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October 31, 2002

The Honorable Reece McAlister
Executive Secretary
Georgia Public Service Commission
244 Washington Street, SW
Atlanta, GA 30334
Via Express Mail

**RE: Docket Number 15640-U - Standards for Determining
Whether Natural Gas Prices are Constrained by Market Forces**

Dear Secretary McAlister:

The National Energy Marketers Association (NEM) hereby submits these comments in the above-referenced proceeding pursuant to the Notice of Proposed Rulemaking issued October 1, 2002. In this rulemaking proceeding, the Commission is examining the, "establishment of standards for determining whether or not prices are constrained by market forces and for determining, in a case when prices are unconstrained, if those prices are significantly higher than they would be if they were constrained." (Notice of Proposed Rulemaking at page 1). NEM submits these comments to urge the Commission to limit the exercise of its statutory authority to intervene in the market to emergency situations, if at all.

NEM is a national, non-profit trade association representing wholesale and retail marketers of energy, telecom and financial-related products, services, information and related technologies throughout the United States, Canada and the U.K. NEM's Membership includes wholesale and retail suppliers of electricity and natural gas, independent power producers, suppliers of distributed generation, energy brokers, power traders, and electronic trading exchanges, advanced metering and load management firms, billing and information technology providers, credit, risk management and financial services firms, software developers, clean coal technology firms as well as energy-related telecom, broadband and internet companies.

This regionally diverse, broad-based coalition of energy, financial services and technology firms has come together under NEM's auspices to forge consensus and to help resolve as many issues as possible that would delay competition. NEM members urge lawmakers and regulators to implement:

- Laws and regulations that open markets for natural gas, electricity and related products, services, information and technology in a competitively neutral fashion;
- Rates, tariffs, taxes and operating procedures that unbundle competitive services from monopoly services and encourage true competition on the basis of price, quality of service and provision of value-added services;
- Competitively neutral standards of conduct that protect all market participants;
- Accounting and disclosure standards to promote the proper valuation of energy assets, equity securities and forward energy contracts, including derivatives; and
- Policies that encourage investments in new technologies, including the integration of energy, telecommunications and Internet services to lower the cost of energy and related services.

As an initial matter, NEM notes its strong support for the comments of its members, Shell Energy Services and Energy America, as set forth in the submission of the ESPA Coalition. NEM urges the Commission to incorporate the recommendations set forth in the Coalition comments in its final rule.

NEM recognizes that the legislature has given the Commission the authority to intervene in the market when, "market conditions are no longer competitive," to, "temporarily impose such directives on marketers as are required to protect the interests of retail customers in the state, including, but not limited to, price regulations on the marketers." O.C.G.A. § 46-4-157(b). NEM submits these comments to urge the Commission to limit its intervention in the market to extremely exigent circumstances, if at all.

NEM submits that intervention in the market by the Commission should be a last resort measure reserved for true periods of emergency. If the Commission evinces a willingness to intervene in the market under less than emergency conditions it would send a severe, negative signal to participants in the natural gas market in Georgia as well as to participants in competitive retail markets across the country.

Furthermore, the threat of Commission intervention in the market will impose a degree of political, financial and business risk that was never factored into the business models of unregulated energy related services. The implementation of this rulemaking could have a chilling effect on competitive entry into the Georgia market and competitive retail markets in other states. Accordingly, NEM submits that the Commission must make clear that it will withhold from intervening in the market unless warranted by truly critical, anti-competitive conditions.

NEM and its members have looked to the Georgia deregulation model as a prototype for the rest of the country. We offer the full resources of our organization and our members to assist the Commission to make deregulation in Georgia a success.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Craig Goodman". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing Comments of the National Energy Marketers Association have been served by U.S. mail upon the following individuals on the Commission's Parties of Record list in Docket Number 15640-U:

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This 31st day of October, 2002.



Craig G. Goodman