

A Natural Dilemma

What you need to know before you pick a natural gas company

by Glenda Rogers


Whether you are new to Atlanta or simply looking for a way to trim your cost of living, searching for a natural gas supplier in Georgia's deregulated market can be daunting. But with a bit of research you can make an informed decision with confidence.

Deregulation has made Atlanta Gas Light Company the distributor of all of Atlanta's natural gas while other companies, "marketers," became the sellers of the gas to the public. To shop for a marketer, it's necessary to understand the market. According to Bill Edge, public information officer for the Georgia Public Service Commission (GPSC), "the demand for natural gas is steadily increasing while drilling for natural gas has become harder and more costly." That means natural gas prices are not going to plummet anytime soon unless new and easier sources become available. So how do you find the cheapest price in a plan that is right for you?

First, you need to know that every marketer offers two pricing plans: variable rate and fixed rate. With a variable rate, the price per therm (commercial unit of heat) charged to the customer changes with the market. That charge is reflected on the monthly gas bill based on price and amount of gas used. With a fixed-rate plan, the company sets a fixed price per therm for a specified, contractual period of time, usually 12 months, and the

customer then knows that their price will remain the same for that period. The homeowner's gas bill, of course, still will vary month to month based on how much gas is used.

Fixed-rate plans are for the person who wants to hedge his bets. If natural gas prices increase during the period of the fixed term, the consumer continues to pay the lower price. But if rates drop, the customer is stuck paying a higher price than market. Joni Alpert, one of the producers of *The Clark Howard Show* on WSB Radio, says it's hard to predict what will happen to gas prices, but in light of recent events, it's likely they will go up, so it may be wise to go with a fixed rate.

The GPSC provides a very helpful chart on its Web site comparing the different plans all certified marketers in Atlanta offer, even doing "apples to apples" comparison. Not to be confused with fixed-rate plans, another service many marketers offer is budget billing. We've all experienced the shock of higher gas bills in chilly February. Budget billing averages your annual gas usage so that you pay the same amount every month. At the end of the year, if you have used less than your previous year's average, you will see a refund in some form; if you have used more, the added cost will either be billed or rolled into the next year. 

MARKETER	WEBSITE	OFFERS FIXED OR VARIABLE RATES	E-BILL AVAILABLE++	BUDGET BILLING	DEPOSIT REQUIRED
ACN Energy	www.acnenergy.com				contingent*
Gas Key	www.gaskey.com	var + 12mo fixed		✓	contingent
Georgia Natural Gas	www.georgianaturalgas.com	var + 6, 12mo fixed		✓	contingent
Infinite Energy Inc.	www.infiniteenergy.com	var + 12mo fixed	✓	pending	contingent
SCANA Energy	www.goscana.com	var + 6, 12mo fixed	✓	✓	contingent
Shell Energy Services	www.shellenergy.com	var + 6, 12, 24mo fixed	✓	✓	not at this time
Southern Company Gas+	www.southerncompanygas.com				
Vectren Source	www.vectrensource.com	var + 12mo fixed	✓	✓	contingent
Coweta Fayette EMC	www.cfemcnaturalgas.com	var + 6, 12mo fixed	✓	✓	contingent
Walton EMC	www.waltonemc.com	var + 12mo fixed	✓	✓	contingent
Cobb EMC+	www.cobbemc.com				

* Deposit Required: "contingent" deposit not to exceed \$150 may be required based on credit/payment history.

++ In addition to the more traditional payment methods, these companies also have electronic billing available.

+ At the time of this writing, Southern Company Gas and Cobb EMC were entering merger negotiations. Visit their Web sites for the latest information.