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NEWS RELEASE

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Commission Approves Atlanta Gas Light Company Vintage Plastic Pipe Replacement Program; Safety and Reliability at the Forefront

ATLANTA, August 6, 2013 – The Georgia Public Service Commission (Commission) today unanimously approved an Atlanta Gas Light Company (AGLC) program to replace 756 miles of so-called vintage plastic pipe over the next four years. (Docket number 29950) The Commission approved a stipulated agreement between the Company and Commission staff which provides that the cost of the program will be phased in over the next three years to mitigate the impact on natural gas consumers. The program, known as the Integrated Vintage Plastic Replacement Program (i-VPR), will have an estimated total cost of \$275 million.

Commissioner Stan Wise initiated the docket after learning that certain plastic pipe installed in the 1960s and early 70s was prone to becoming brittle and subject to breakage when disturbed, resulting in higher leak rates than other pipes. No reportable incidents involving persons or property damage have been linked to vintage plastic pipe, which is usually used in low to medium pressure applications.

“This vote today again shows the leadership of this Commission in aggressively pushing for pipeline safety and is the reason Georgia is a nationally recognized leader in this effort. Today’s decision means safer and more reliable pipes to deliver natural gas to customers on the AGLC distribution system,” said Commissioner Wise. “While other states are now wrestling with how to implement costly solutions to replace aging infrastructure, Georgia’s vision and leadership means we are maintaining an up-to-date, safe and reliable natural gas system at a reasonable cost to ratepayers,” Wise added.

“Georgia is far ahead of the curve in our pipeline safety program. The consumer will spend just pennies on this program but that cost does not compare to the worth of an individual’s life that might be injured in a pipeline incident. I complement the Company, our staff and this Commission for their aggressiveness in taking the bull by the horns and making this happen,” said Commissioner Lauren “Bubba” McDonald, Jr.

Among the provisions contained in the agreement:

- The increase in the pipeline surcharge will be phased in in three stages, starting at 48 cents in the first year, 96 cents in the second year and increasing to a total of \$1.45 in the third year.
- The i-VPR program is limited to 756 miles of pipe.
- The i-VPR program will be completed by December 31, 2017.
- The Company will file quarterly reports on the cost and construction plans. The first plan will be filed within 45 days of the effective date of the Commission's order in this docket.

The Commission first approved a pipeline replacement program for AGLC in 1998 followed by approval of a similar program for Atmos Energy, now Liberty Utilities, in 2001. The original ten-year program called for replacing more than 2,300 miles of aging iron and bare steel pipes throughout the AGLC and Atmos service areas. The program has since been expanded to include 2,700 miles of additional pipes in the AGLC distribution system and the work is scheduled for completion later this year.

For more information visit the Commission web site is www.psc.state.ga.us.

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