

Senate Bill 175

By: Senators Marable of the 52nd, Hill of the 4th, Walker of the 22nd, Harbison of the 15th and Jackson of the 50th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 5 of Chapter 4 of Title 46 of the Official Code of Georgia Annotated,
2 known as the "Natural Gas Competition and Deregulation Act," so as to provide that under
3 certain conditions the Public Service Commission shall be required to declare an emergency
4 and regulate the delivery of natural gas to retail customers in this state; to provide for the
5 applicability of certain laws with respect to the Public Service Commission's regulation of
6 the delivery of natural gas to retail customers in this state; to provide for contracts between
7 electing distribution companies and marketers and between marketers and retail customers;
8 to provide that upon the expiration of certain contracts, electing distribution companies shall
9 be prohibited from distributing natural gas to certain marketers; to provide for the assignment
10 of retail customers whose marketer no longer sells natural gas in intrastate commerce to retail
11 customers; to authorize the merger of an electing distribution company and its affiliate
12 marketer; to provide that nothing in this Act shall be construed to impair the obligation of
13 any contract; to authorize the Public Service Commission to promulgate and adopt rules and
14 regulations; to provide for related matters; to provide an effective date; to repeal conflicting
15 laws; and for other purposes.

16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

17 **SECTION 1.**

18 Article 5 of Chapter 4 of Title 46 of the Official Code of Georgia Annotated, known as the
19 "Natural Gas Competition and Deregulation Act," is amended by adding following Code
20 Section 46-4-165 a new Code Section 46-4-166 to read as follows:

21 "46-4-166.

22 (a) If at any time two or more marketers set the commodity gas price per therm for natural
23 gas to be charged to any of its retail customers in this state at \$1.5000 or more, the
24 commission shall be required to declare an emergency in the delivery of natural gas in this
25 state. On and after the date of the declaration of such emergency, the alternative form of
26 regulation of the natural gas industry shall no longer be effective and Code Sections

1 46-2-23.1 and 46-4-150 through 46-4-165 shall no longer be applicable to regulation of the
2 natural gas industry, gas companies, and persons or companies selling natural gas in
3 intrastate commerce to retail customers in this state. After the declaration of such an
4 emergency, electing distribution companies and marketers, heretofore governed by the
5 provisions of this article, shall be governed by provisions of law other than Code Sections
6 46-2-23.1 and 46-4-150 through 46-4-165 and by rules and regulations of the commission
7 not in conflict with such other laws. Except as otherwise provided in subsection (c) of this
8 Code section, contracts between an electing distribution company and a marketer and
9 between a marketer and a retail customer shall remain valid and enforceable unless
10 otherwise terminated by the parties thereto.

11 (b) Upon the declaration of an emergency as provided in subsection (a) of this Code
12 section, an electing distribution company and any marketer may, upon mutual agreement,
13 elect to terminate a contract which provides for the distribution of natural gas from the
14 electing distribution company to the marketer. Upon such a mutual agreement, any retail
15 customers of a marketer, which ceases to engage in the business of providing natural gas
16 in intrastate commerce to retail customers in this state, shall be assigned to the electing
17 distribution company which distributed natural gas to the marketer or to such gas
18 company's affiliate marketer. Any such marketer which ceases to engage in such business
19 shall be required to furnish all records and billing information relating to its retail
20 customers to the gas company or its affiliate marketer to which the retail customers are
21 assigned.

22 (c) On and after the date of the declaration of an emergency as provided in subsection (a)
23 of this Code section, a marketer shall be prohibited from renewing a contract with a retail
24 customer or executing a new contract with a retail customer the terms of which would
25 extend beyond the date of the expiration of the contract existing on the date of the
26 declaration of an emergency between the electing distribution company and the marketer
27 which provides for the distribution of natural gas from the electing distribution company
28 to the marketer.

29 (d) After the declaration of an emergency as provided in subsection (a) of this Code
30 section and upon the expiration of any contract between an electing distribution company
31 and a marketer which provides for the distribution of natural gas from the electing
32 distribution company to the marketer, other than a contract with the electing distribution
33 company's affiliate marketer, the electing distribution company shall be prohibited from
34 any further distribution to such marketer of any natural gas to be resold in intrastate
35 commerce to retail customers in this state.

36 (e) After the declaration of an emergency as provided in subsection (a) of this Code
37 section, an electing distribution company and its affiliate marketer may merge into a single

1 gas company to be regulated in the same manner as gas companies were regulated prior to
2 the issuance of a certificate of authority as provided in Code Section 46-4-153 and the
3 implementation of this article. Such a gas company shall be regulated by provisions of law
4 other than Code Sections 46-2-23.1 and 46-4-150 through 46-4-165 and by rules and
5 regulations of the commission not in conflict with such other laws.

6 (f) The Public Service Commission is authorized to promulgate and adopt rules and
7 regulations necessary to carry out the provisions of this Code section.

8 (g) Nothing in this Code section shall be construed to impair the obligation of any
9 contract."

10 **SECTION 2.**

11 This Act shall become effective upon its approval by the Governor or upon its becoming law
12 without such approval.

13 **SECTION 3.**

14 All laws and parts of laws in conflict with this Act are repealed.