

DOCKET NO. 13330-U

ORDER ON ESCALATION OF NATURAL GAS SERVICE DISCONNECTIONS

IN RE: Petition of Atlanta Gas Light Company and Shell Energy Services to Escalate Natural Gas Service Disconnections.

This matter comes before the Georgia Public Service Commission (“Commission”) through petitions filed by Atlanta Gas Light Company (“AGL”) and Shell Energy Services Company, L.L.C. (“Shell”) for an escalation of the disconnection plan established in the Order on Methodology for Processing Disconnection Requests issued by the Commission on April 3, 2001.

Background

On July 27, 2001, Atlanta Gas Light Company filed a petition with the Commission requesting the following: (a) an increase in the daily capacity of the number of disconnections plus the reconnections and/or turn-ons that may be processed by AGL from 2000 per day to a maximum allowable of 6000 per day by use of company and contract labor (\$10/disconnect and \$40/reconnect and/or turn-on); (b) a cost recovery mechanism for the cost of the increase in contract labor through a temporary suspension of deposits to the Universal Service Fund (“USF”); (c) the addition of Friday to the days of the week disconnection requests may be worked; (d) a temporary waiver of the requirement that AGL work disconnection requests within five (5) days; (e) the use of customer education funds to implement a media campaign to urge customers to pay past due bills; and (f) an increase in the level of disconnection notices from marketers to customers to initiate action immediately.

On July 31, 2001 Shell Energy filed a petition requesting that the Commission (a) require AGL to increase the daily number of disconnections and reconnections to 6,000; (b) order AGL to perform disconnections seven (7) days/week; and (c) require AGL to suspend the switching privileges of customers who are SONP-eligible to prevent a switch prior to the actual disconnection.

Discussion

During its Administrative Session on August 7, 2001, the Commission considered the above-referenced requests. In doing so, the Commission ordered that:

- 1) The existing cap on the number of daily disconnections AGL can process be removed. However, AGL is still required to process disconnection, reconnection and/or turn-on requests from marketers based on their respective monthly market shares. Further, reconnections and/or turn-ons shall take priority over disconnections.
- 2) AGL and marketers shall take adequate safeguards to prevent the disconnection of customers who have made arrangements to pay outstanding balances for gas services, which safeguards shall include, but not be limited to, checking the financial records of a customer prior to effecting a disconnection of service.
- 3) The issue of cost recovery for additional contracted labor shall be addressed in a separate docket before the Commission. Irrespective of this, however, AGL should proceed with as many disconnects as is possible using their existing resources along with the option of hiring additional trained third-party contractors. In an instance in which a third-party contractor is used to disconnect a customer, AGL shall ensure that appropriate safety regulations are followed so as to eliminate any risk of danger to the public health, safety and welfare.
- 4) AGL's request to use the remaining customer education funds to implement a media campaign to urge customers to pay past due bills is denied in its entirety.
- 5) AGL shall be permitted to process disconnections on Fridays until November 1, 2001.
- 6) AGL's request for a temporary waiver to increase the amount of time from five (5) days to ten (10) days to process a disconnection request shall be granted. This waiver will remain in effect until March 30, 2002.
- 7) Shell's request to require AGL to perform disconnections seven (7) days/week is denied.
- 8) Shell's request to suspend switching privileges of customers who are SONP-eligible shall be held in abeyance and not acted upon by the Commission until such time as Staff has had the opportunity to investigate any costs associated with its implementation.

WHEREFORE IT IS ORDERED, that the existing cap on the number of daily disconnections AGL can process be removed. However, AGL is still required to process disconnection, reconnection and/or turn-on requests from marketers based on their respective monthly market shares. Further, reconnections and/or turn-ons shall take priority over disconnections;

ORDERED FURTHER, that AGL and marketers shall take adequate safeguards to prevent the disconnection of customers who have made arrangements to pay outstanding balances for gas services, which safeguards shall include, but not be limited to, checking the financial records of a customer prior to effecting a disconnection of service;

ORDERED FURTHER, that the issue of cost recovery for additional contracted labor shall be addressed in a separate docket before the Commission. Irrespective of this, however, AGL should proceed with as many disconnects as is possible using their existing resources along with the option of hiring additional trained third-party contractors. In an instance in which a third-party contractor is used to disconnect a customer, AGL shall ensure that appropriate safety regulations are followed so as to eliminate any risk of danger to the public health, safety and welfare;

ORDERED FURTHER, that AGL's request to use the remaining customer education funds to implement a media campaign to urge customers to pay past due bills is denied in its entirety;

ORDERED FURTHER, that AGL shall be permitted to process disconnections on Fridays until November 1, 2001;

ORDERED FURTHER, that AGL's request for a temporary waiver to increase the amount of time from five (5) days to ten (10) days to process a disconnection request shall be granted. This waiver will remain in effect until March 30, 2002;

ORDERED FURTHER, that Shell's request to require AGL to perform disconnections seven (7) days/week is denied;

ORDERED FURTHER, that Shell's request to suspend switching privileges of customers who are SONP-eligible shall be held in abeyance and not acted upon by the Commission until such time as Staff has had the opportunity to investigate any costs associated with its implementation;

ORDERED FURTHER, that a motion for reconsideration, rehearing, or oral argument or any other motion shall not stay the effective date of this Order, unless otherwise ordered by the Commission; and

ORDERED FURTHER, that jurisdiction over this matter is expressly retained for the purpose of entering such further order or orders as this Commission may deem just and proper.

The above action of the Commission in Administrative Session on the 7th day of August 2001.

Reece McAlister
Executive Secretary

Lauren McDonald, Jr.
Chairman

Date

Date