out and that is was as if I didn't exist with Newpower so I had to put in another application with Sylvia of Newpower on Friday 1/11/2002 and was scheduled for turn on of gas services at my present address of [Address] on Monday 1/14/2002. I am happy to say the service person with Atlanta Gas Light did come by and connect my service around 6pm, but I am still unhappy with Newpower's way of conducting business. They seem to be making up rules as they go along and should be conducting business according to rules and regulations at the PSC and safety rules of Atlanta Gas Light. I just wanted to get my voice heard about my personal situation. Resolution Newpower should credit my account for the five days I was without service (1/14/2002 most of the day), 1/13/2002, 1/12/2002, 1/11/2002, and 1/10/2002 because of their bad business practices.

Complaint. Well lets see if I can make this understandable. Let me give some background information. The first gas company I had after the deregulation never sent me a bill for about a entire year. I did attempt to find out who my gas marketer was but noone could help me at Atlanta Gas Light Co. Now recently New Power gas takes over my account and they send me the bill from the previous company totaling around \$1,100.00. I contacted Newpower and they told me that they would investigate the bill. This was in October of 2001. Now today January 14th, 2002 I receive a disconnect notice with the total being \$1,554.00 due. I contacted Newpower this evening and they won't set up any prolonged payment program. They will only accept half of the total due. My other big complaint is this. They write a letter of disconnection on January 3rd according to the letter, the postmark on the envelope is January 8th, 2002. The disconnection date is

January 13th. I just received the letter today which is January 14th. How do they think anyone could make a payment when you don't receive the notice until after the disconnect date. Also this notice that I received is a final disconnection notice. I never received any first notice that I was going to be disconnected. I was under the impression that they were still investigating the previous bill from the other company. I really need some help with this, I have 3 children including a 3 month old. I can't have my gas turned off. Thank you for your time! Resolution. I think I should have some additional time to pay my bill. I also think that the past due amount should be repaid over a 4 or 5 month period of equal payments.

Complaint. On December 08, 2001, I paid my gas bill in full, overpaid it by a few dollars actually. They informed me today that my payment was not posted to my account until December 21, 2001. Today (Jan. 14, 2002), they had Atlanta Gaslight Co. disconnect my gas service due to nonpayment. My account is actually paid in full and I have not yet received a bill for January. I called New Power and demanded to know what was going on and nobody that I spoke with could provide any answers. They informed me that they would make arrangements to have my service restored, but I said not to bother, that I had already cut the lock off my meter and turned it back on by myself. They said this was illegal and I responded by telling them that I felt it is illegal to disconnect my service when my bill is paid in full. They had no answer to that. They had no right doing what they did. Resolution. I want answers from them and a formal apology. I also wish to choose another natural gas marketer. In addition, I want some sort of action taken against New Power for their unprofessional unorganized ways of doing business and for thier negligence toward their customers.

The "Bills: monthly, due within 15 days with a 1 percent late fee" is incorrect. I called Energy America and they refuse to sign up me up because I won't give them my credit card or bank account for automatic debit. (I have a strict policy against that.) If they insist on a credit card or bank account automatic debit, then it's misleading to say "due within 15 days with a 1 percent late fee". It should say, "automatic debit to credit card or bank account required".

Complaint. Service Disconnected on 1/15/02 with a ZERO balance. Was told by a supervisor that I didn't CALL (past due amount on 1/4/02 was 74.55.) Paid past due amount (1/7/02) and amount of \$98.87 (due 1/24/02). STILL WAS DISCONNECTED. Was told I had to pay \$150.00 deposit plus \$4.95 fee even though balance was zero (even according to GNG records!!!!) Have cancelled checks and all documents. I was told "lifes tough" by a supervisor after holding 77 minutes to talk to her. This is criminal and robbery. We are college educated, middle class folks and money is being extorted from us. What are they doing to the real poor in Georgia? What are YOU going to do about it. The fish stinks from the head!!!!

Complaint. Our company has moved into a new building in September and have been charged for the pipeline charges based on the previous tenant. The previous tenant was a chemical manufacturing company and used gas to produce their product. We are a printing company and only use gas for the hot water heater and furnace. Our October bill

consisted of \$491.11 AGL base charge, \$5.00 GNC customer service charge, \$4.34 gas charge, \$396.97 interstate pipeline capacity charge, and \$44.87 sales tax for a total of \$942.29. The November bill was \$502.35 AGL base charge, \$5.00 GNC customer service charge, \$19.69 gas charge, \$406.90 pipeline capacity charge, \$46.70 sales tax, and \$19.13 late charge for a total of \$999.77. Our previous location had a AGL base charge of \$24.65 and a pipeline capacity charge of \$2.98 per month. This is an absolutely ridiculous charge to pay for natural gas pipelines when we only use a small amount of gas. I have contacted Georgia Natural Gas and was told that I would receive a complaint form from Atlanta Gas Light. What I did receive was a sheet with 2001 Dedicated Design Day Capacity Factor Calculation printed off of their website. Can you please advise as to what we can do about this because we can not afford to pay these outrageous charges every month for a small amount of gas. Thank you.

Complaint. I changed Gas marketers from Shell Energy to New Power Co. effective 11/2/2001. The transition to my new gas marketer, New Power Company, occurred without incident and I have now received and paid two bills from this marketer. My previous gas marketer, Shell Energy, confirms I have a CREDIT balance on my account in the amount of \$136.30. I have made multiple telephone requests to Shell Energy requesting a check in the amount of my credit balance. It has now been 95 days since my account was closed at Shell Energy and I have still received no check in the mail. I have spoken with Shell Customer Service Representative as recently as January 16, 2002, and I still get the same story. Shell Energy says that these things just 'take time'. I understand that. I have been involved in accounting and IT for 32 years. However, 95 days is totally unreasonable for a company to issue a refund to a customer. Shell Customer Service representatives, with the exception of one, have been extremely rude, obnoxious, and not helpful at all. Perhaps they will extend more courtesy to someone from the PSC.

Complaint. I filed an application with Infinite Energy on October 18th and was told that they would start service in November. I mentioned to them that service in November was a necessity to avoid a penalty in breaking a contract with my current provider, New Power. I also sent a required \$100 deposit with my application. They cashed my check and it cleared at my bank in October 2001. On the 1st week of December, I received a bill from my current provider and called Infinite to find out what the problem was. I spoke to a customer service agent who was not able to find record of my account. They indicated the issue would be sent to the person responsible for accounts and that the person would contact me by the end of the day. After 2 days of not hearing back, I contacted Infinite again. The same exact scenario happened so I got the agent's name, Melissa. After not hearing back in several days, I called again. Same scenario, but this time I talked to Stacy who said that Melissa most likely forwarded my call but there was no guarantee that anyone would return the call. She indicated that she would escalate the issue yet offered that there was no guarantee anyone would get back to me. She also indicated that her supervisor was not in and that there was no escalation process as the customer. She offered a corporate number, 352-331-1654 x136 Anna Lee. I called this number and was forwarded back to customer service. Several days later after not hearing, I called again, same scenario. The agent was again Melissa. She said that she would escalate the issue to Jason Nolan and that it would help if we provided proof that they cashed my check for

\$100. I called a few time more and did not hear back for several days, so I tracked down a copy of the canceled check and faxed it to customer service on 12/27/2001. I have not heard back since and feel that I have exhausted any customer service facilities within Infinite Energy. At this point, I would like to be refunded the \$100 and do not wish to ever use their service regardless of their gas prices. Resolution I wish to be refunded the \$100 and do not wish to do business with Infinite Energy. I also would like you to review the ethics of their operation and customer service procedures.

Your web site offering information about calculating and double-checking the AGL monthly fee charged on our gas bills is outdated. It says it was last updated in June 2000. When I used the information on the web site to calculate my charges and called the gas provider to dispute them, they informed me that the PSC made changes to AGL's fee schedule in December of 2000. How can you justify keeping this outdated information on your public web site and providing this kind of misinformation to Georgia consumers? This information is too important to force us to take the gas providers' word for it. Thank you for your attention to this matter.

Complaint. Formally this account [account #] was with Columbia [account #]. When New Power took over Columbia, my last name was misspelled as Gernnaat. Since then(March)till now, payments on the monthly statements have not been credited. Now New Power is attempting to disconnect the gas. When I ask how did my name get misspelled, They said Atlanta Gas gave them the spelling. Their statement carges are not added up correctly at times and they will not try to resolve the problem. Half of the statement bill is not itemized and the end cost is in excess. The monthly statement is always late so I call ahead to be on time with the monthly payment. It has now come down to exposure because they will not post the payments I have made and now they want to disconnect my gas for non payment and call me the bad guy. Please help me. Resolution I need to be credited what I have paid. I dont want to be disconnected for non payment. I no longer trust the New Power company and I do not want a fine or connect charge for changing to another gas supplier.

Complaint. I got home this evening at approximately 4:45 pm and discovered a note on my door stating that my service had been disconnected due to non-payment. I received my last bill from Shell in October, which I paid, just as I always have. Since I had moved in November 2000, Shell has had my billing address incorrect, despite my numerous requests to correct it. They had never updated it to my new address (service address). In speaking with Charlene and then her manager Janet Sims, they both denied that my billing address did not match my service address. In addition, Charlene told me numerous times that I was not allowed to speak with a supervisor or manager, per Shell policy. Honestly, I think she got tired of talking to me, so she finally put Janet on the phone. I understand that I should have realized I had not received my bill, but I did not. I had no objection to paying the past due balance at the time of my phone call. All I asked was for a copy of the charges to be faxed to me, so I could review them. Neither Charlene nor Janet were authorized to do this. Is it expected that I pay 218.50 without any evidence of the charges? Needless to say, I did pay the bill, only to then be informed that an additional 4.95 would be deducted from my checking account as a fee

for paying my bill over the phone. An option which is cheaper for them and would have never been necessary had my billing address been correct. By this time, I had been on the phone of over an hour and a half. Now, I was being transferred now to Atlanta Gas Light to schedule the reinstatement of my service. I was going to have to meet them at my house to have my service restored tomorrow, when it really should have never been terminated. At any rate, I held for the next 35 minutes, until I finally got in touch with Ron at Shell, who acknowledged that my billing address was in reality listed at 3503 Nettle Lane, and there were even notes on the account about "quite a bit" of returned mail. Finally an honest person. He conferenced on the representative from Atlanta Gas Light who will try and fit me in tomorrow, and they would be out somewhere between 8 and 5. She agreed to try and get them to call 45 minutes ahead of their arrival, but could not guarantee it. At the end of that call, Ron informed me I would be subject to a \$25 fee to turn my service back on. I asked why Shell would not be absorbing that fee. He had no good answer, other than it wasn't their fee, it was Atlanta Gas Lights. I understand that, however, Shell should not have turned my service off in the first place. To add insult to injury, I am scheduled to have company in the morning for a funeral, with no heat. How pleasant will that be? Finally, after that, it was now approximately 8:20; I went outside to get my mail. Immediately upon opening the front door, I smelt gas. I immediately called Atlanta Gas Light to report the leak and they arrived at approximately 8:45. How careless of the person who turned off the gas, not to check for leaks, and potentially cause great harm to my family and potentially my neighbors. The gentleman from Atlanta Gas Light was very quick to identify and resolve the leak, and was even able to get authorization to complete the re- instatement order while he was there. I would like to commend him, Larry Atcheson, for his efforts and compassion this evening. If not for him, I would still not have any heat. Worse than that, I might have had to leave the funeral tomorrow, to come and meet the representative so that he might turn my gas back on. I can not believe that Shell would not only turn off my service, but that they would lie about their clerical error on my address, lie about the returned mail, not make any phone contact with a long term customer with no prior history of non-payment (particularly given the returned mail), not allow a customer to speak with a supervisor or manager, and additionally, not show any compassion for what had happened. That is despicable. Being a long-term manager of a customer service department, I would fire any one that had even an thought like this, much less acted on it. Shell should do the same. I will be terminating my service with Shell and signing up with a new marketer tomorrow. I am not sure how to proceed at this time to be honest. I am certain that in the \$218.50 bill I just was forced to pay for Oct - Dec, that there must be some horrendous interest or penalties, considering my last bill was for \$38.63. I should not have to pay any of those fees, nor the 4.95 charge to "pay my bill" or the 25.00 fee to reinstate my service. I would appreciate your assistance and guidance on this. Sincerely, Karen Dedier

Resolution Some assistance on the refund of interest/penalties/fees and assurance that no negative marks are on my credit with the credit bureaus or utility providers at a minimum. Thank you.

On January 14, 2002, my gas was disconnected by Georgia Natrual Gas. I received no notice of this disconnect, I waited 77 minutes on the phone to hear someone say that I had a ZERO balance. I have my cancelled check in hand (12/26/01) forwhat I thought

was the balance and received another bill on 1/5/02. This bill did not indicate a disconnect either. I paid the FULL balance on 1/7/02. My check was deposited by GNG on 1/11/02 leaving my with a ZERO balance. I was forced to pay a \$150.00 fee even though I had a ZERO balance PRIOR to the disconnect and 3 Days later--I STILL HAVE NO GAS!!!!!!! I waited yesterday for someone to come reconnect and NO ONE SHOWED. I finally spoke with GNG 10:00 p.m. last night and was told to leave my door open so that a service man could enter my home (while I am at work as a classroom teacher in Gwinnett County). This is absolutely the most ridiculous thing I have ever seen. It is criminal that GNG has so much power and does not have to answer to anyone. Thought you should know that I will actively campaign for gas regulation. I hope that someone in your office has the good fortune to experience this first hand. Maybe it wouldn't happen if they did. PS The forecasted temp was 31-35 degrees and they still disconnected. Really following the commissions order!!!!

Complaint. Billing is not being received. It is going to a [John Doe] in Augusta, GA according to Barbara (phone agent) at GNG. She said we have the same account number. I experienced this same problem last fall/winter, and it is now reoccurring. Phone agent was indignant after having me on hold for over 15 minutes as she researched the problem. Said 'they would have to work it out.' I asked who they were, and was told that it was the problem resolution group. I asked to speak with them or request a call and was laughed at and told no as if I were some uneducated dolt. However she told me that I could call them back to check on the progress. Furthermore, when I asked to be supplied with documentation that charges that would be forthcoming were actually mine and not someone in Augusta, Ga I was told no as well. If we have the same account number, how do I know they are charging me for my gas and not someone in Augusta? Then, after absolutely no resolution other than for me to call them back, this mindless customer no- service agent has the nerve to ask if she can do anything else for me! What HAD she done to begin with other than pass the problem along? She could not fix the problem and neither she nor Georgia Natural Gas has done anything for me but supply with gas, incorrectly and inconsistently bill me and cause me to spend time pointing out their problem. I could not escalate the call. I did not get information regarding any outstanding balance. I was told to wait for a bill in 7-14 days - or I could call back. This is outrageous! I will be changing natural gas suppliers TODAY. However, who is going to hold GNG's feet to the fire on their responsibilities to their customers? Resolution I would appreciate a phone call from someone in a position of authority at Georgia Natural Gas with an apology for their service as well as documentation (other than a bill that they admit is inaccurate)that any charges on my bill are mine and not someone in Augusta Ga.

Complaint. After successfully completing an obligation to completely pay off existing account balance on 12/28/01, Shell Energy/ AGL (for a reason they've been yet to explain) still proceeded to disconnect residential service on 01/16/02. This on an account that they themselves admit is current. Repeated attempts to rectify this error are resulting in an absolute failure to perform. Contacting Shell Energy representatives only compounds the problem due to the absolute inefficiency they are demonstrating with respect to this issue, opting instead to pass responsibility for reconnection to either

AGL or the consumer. As a result, we have been forced to rely on a fireplace to heat the entire residence, as well as abstain from water use for showers/ bathing for my entire family. Meals cannot currently be prepared due to the absence of gas supply.

Complaint. I have two complaints, first I signed up with their company at a Christmas show we had in our town. The agreement was for 12 months fixed rate. I received my first bill from them in Feb. 2001. In the Dec.2001 bill they had changed my rate,I call them and they fixed the problem. Well this month's bill it was changed again, I called them and they said that they had sent us a letter in Nov. 2001 (I never received a letter)and since we didn't respond this was our new rate. I also explained to them that we didn't get our 12 month fixed rate as agreed. My second complaint is their late charge, they charge you it was \$5.00 now as of Jan.1,2002 it is \$10.00 even if you pay your bill but you have a small balance, for instance like you have a balance of 4.56 they charge a late payment fee. I just don't understand all this I guess I should have stayed with Scana. On my last bill where I was charged the new rate and a\$10.00 late fee for a balance of \$3.02, The back of the bill said it was a\$5.00 late fee but whenI talked to someone at Ga. Natural Gas they told me that the late fee had changed as of Januaryy 1st. Resolution I would like full 12 billing cycle of the fixed rate, and also the late fee credited back to my account. We never had a problem until Sept. or Oct. of 2001

I returned home from work today at 7:30 PM (1/17) - my gas service had been disconnected. I received a shut off notice dated December 14,2001 from Shell Energy stating that \$110.06 was due on the account. I had paid the \$110.06 December 11, 2001 through bill pay at my bank. My current bill shows \$83.01 due. I called Shell immediately - I was on hold with customer service for 45 minutes. When someone finally came on the line I explained the situation as was told I would need to speak to someone in collections. My call was then transfered. I was on hold an additional 15 minutes. When someone came on the line, I was told that the amount was not posted to my account - and I needed to look into that. I explained that the money had already shown as coming out of my bank 12/11 and that it was Shell that needed to find our why my payment had not been applied. I was then told I needed to call customer service. I asked if that was who I had just been on hold for 45 mintues with and was told, yes - but you need to call back tomorrow because they closed at 8:00. This gas deregulation had really been a fiasco. I went on line with Scana and hope to have my gas restored soon.

Complaint. I have not received a bill since the one from 11/5/01 (this is billing date on last bill). I called company and they kept saying it was coming. On Jan 14 when I called again, they said they didn't know why I haven't gotten a bill, that they had not sent one out...that my account was showing a \$0.00 balance....that my last bill had been paid and received by them. I also had been checking their online service and had kept seeing the \$0.00 balance. The online service said that next billing would be 2/5/02.....and I was worried that I would get a bill for several months that would be very high! I contacted the company 3 times by phone and emailed them once about it. On Jan 14th the Scana representative said she would have to send my account up to "management" to review it. She said their computer system indicated that they had received meter reading info

from Atlanta Gas Light Company. It is going on the later part of January with 2/5/02 meter reading coming up and the last bill I've had and paid was for service Sept 26-Oct 25, billing date 11/2/01! I've always received bills on time before, and I've always paid them on time! Resolution A bill! I need a bill! Also, am I liable for the bill if 45 days has passed from the mailing out of the bill (when they finally send it!) and the meter reading in early December?

Complaint. On 1/15/02, upon receipt of the gas bill for December, I called New Power to inquire about certain line items. Since I had only actually used \$65.00 worth of gas and the total bill was \$171.00, I wanted to know what each charge was for. My only contention is with part of the customer service charge and a payment for November that was not credited to my account. I was charged \$48.00 for customer service. Twenty-five dollars was a service turn on fee for when I switched from Georgia Natural Gas to New Power(is this valid?). As for \$18.26 of it, I was told on 1/15/02 that it was a "seasonal meter charge". That didn't make sense to me so when I inquired further about it on 1/18/02 ,this morning, I was told that it was for Atl. Gas Light having to "put the meter back on that they took off when they turned the gas off on October 25th" Atl. Gas Light told her. Why would they remove the meter in the first place? Again, is this a valid charge? The second half of my complaint is that I received a bill in December for gas service from New Power for \$22.47 which was for service from 11/19/01-11/30/01. I sent them a check for the full amount on 12/27/01, which cleared my account on 12/31/01. While explaining the charges on 1/15/02, the customer service person said that part of the \$171.00 total was for last months bill which was still unpaid (\$22.47). I replied that I had paid it, gave her the check # and when it was sent. She said that I needed to get copies of both sides of the check from my bank, proof of any charges for the copies and FAX them to New Power and that my account would be credited for both. Before I FAXed the information this morning, I called again to get the FAX #, inquire further about the customer service charge, and reconfirm what I was told. In addition to what I have already mentioned , I was told that it MIGHT or MIGHT NOT be credited in 1-2 weeks. Resolution I would like to know if both parts of \$48.00 customer service charge are valid charges. If not, I am requesting that my account be credited with all or part of the charge. I would also like to make sure that I shall at least be credited with \$22.47 + \$2.00 for the bill that I paid and the copy charge from my credit union. Thank you in advance for your assistance.

Complaint. I was an original customer of Columbia Energy. They had numerous billing problems, i.e. not sending bills, not recording payments, etc. Columbia apparently was taken over by New Power, my current gas service provider. Columbia had sent our account to Dunscomm for collections on June 25, 2001. As soon as we were notified, we contacted Dunscomm and disputed the claim that we owed money and sent written proof. We were told by the Dunscomm account rep. that everything was resolved and we would not be contacted again. After several months of service with New Power, we received a notice from them that they intended to collect past due monies for Columbia. Again, I agreed to send proof and was told that they would immediately send us itemized bills that we had never received documenting what they believed we owed. We fulfilled our part of the agreement and, once again, on October 20, 2001, sent all of

my documentation. We never heard from them again, however, the past due amounts that they claimed I owed continued to show up on my bill. In December, I sent them a final letter telling them that I wanted this resolved immediately, or I would file a complaint with the Public Service Commissioner. They did not respond. Today, 1/18/02, I received a "Final Disconnect" notice. Resolution New Power should be reprimanded for their negligence in getting this issue resolved and for the continuing threats. My account should be marked Paid in Full and I would like to be transferred to another gas service provider at no transfer cost to me.

Complaint. I received a statement dated 1/7/2002 stating that I was delinquent for my December bill for a total of \$103.17, when actually the payment had been made. My check to Infinite Energy was cleared by my bank [NetBank Check # 1, NetBank Acct # 2] on December 24, 2001, five days before the due date. Not only has my payment not been posted to my account, but today [January 18th] I received a notice of intent from Infinite Energy to disconnect my natural gas service on January 31 for non-payment. Also, in four different attempts to contact their billing department, I have only reached an outsourced customer service line. Their billing department has still not called my back. Resolution I want acknowledgement that my bill was paid on time, and the late charge removed from my account. I want my service to remain connected. I want an apology from Infinite Energy for falsely accusing me of non-payment.

Complaint. Scana Energy has charged my account for late fees which i Have disputed numerous and various times. They are never able to provide me With support of why they charged these late fees. In addition, they have Charged late fees on top of late fees, thereby aggregating late fees of \$71.00. Now, despite numerous attempts to have the late fees corrected and To get Scana to stop charging late fees on disputed amounts, they are Threatening to cut off my gas service on monday 1/21. This, after no notice And after no attempts to correct their errors. How can the PSC allow a Marketer to cut off service for someone who 1.) Pays their bills? 2.) When They don't pay, they follow the rules relating to dipute and get no where? 3.) How can gas service be cut off for failure to pay "late charges"? These Are not fees for service or product, but late charges. To harm a family and A family's health because of disputed late charges is despicable and Unamerican behavior. Shame on Scana and shame on the PSC if you do not do Anything about this immediately. resolution I hereby request that a review be made of my account, that My gas not be turned off because of late charges, that Scana's practices Regarding late charges (especially late charges charged on disputed late Fees) be scrutinized and considered illegal.

Complaint. To whom it may concern, I have been contacted numerous times over the past year by Shell Energy regarding a bill they claim I am responsible for. I have told them repeatedly that I am not responsible for the bill. Most recently, Shell Energy has turned over this fraudulent bill to a collection agency who now has contacted me for payment. The collection agency is Risk Management Alternatives, 5101 Monument Ave., Richmond, VA 23230. They provided a reference number, [1], and an account number, [1], in their letter to me dated January 11, 2002. They also reference a "Date Owed" in their letter of 08-20-00. As I have stated to them and to the PSC previously, I

do not have an account with Shell Energy. Furthermore, I never have had an account with them. I happened to have owned and occupied the house that the account refers to. I lived in that house at [Address] from 1983 to 1986. My gas provider was Atlanta Gas Light, Acct. No. [1]. My account was closed in 1986 when I moved to Main St. in [City], GA. I also have records for that gas account through Atlanta Gas Light if needed. I rented the house on [Address] from 1986 to 1990. My tax returns for these years show no deductions for utilities because I required the renter to handle all utilities. I sold the house in 1990. Resolution I want Shell Energy to leave me alone -- that includes their attempts to contact me in any way or to have another party contact me. I have never used their product and/or service, and I am sick and tired of their lies and harrassment.

Complaint. New Power keeps sending me a bill that shows past due amounts owing to New Power and Columbia Energy. I resolved the issue with Columbia Energy by providing copies of cancelled checks. I have asked New Power to provide copies of the New Power and Columbia Energy statements to me. I have been promised on 3 occasions (since the beginning of November) that they would be sent. I did receive a letter dated 12/26/01 from New Power itemizing the statements but still have not received copies of the statements. I have spent numerous hours trying to resolve this problem. Please provide some assistance. Thanks. Resolution Copies of the statement or a letter indicating that my account is paid in full.

When permission was given to allow GNG to shut down all meters of those who have not paid their bills, are you aware that they were given permission to cut off a meter when they make a mailing address mistake. This is what has happened in my case and I don't appreciate it. All my bills are paid and I have been trying to get this mess straighten out for over four months. I have a tenant who is in her 70's and needs heat other than the electric heaters that I have installed. this is not satisfactory and I want something done now. I never had any problems with Atlanta Gas and this location has been receiving natural gas since 1950. Two ladies by the name of [Jane Doe] and [Janet Doe] at GNG does not even know how to look up passed records of my correspondence to GNG. They have all the information required to turn my meter back on but continue to ask for information that they already have. The little man doesn't have a chance. I have told them many times that my bills are paid and I need gas. I also told them that I would be forced to cut the lock if necessary. Older people can not withstand the colder weather like the young. I have four meters at my location and three tenants, why is only one tenant without gas. Georgia Natural Gas made the mistake. This is a very simple procedure and should have been corrected several months ago. Hope you can help. Thanks,

I have yet to receive a bill and I'm certain that it's past the regular time to receive one. Over the past several months, my bill has arrived with only 2 to 3 days to return it by the "due" date. However, this month, it's no where to be found. According to my records, I should've received one at the beginning of January but it's not here yet. Please note that I will refuse any late charges due to your mishandling of your own bills.

Complaint. I was on the budget billing plan. In October, I received a bill stating that there was a past due amount of \$1200 for the differential between the actual monthly charges and the budget rate. This did not coincide with my records. On October 13th, my husband called Georgia Natural Gas and requested a reconciliation on the account and cancellation of the budget plan. He requested that we have the opportunity to evaluate the charges prior to arranging a payment plan. The representative agreed to this. On Oct. 19th, I called Georgia Natural Gas to confirm that they had cancelled the budget plan, were sending the reconciliation, and understood that we were requesting the opportunity to evaluate the charges prior to paying them. The representative confirmed that this arrangement had been agreed upon. On the next bill, the budget plan was not cancelled. We also had not received the reconciliation. I called Georgia Natural Gas (don't have actual date of call, but was early November.) The representative told me that there was no record of our previous conversations. She claimed that I was "making the whole thing up". I asked to speak to a manager. The manager apologized for the representative's actions and agreed to cancel the plan, expediate sending the reconciliation, and stated that we would have to start a payment plan once we had evaluated the past charges. On the next bill, the budget plan was cancelled, but the entire \$1200 was indicated as due immediately. Again, we had not received the reconciliation. Promptly, on November 26th, I called Georgia Natural Gas, and spoke with R. Bryant. He explained that we had to begin paying something on this past due amount, and arranged a 6-mth payment plan with \$236.21 added to regular charges. He stated that the reconciliation would be sent out right away, and to call back if it wasn't received within a week. On 12/10/01, I still had not received the reconciliation. I called and spoke first to a representative, who once again told me that there was no record of my past conversation to R. Bryant. Once again, I asked to speak to a manager and was forwarded to Dan. Dan found the record of the past communications and told me to give the reconciliation until after Christmas before calling back to check on it. I inquired about the current amount due, and was told to pay 236.21. I was given number to pay over phone with VISA, and told to call back with confirmation number. I did as requested - confirmation number: 78101 was given to Damian. I still have never received a reconciliation. In frustration, I applied to Scana for service, with the intent of canceling Georgia Natural Gas. My request was denied. I continue to dispute the \$1200 amount, and feel that Georgia Natural Gas is abusing their power by demanding payment on a charge that they are not allowing me to investigate. In order to have gas service or not have my credit impacted, I am forced to pay a substantial charge that I am uncertain is legitimate. Resolution Reconciliation of account requested more than three months ago, but never received.

Complaint. Dear Sir, I am having great difficulty with my account with Georgia Natural Gas, and desperately need your help. It began with budget billing- an idea that is supposed to average your payments out so you can "budget" for them throughout the year. Georgia Natural Gas increase my monthly plan from \$55.00 to 153.80 after 1999's problems with their pricing and increased usage due to cold temperatures. That I understood. I had paid the \$153.80 every month since June 2001. With my bill dated 11/26/01, they yet again increased my budget billing to \$199.24/mo. Despite the fact that I had a credit on my variance at the time and my monthly bills were only \$80-90 a

month. I called and cancelled my budget billing on Dec. 3. I was told I could pay for my current gas charges that month and they would stop budget billing. My next bill, dated 12/26/01 showed a past due balance of \$122.65. But they also gave me a \$66.87 credit for my variance on my account. This is where the real problem has occurred. I spoke with Rufus on 12/31, who somewhat rudely said that I owed them that money. I spoke with Ephraim (a supervisor) who also stated I owed them for the budget billing, but could not explain why. I asked for an itemized bill for the year, and he agreed to send one. I had other questions about my bill that he could not answer, and he even asked me to fax my bill to him so he could see the bill. I did so on 1/03/02. I never heard from him. I called you about a week ago, and spoke to Stephanie, who was suppose to call me back that same day or the next. No word from her either. Georgia Natural Gas Consumer Relations called me today. I spoke with Sandra Burroughs for quite some time, trying to straighten out this bill. After my conversation with Ms. Burroughs, this is what she has told me: 1. I should have paid the \$199.24 in Nov. (not what I was told) 2. In Dec., if I had paid that amount, it would have been credited to my variance and then credited to my bill each month, until used up. 3. Because I didn't pay that amount in Nov. I now owe this money as if I had used that amount in gas. (Because of the way "our system is set up, it will now go against your balance due). It is very confusing to try to explain this to you, but what she has told me is that the budget billing account is closed now, and there is no way to credit the budget billing account. Yet I owe money to the budget billing account, which is now going on my regular bill. In effect, they are charging me for quitting the budget billing. I believe they owe me \$ 66.87 credit as of today. I paid November's bill as I was told. I went ahead and paid December's current charges since no one had ever contacted me back after my call on 12/31/01. They believe I owe them. \$55.78. Resolution I desperately need someone to audit at least these last 2 months bills, and get this straightened out. I, of course, want to pay for what I owe, but I do not want to pay for a problem with their 'system'.

Complaint. We enrolled with Scana Energy in Feb.2001, and in July errantly received my neighbors bill with mine. I noticed on the bills I was charged an extra (additional)amount on my billing of \$8.50XDDC and my neighbor was not although we used the same amount of therms.I phoned Scana regarding this issue and was told some customers paid this and some didn't,and I didn't have a choice. I was charged this extra amount each month through Jan 5 billing and phoned Scana again to be told the extra charge was to keep enough gas in the lines to be able to provide me service. When I asked why it wasn't advertised on their rates, I was told they didn't have to because not all their customers were charged this. Although we try to conserve valuable energy supplies, I don't feel I should pay for what I don't use and be penalized for conserving. I have switched providers as of next month, but feel I have been unjustly treated these past several months and wish my money back. Resolution Reimbursement of \$146.77.

Complaint I have contacted Shell Energy numerous times in reference to a \$65 collection item on my Equifax credit report from 8/01 acct# [1]. The Customer service person from Shell Energy said it was a mistake and another account showed up for \$14.24 acct# [2]. I explained that I have statements and canceled checks showing payment within 30 days of billing. He said that he would forward to a supervisor to correct.

Several days later someone named Matt called and said he had taken care of it. I have still not received a letter and the \$65 collection item is still on my Equifax credit report. This is unacceptable and I need your assistance. Resolution Please have Shell Energy correct the problems on both accounts. I have sent them statements and canceled checks showing payment within 30 days of billing. They must also send a letter to Equifax Credit explaining to remove the \$65 collection. I also want a letter stating the accounts have been corrected and a copy of the letter sent to Equifax credit.

To: customercarega@shellus.com Subject: Please Call Me ASAP! Cc: Bcc: X-
Attachments: It is vital that I contact someone from your service department immediately. As per the emails attached, I have been extremely concerned as to the status of my account with Shell since beginning my service with you. I have made every effort to contact someone in order to resolve this issue and have even sent checks reflecting an estimated amount to be credited to my account which have never been cashed. In spite of my most recent email of Jan 15th (see below), I have discovered this morning that our gas service has been disconnected. As mentioned in each of the emails sent, we have a handicapped child in our home and MUST have gas service in order to meet his needs. I am hopeful that Shell will yet prove itself by contacting me and insuring that we have our gas service restored before mid afternoon. I can be reached at [x] and look forward to receiving a call asap. [Email 2] Please call me at [x] as soon as possible. Since starting our service with Shell, I have never received a statement from the company for gas services. This has continued in spite of numerous requests for such. In addition, I have made a payment arrangement on the past due balance, but the checks that I have been sending on this have not cleared my bank and I continue not to receive a monthly statement. Current attempts to reach you by phone have resulted in hold times of up to one hour without ever speaking to a service rep. My address is : [x] Thank you in advance for your assistance. It is very important that this be noted in my account record so that I do not experience an interruption in service. We have a child with disabilities and it is vital that we retain gas for both hot water and heating of the home.

Complaint HELP PLEASE. I have been an Georgia Natural Gas subscriber from their first day of operations as a marketeer. After returning from an out-of-town trip in mid-December of 2001, I found that our gas service had been cut off. I immediately located the bill and called GNG and paid the full amount plus a deposit (this was my first cutoff in the 12 years I have lived in Atlanta) of \$150.00 using their pay-by-phone method. That evening I spoke to separate AGL and GNG reps at least twice each. No mean feat when you consider that customers must step through elaborate telephone menus only to be placed in "que" for 20 minutes on each call. After the payment was made, the AGL rep said that I'd have to call GNG again (call #3 to GNG) to let them know that the bill had been paid. I did so and asked how soon the gas would be turned back on. I was told that it would be 3-4 days before a technician could be scheduled. When I inquired why it would take so long, I was told that it was due to the large backlog of re-connects in the city. At a time when the daily low temperature reached the low 30's, I found their 3-4 day interval unacceptable. Further, it seems unreasonable to me to risk my family's health and well-being,(not ot mention bathing and food preparation) particularly after

the company had accepted full payment and a deposit. Therefore, I removed the \$.30 lock on the gas meter and turned the service back on. On Wednesday, January 23rd, upon arriving home after work, I found that the gas service had been disconnected once again. I looked at my GNG statement and found that I had a balance of \$9.24 due on the January 15th. I called GNG customer service and inquired about the service. The first rep could not give me an explanation why except to say that I owed \$9.24. I then asked to speak to a supervisor. Someone named "Dan", who I suspect was another service rep pretending to be a supervisor, came on the line. (it's the oldest and most common tricks-of-the-trade in call center operations). He explained that because I "failed" to notify them after the bill was paid and that I apparently "illegally" turned the gas back on, that my account was completely disconnected and that I would be receiving a final statement in a few days. **ALL OF THIS A FULL MONTH AFTER THE BILL AND A DEPOSIT HAD BEEN PAID!** What's more, "Dan's" attitude was both arrogant and capricious. He even added a third person onto the call to "witness" that I "confessed" to turning the gas service back on myself. As of today, I suppose I am no longer a GNG customer (not that I really want to be) so therefore I suppose I must sign-up with a new marketer. In the meantime, I have once again committed the unthinkable act of unlocking the the meter. Like every other attempt to de-regulate essential utilities, the only benefit to consumers has been in the form of higher bills and worse customer service.

Complaint Associates, Inc. purchased a building located at [address]. The former owner is the NewPower account referenced above. Bills were faxed by the former owner to us and paid to NewPower in error. The payments were made by check #[0] for \$450.78 dated 5/9/01, and check #[0] dated 8/27/01 in the amount of \$222.05. We have requested a refund in the amount of \$672.83 for these payments made in error. We have been in constant contact with NewPower since September of 2001. Most recently, on 1/21/02 a phone call to "Teresa" believed to be a supervisor in the Resolution Department. She advised that a letter was sent to their "Corporate" office regarding this complaint/request on 12/20/01. She claimed someone would call us within 48 hours to resolve this issue. On 1/24/02 we verified with "John" at the NewPower Resolution Department that in fact the information was sent to their Corporate office. As of 10:30 am on 1/24/02 we have not received any response from NewPower and respectfully request your intervention. Resolution A refund for the two checks issued in error totalling \$672.83.

Complaint Received notice on Dec. 9, 2001 of delinquent account for \$145.27. I called the next day Dec. 10 and gave my Visa Credit Card number as recommended by the person I was talking with to permanently correct this problem and I was suppose to be changed to the Automatic Credit Card payment each month. The reason for this action was due to not receiving Shell Energy Bills in the mail. This same problem happened around June 2001 when I received a phone call stating that I was delinquent. I verified this by referring to my checkbook and I had not written a check to them for 3 months. I notified them at that time that I was not receiving bills from them and I had reported this problem to the postmaster complaint number. I paid them over the phone immediately by check draft. After receiving the past due bill in Dec. 2001, I realized I

didn't receive a bill for November 2001. After giving them my Credit Card information over the phone on the 10th of December, I checked my Visa Credit Card account online for the remainder of December and after confirming that no charge was showing on my Credit Card, I called Shell Energy back on Jan. 4, 2002 to find out why they had not charged my credit card and they told me it took a month or so to get it set up. In the mean time they continued to charge me penalties for not paying. I received a new bill from them shortly after Jan. 4th phone call and statement showed a total due of \$242.63 which included another penalty charge but at the bottom of the bill in bold letters it stated, this was a STATEMENT ONLY - DO NOT REMIT PAYMENT Your next credit card statement will reflect this charge. On January 13, 2002 I get another notice from them stating my Gas would be cut off if I didn't pay \$145.27. On January 14, 2002 I called the collections department phone number that was indicated on notice to find out what I was suppose to do. They assured me that if the bill stated not to REMIT PAYMENT that I should do nothing and wait for my Credit Card to be charged on their billing date approximately Jan. 15th. Yesterday, my Gas was cut off because this morning my house was freezing cold. I called my heating repairman and after he checked heating, he told me my gas was cut off and that's why I didn't have heat. I called Shell Energy this morning to find out what was going on and they told me they had not received payment. I asked them how much the bill was and it had increased another \$25 not including the penalties. I asked what the additional \$25 dollars was for and they said it was for credit card rejection. I asked them what happened to my Credit Card Automatic Payment and they said the code listed with the rejection charge indicated a General Denial (whatever that means). I have been paying my other Utilities with the same Credit Card with no problems. I feel that all these problems could have been avoided if they had charged my Credit Card in December as I was led to believe. After talking to the people at Customer Service and the Collections Department, it appears they do not communicate with each other and I had no other choices except sending a letter to the main office in Houston, Texas. Each time I called to report the problem I was having I was transferred to the other party. I had to pay the total amount they said I owed including all penalties and credit card rejection fees to release the hold preventing me from changing Natual Gas Providers. I have changed my Natural Gas Provider to SCANA as of today Jan. 23, 2002. Resolution I would like to receive reimbursement for the money I paid in undeserved penalties including the general credit card rejection that occurred after December 10, 2001. I also would like to receive reimbursement for the additional cost I incurred due to my gas being cutoff due to no fault of my own. Thank you for any help you may be able to provide to make this a less distasteful experience.

Complaint My complaint is really regarding both billing and service and started over one year ago. It all started roughly October 2000 when after approximately 6 months of not receiving a bill at all, I received all of them at once. It was obviously more than I could pay, especially when the following month my gas bills raised (like every one elses) to considerably more than I had EVER paid for natural gas under Atlanta Gas Light. Long story short, by March 2001 I owed GA Natural about \$1250 in past due bills. At this time I called to make payment arrangements and even went to apply for one to one of those companies that was making partial payments for customers (by the way, they

never made a payment and never let me know that I had been denied). I missed one of the arranged payments in (I believe) July 2001 and GA Natural took me off the plan, although they did not send me a notice until after I called in in October 2001 regarding a disconnect notice that I had received. At that time, there were 2 payments left to be made under the original payment plan. When I called in and they informed me that there was no longer an arrangement, the rep did split the remaining approx. \$500 in 1/2 and gave me the final date to pay the last 1/2. The date was only a few days away and I had to go to a payment center to pay the bill. The rep told me I should call bank with the reference # on the top of the yellow slip from the payment center before the disconnect date (which I did and they told me my service would not be disconnected). I took them at their word and yet I came home 2 days later to find my service had been disconnected anyway. It took them 2 more days to reconnect my service but they did say it was a mistake on their part. Now, it's almost February 2002, I have called in at least 4 times (once a month since October) to try to reconcile this matter and every time they tell me it's been taken care of (BUT they keep adding late charges to the reconnect fee each month) then I called in on January 15, 2001 and they tell me that my claim has been denied and that I am responsible for the reconnect fee. I asked to speak to a manager who was (1) extremely rude and (2) not listening to a word I said but who finally told me all the charges relating to the reconnect fee had been removed from my bill. I come home today to find yet another disconnect notice in my mailbox dated 1/22/02 - after the manager told me it had been taken care of. So, I called again and spoke to a rep named Darlene who was even more rude than the manager and when I requested a letter of assurance that my service would not be mistakenly disconnected again told me that "that is not what GA Natural Gas is about" and then put me on hold until my cordless phone died. At this point, I feel like I should be charging them for my time and if my service is disconnected this time, I think I really may call a lawyer. I know I am not the only one in my neighborhood with this problem as I have spoken with at least one of my neighbors with a very similar story. I feel like they should apologize to me for the inconvenience they have caused and I resent the fact that I am paying them a "service fee" for a total lack thereof! I can't wait for the day that gas is re-regulated as I think this whole trial has been a big waste of the tax-payers money and time. Resolution I want an apology and I want to be sure that the se charges have indeed been removed and that my gas isn't going to be disconnected on 1/29/02

Complaint Gas was shut-off by AGLC on 1/23/02. Payment was made to Shell Energy on 1/14/02 and Shell Energy never reported the release to AGL. AGL said that the release was just made today while I was on the phone with Shell Energy. Now may gas is off and they say no one can turn service back on until Friday. Shell Energy said the release was sent to AGLC on 1/14/02. My house is cold and I need my gas back on as soon as possible. I am very upset about this whole process. Gas deregulation in Ga. has been nothing, but problems since the whole process got started. I think I should be compensated my inconvenience. I would appreciate you helping me solve my problem. Resolution I need my gas back on now!! And a credit for my inconveniences.

Complaint In December, 2000 I received a joint letter from NewPower and Columbia Energy regarding Columbia Energy assigning their residential customers to NewPower

beginning with our February, 2001 billing cycle. This letter states, "Even though your account will be assigned to NewPower, your current contract will stay in effect for its full term - with no interruptions of service or billing, at the same price, with the same terms and conditions." In February, 2001, I had not yet received my January billing, so I called Columbia Energy. They stated that I should be getting a bill within the next week for approximately \$161.00. I reminded them of their letter which stated there would be no interruption in billing or service and that I did not want to receive a huge gas bill, to please promptly bill me anything due. Shortly thereafter, in March, I received a bill from New Power for \$120.94 less credits of \$28.00 for a net balance due of \$92.94. I assumed this to be the billing I had spoken to Columbia Energy about. Thereafter, I continued to receive monthly billings from NewPower. In June, 2001, I received a billing from Columbia Energy which stated I had a credit balance due of \$4,952.94. I knew this was not correct, however I assumed they were clearing out their system from the change over and intended on calling them for clarification. However, the next week, I received another bill from Columbia Energy showing the credit balance forward of \$4,952.94, a debit billing for \$5,279.06 for a balance due of \$326.12. This statement contains no meter readings, no therms used, nothing. Immediately (in June, 2001), I called Columbia Energy and spoke with Joe, who assured me he would research this matter and let me know something. Later I received a phone call from a collection company regarding my past due bill. I explained the situation to them and they also informed me they would research the matter. Then I received another billing from Columbia Energy regarding the outstanding "past due" amount; all the while I have been receiving monthly bills from NewPower and paying them. On July 2, 2001 I called Columbia Energy and spoke with Rich Henley. He could not explain the huge credit billing or explain the debit billing leaving a balance due, but again stated he would research the matter and let me know what, if anything, I owed. I have heard nothing else from Columbia Energy since July, 2001 until November, 2001, when NewPower sent me a notice with my current bill stating they had acquired Columbia Energy's receivables and that I had a past due amount of \$326.12. On November 9, 2001 I called NewPower and spoke with Shawn (Operator #71165) who could not explain the past due amount either, however again promised to research the matter. He told me to pay the current billing and that he would put the past due amount on a 45 day extension. My December billing again showed the past due amount so I again called NewPower. I spoke with Susan (Operator #34908) on December 11, 2001. She gave me the same song and dance. My January billing likewise shows the past due balance and on January 7, 2002 I talked to a supervisor named Linda (Operator #10554) who again gave me the same song and dance. She extended the past due amount until January 25, 2002. I have yet to receive any documentation regarding this billing. No one can explain where these debit and credit amounts came from leaving this balance due. I am a trustworthy citizen who promptly pays all my bills and I am worn out of trying to fix this. What happened to their written promise that there would be no interruption in billing or service and what about the time I have spent trying to correct this matter. My time is worth something too and before too much longer they are going to owe me for my time. I understand I am not the only customer having this type of problem. Any assistance you can give me in getting this situation resolved would be greatly appreciated.

My mother is 70 years old and lives in an elderly community. Her gas was disconnected yesterday, 1/22. She paid \$200 two weeks ago on a past due bill and the energy assistance program paid \$200 (which they have not received yet) plus Atlanta Gas paid another \$50 which she will receive every month. The energy assistance program check was dated 1/1/02 but the gas company says they have not received it yet. They said she now has a balance of \$208 since they have not received the \$200 assistance yet. They also said she will need to pay the balance of \$208 (This should actually only be \$8 when you subtract the \$200 they say they have not received) plus a \$150 reconnection charge to have her gas reconnected. With a Social Security income of +/- \$500 there is no way she can come up with that kind of money at one time. Can someone assist me with this - perhaps just to explain to me how they can do this.

Complaint I am writing to dispute the FINAL BILL NOTICE of \$745.94 that I received from SCANA Energy on January 19, 2002 (and due by January 30, 2002) for service at [address] account number [1]. Please note that there are no service dates include on this billing statement. I moved into the address, which is part of the [Apartment Complex], on October 9, 1999. As advised by [Apartment Complex], I set up the utilities of phone (Bell South), water/sewer (Utility Sub-metering Services which became USI) and electric (Georgia Power). I received my first SCANA Energy bill in early April 2001 for service dates from mid March 2001 to early April 2001. When I received the bill. Since I was confused as to why I received a bill for an account I never set up, I called both SCANA Energy and Post apartments. I learned that [Apartment Complex] had opened an account in my name (without my knowledge or permission), in which SCANA Energy obtained my name, address, unlisted phone number, and social security number. Also around that time, I received a welcome letter and brochure from SCANA Energy, welcoming me as a new SCANA Energy customer. Until I received this information, I had never received any meter readings, billing, or correspondence from SCANA Energy, or from Post properties on behalf of SCANA Energy, prior to or after my move-in date of October 9, 1999. I also never received any correspondence from [Apartment Complex] that they were planning to or in the process of setting up an account in my name with SCANA Energy. Both SCANA Energy and [Apartment Complex] informed me that I would be responsible for paying for natural gas service at [address] from the date of first metering, in March 2001, GOING FORWARD. There was no balance forward on my initial bill, the amount I owed included meter readings from mid March 2001 to early April 2001. At the end of May 2001, I called SCANA Energy to cancel my service as part of my moving out procedures. I did not transfer service because the location to which I was planning to relocate did not require natural gas services. I received a FINAL BILL for \$64.71, dated June 1, 2001, and sent my payment in full on June 25, 2001. After that, I did not receive any subsequent meter readings, billings, or correspondence from SCANA Energy except for now, seven months later, the FINAL BILL NOTICE of \$745.94 that I am disputing (please not that there has never been any documentation provided to me of what this bill covers, including usage rates, meter reading dates, or service. After my move out date of May 31, 2001, I did not receive any correspondence from Post except for a check to cover the return of my security deposit and a corresponding statement indicating that the amount I owed [Apartment Complex] was \$0.00. On January 21, 2002, I spoke to both

Dixie Faulkner and Karen at SCANA Energy and Melissa Scott at [Apartment Complex]. Also, on the same day, upon the advice of Melissa Scott, I called and left a page message for Stella Overstreet at SCANA Energy. On January 22, 2002, Stella Overstreet returned my call and we spoke for several minutes regarding this matter. What I was told during these different conversations is confusing and varied, from being told that [Apartment Complex] did pay the SCANA Energy bill from October 1999 through March 2001 and now wants their money back from me, that [Apartment Complex] agreed to pay the SCANA Energy bills from October 1999 through March 2001 and did not, and is now attempting to collect the outstanding balance from me, and that [Apartment Complex] received a large bill from SCANA Energy about a year ago for a large number of apartments, at which time Post told SCANA Energy that they were not responsible because they never received any billing from SCANA Energy for the charges on those apartments. When I spoke with Stella Overstreet, she indicated that the account was also mixed up with the [neighbor's address] account, to make matters more confusing, and also quoted the amount I owed to SCANA Energy as approximately \$500.00, an amount quite different from the amount of \$745.94 which is printed on my FINAL BILL NOTICE I received from SCANA Energy on January 19, 2002. I requested that Stella Overstreet send me a letter to document the matter as she described it to me. She agreed to this, but would not commit to when she would write the letter and send it to me. I believe that my attempts to work out a solution and understand this matter via my contacts with SCANA Energy and [Apartment Complex] have not resulted in a satisfactory resolution to this issue. Both SCANA Energy and [Apartment Complex] have handled this account very badly from the beginning, in a business undertaking that began prior to me ever leasing an apartment with [Apartment Complex]. Now both companies want to force me to accept financial responsibility for their collective errors, when I clearly, according to my paperwork, completed financial obligations to both SCANA Energy and [Apartment Complex] seven months ago. SCANA Energy and [Apartment Complex] are two large companies that are attempting to pass the cost and responsibility of an irresponsibly managed account to a consumer who was not involved or made aware of any of their account agreements or undertakings. Resolution The resolution I seek at this time is the prompt receipt of a letter from SCANA Energy, in which they state that I am not responsible for the FINAL BILL NOTICE of \$745.94, and that my financial obligation to SCANA Energy was complete in June 2001 when they received my payment-in-full of \$64.71 for the FINAL BILL dated June 6, 2001. Included in the statement from SCANA Energy should be my name, the SCANA Energy account number of 2-3101-0426-5703 and the service address of [address]. I also want a subsequent FINAL BILL NOTICE that indicates the amount I owe to SCANA Energy is \$0.00. Thank you for your prompt attention to this matter. (Please note, I will follow up with a written notice that includes the FINAL BILL NOTICE and FINAL BILL.)

Complaint On September 7, 2001, I suffered a flood in my apartment at the service address of [address]. This necessitated my moving out effective October 1, 2001. I called all my utilities to have them disconnected for October 1. I have received bills from Energy America for October 19-November 15 and November 16-December 15, where I have been charged for gas usage at the apartment even though I have not lived

there since October 1. I called to inquire about this, and received rude treatment from the person taking the phone call. To make a long story short, he basically told me that there was no way I could have called to cancel service because whenever anybody calls regarding their account, there is a notation made on the computer system. I questioned this, as when I originally signed up with Energy America, they "lost" me from the computer system three times, and I had to re-order service each time I was "lost" in order to obtain service from them. He told me there was no way their system could have made a mistake and not shown a record of my call. I cancelled all my utilities without a problem, and would not have left off Energy America. I do not have a record of when the cancellation call was made to them; nor do I know exactly who I spoke with at the time, but the call would have been made towards the end of September 2001. I found his attitude and inability to accept that there could have been a mistake on their part (when they had made previous mistakes pertaining to my account and their computer system before) totally unprofessional and rude. My statements from them were going to my old address and just recently caught up with me at my new address, so I could not follow up on this sooner. Resolution I want the \$100.94 from October 19-December 15 dropped from my account. I want whatever figure I have been charged for December 16-the date in January (approximately a week ago) when I called and they actually disconnected my service also dropped from my account. I also want whatever the figure charged to me for October 1-19 dropped from my account. I do not feel that I owe this money, as I know I called to disconnect service for October 1, 2001.

A couple of weeks I emailed the PSC with questions regarding the AGL base charge and why it is so high and which company to contact Georgia Natural Gas or Atlanta Gas Light. Well, Georgia Natural Gas had someone call me to inform me that the charge came from Atlanta Gas Light and that GNG only billed the amount AGL billed. I called AGL and the customer service person I spoke with said she only routed calls to the appropriate department and that someone from DDC would have to get back with me. I have yet to hear from Atlanta Gas Light. In addition, I called again today and was on hold for 15 minutes. When a person finally came to the line the minute I said AGL base charge she cut me off mid sentence and transferred me to a recorded message that gave general information. AGL's customer service has truly gone down since the deregulation and I'm sure I'm paying more just for the service of having gas. My main concerns are how are the DDDC factors calculated? Specifically, what is the formula used? Why did my DDDC factor change after my Sept 14th reading and again after my Nov 9th reading? Also, why does the AGL Base charge change every month? Please let me know how I can get the answers to my questions. I can be reached during the day at [phone number].

Complaint My bill for the period of 11/14 to 12/14/2001 indicated I consumed 964 therms of gas. My bill for this period is \$718. I went back and calculated the therms used from 11/17/2000 thru 11/14/2001 and the total consumed was 895. I did not consume more gas in one month than for the entire year. I called and spoke with Benita on 1/2/2002 regarding my account and she agreed it looked like a mistake. She said she had to call Atlanta Gas light for another reading. I advised her that during the period of 11/17 thru March 14, I had received supposedly corrected billings for incorrect meter

readings. When the company ACN sent a corrected billing another charge for gas service charge was rebilled for 4 corrected billings along with the supposedly corrected meter readings. Now we are going thru the same thing around the same time of the year. On 1/14/2002 I spoke with Kevin Easter and he said Benita or himself will get back with me to resolve this issue before the 16th. I heard nothing from neither one of them. I called again on the 17th or sometime after the 14th and Benita advised they had indicated in the computer they were working on the account and not to do anything until she called me back. I called on 1/21 and spoke with Eddie and he informed me Benita was no longer working there and I needed to speak with his Supervisor Mia Cox. I asked if he would leave the information with her to call me back. I heard nothing. I called again today twice. I left another message for Mia Cox and have heard nothing. I am not sure what is happening with this company but I feel the meters should be read accurately during the time of service to avoid costly bills for the consumer. I am a single parent and do not have this kind of money to pay for someone's mistake. I had the question as to how they would correctly read the meter for periods of time that had lapsed and could not get an answer. Please help in resolving this issue. I have paid all bills in the past and none have come to any amounts like this.

Complaint This is a continuation of an almost year long problem...look at your records on my account...a long list. I received, today, another Past Due Notice - Shut Off Notice!!!!!! I called SES and spoke to Mr. Hamilton Masters, the Supervisor assigned to my account (at least I got to speak to someone as a result of your help last month). He couldn't tell me why I got it, especially when he had put a freeze on any outside activity on my account. I was pleased to learn that the erroneous late fees had been reversed and that he was going to reverse the one on my most recent statement as well. He is to research my account and attempt to find out why this Late Fee - Shut Off Notice happened. Interestingly enough my account balance is some \$150 less than my amount due, but that's another story. As much as it pains me to pay them what they are classifying as Amount Due I am just to see if that indeed straightens this mess out. Because, as I was told by Mr. Masters, it would be easier for me to pay the amount due than him trying to fix it in their system...yeah right! In their bifurcated billing and collection system there is no communication of account activity between the two (Billings Dept and Collection Dept). No wonder they have so much internal confusion and their customers get so many different stories. Another month goes by and I think my problem is taken care of but not a chance. I've come to believe that my account is cursed. There is no need for you to contact SES...they can't fix it...they won't fix it is the bottom line...it's too hard. So, I just wanted to keep you apprised of the continuing saga. Maybe I need to write a book about this one..."Gas Service From The Dark Lagoon".
Resolution There is none. I just need to change companies...and I probably will once I get my account cleaned up. I am afraid to find out what my rating reference would be from them to another service provider. I may need some help from you when I change.

This is my fourth letter to you on his issue that has been going on since May 2001. My problem with the billing system of Georgia Natural Gas. I had spent hours on the phone with GNG and came to the understanding after my switching of suppliers that I owed them \$263.05. The bill they kept sending me was for service after I had already

switched to Shell. Total bill that they asked for was \$410. They could not seem to correct the billing system to the correct bill amount. In December it took a letter to the PSC asking for a bill in the correct amount. It did come and I promptly paid GNG the \$263.05 as a final bill. Well guess what arrived today another bill, this amount is \$168.05. The bill shows that I paid \$263.05 and that it was posted to the account. I should have a zero bill. I did call GNG and was told my account showed a zero balance!!! Another screen showed that I owed them \$168.05. I want a letter from Georgia Natural Gas saying that the account has been in full. In the previous months they have threatened my credit history more than once. I believe GNG has severe updating problems to their account data base, they are not keeping current with their bill history data base also. They reason I left them was bad billing system. They have severe management issues and a bad billing system. Please see if you can get a letter to me from Georgia Natural Gas stating that my account is at zero. I would also like to know in writing if anything has gone into any credit agencies regarding this account . If there has been anything sent then it will need to be corrected. Thank You

Appendix 9
Low Income Heating Programs

Low Income Heating Programs

| Program | Description |
|---|---|
| Low Income Home Energy Assistance Program (LIHEAP) | A formula-based block grant from the U.S. Department of Health and Human Services. Is administered by the Georgia Department of Human Resources (GDHR) through contracts with the community action agencies. The program is designed to defray some of the heating or cooling fuel costs faced by these households with incomes at or below 150 percent of the poverty level for Georgia. The average time it takes to determine eligibility, approve and mail the assistance payment to marketers (or in some cases individuals) is no more than four weeks. |
| Supplemental Home Energy Program for Seniors (SHEP) November 2001 | PSC authorized release of \$2 million from the USF grant program administered by the GDHR to match LIHEAP funds for low-income senior citizens. Additionally the PSC authorized release of \$8 million for 32,000 senior low income consumers identified by AGL. |
| USF Distributions December 2001 | PSC allocated additional \$5 million from the USF to GDHR to further assist low-income consumers and senior citizens. (Qualifications follow federal poverty guidelines.) |
| Provider of Last Resort (POLR) for disconnected customers December 2001 | Infinite Energy designated as an emergency POLR, ending June 2002. Customers pay (1) \$150 deposit to be reconnected, not required to pay past due balances before reconnection (2) ten cents above Infinite's current market rate (3) \$11.95 monthly customer service charge. Georgia Natural Gas, SCANA, Shell defer payments of overdue balances to restore service for low-income customers. Atlanta Gas Light Co. also agreed to waive \$25 disconnection charges and waive or defer other charges for low-income households. |
| Heating Energy Assistance Team (H.E.A.T.) | Donations distributed statewide through the Georgia Department of Human Resources (DHR) to defray home heating costs. Major marketers (e.g. Georgia Natural Gas, SCANA) participate through matching fund contributions. |
| United Way 211 (Energy Assistance) | One time funding of \$250 for income eligible households. |
| Project Share | Salvation Army, in partnership with 30 utilities, administers the program, which is funded by voluntary contributions on customer utility bills. Payments average \$100 per 12-month period. |

Source: Georgia Public Service Commission, December 2001.

Appendix 10
Natural Gas Bill of Rights for Retail Customers

Natural Gas Bill of Rights for Retail Consumers

- (i) All retail consumers must have access to reliable, safe, and affordable gas service, and quality service, including a high level of customer service.
- (ii) All retail consumers must have the right to receive accurate, easily understood information about gas marketers, services, plans, terms and conditions, and rights and remedies. The information must be unbiased, accurate, and understandable in a written form, which allows for price and terms of service comparisons.
- (iii) All retail consumers must receive the benefits of new services, technological advances, improved efficiency and competitive prices.
- (iv) Standards for protecting retail consumers in matters such as deposit and credit requirements, service denials and terminations, and deferred payment provisions must be applied to all natural gas customers.
- (v) All retail consumers must be protected from unfair, deceptive, fraudulent, and anti-competitive practices, including, but not limited to, practices such as slamming, cramming, and deceptive information regarding billing terms and conditions of service.
- (vi) All retail consumers shall receive accurate and timely bills from their marketers.
- (vii) All retail consumers are entitled to protection of their privacy and must be protected from improper use of their customer records or payment history without their express consent.
- (viii) All retail consumers must be protected from price increases resulting from inequitable price shifting.
- (ix) All retail consumers have the right to a fair and efficient process for resolving differences with marketers, including a system of internal review and an independent system of external review.

Source: Consumers' Utility Counsel Division, Governor's Office of Consumer Affairs, January 2001.