

Senate Bill 55

By: Senators Ladd of the 41st, Lamutt of the 21st, Polak of the 42nd, Price of the 56th, Balfour of the 9th and others

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, the
2 "Natural Gas Competition and Deregulation Act," so as to provide for a natural gas
3 residential customer purchasing group program; to define terms; to direct the Public Service
4 Commission to develop the purchasing group program by rule; to provide for the elements
5 of the program; to provide for the membership, operation, governance, and operation of
6 purchasing groups; to provide for the qualification, selection, and compensation of
7 purchasing agents to negotiate the purchase of natural gas on behalf of purchasing groups;
8 to provide for related matters; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 style="text-align:center">**SECTION 1.**

11 Article 5 of Chapter 4 of Title 46 of the Official Code of Georgia Annotated, the "Natural
12 Gas Competition and Deregulation Act," is amended by adding after Code Section 46-4-156
13 a new Code section to read as follows:

14 "46-4-156.1.

15 (a) As used in this Code section, the term:

16 (1) 'Residential customer' means an individual retail customer using natural gas for
17 residential purposes who is within a delivery group for which the commission has
18 determined the existence of adequate market conditions.

19 (2) 'Purchasing agent' means the agent appointed to negotiate natural gas purchases for
20 a purchasing group as provided in this Code section.

21 (3) 'Purchasing group' means a natural gas residential customer purchasing group
22 established as provided in this Code section.

23 (b) The commission shall by rule establish a natural gas residential customer purchasing
24 group program which shall contain the following elements:

1 (1) There shall be established one or more natural gas residential customer purchasing
2 groups and which taken together shall encompass all residential consumers in the state;

3 (2) If there is more than one purchasing group, the commission shall determine the
4 number, size, and geographic characteristics of groups to maximize the benefits to the
5 group members;

6 (3) Each residential customer shall be automatically enrolled in one of such purchasing
7 groups but shall be afforded the opportunity to withdraw from the purchasing group prior
8 to the execution of the purchasing group's first purchase contract and shall be afforded
9 an opportunity to withdraw from the purchasing group periodically thereafter;

10 (4) Each purchasing group shall be represented by a purchasing group board which shall
11 consist of five residential customers who are members of the purchasing group. The
12 initial members of each purchasing group board shall be appointed, three by the
13 commission and two by the Governor;

14 (5) The commission shall periodically solicit competitive proposals from prospective
15 purchasing agents desiring to represent purchasing groups;

16 (6) The purchasing group board of each purchasing group shall, with advice and counsel
17 provided by the commission, periodically select a purchasing agent from among those
18 submitting proposals to the commission;

19 (7) The purchasing agent for a purchasing group shall, with the approval of the
20 purchasing group board, periodically enter into a contract with a marketer under which
21 the marketer shall provide distribution service to the residential customers in the
22 purchasing group;

23 (8) The purchasing agent shall be compensated for his or her services by fees to be
24 collected by the marketer and remitted to the purchasing agent; and

25 (9) The purchasing agent shall monitor the marketer's compliance with its contract and
26 with legal and regulatory requirements, negotiate on behalf of the purchasing group's
27 members with the marketer concerning any noncompliance, and report to the commission
28 any instances in which a marketer's noncompliance cannot be resolved through
29 negotiation.

30 (c) A purchasing agent shall be held to the standards of a trustee with respect to the
31 purchasing agent's protection of the interests of the purchasing group members; and it shall
32 be unlawful for a purchasing agent to accept any thing of value from any person in
33 connection with the purchasing agent's performance of duties for the purchasing group,
34 except for the compensation specifically authorized pursuant to paragraph (8) of subsection
35 (b) of this Code section and the rules of the commission."

1 **SECTION 2.**

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

4 **SECTION 3.**

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