

**GEORGIA PUBLIC SERVICE COMMISSION**

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**AGL PIPE SYSTEM TO BE RENEWED OVER 10 YEARS WITH PSC APPROVAL**

ATLANTA -- Portions of a deteriorating Atlanta Gas Light pipe system will be replaced over the next 10 years if the Georgia Public Service Commission (PSC) approves an agreement filed Wednesday between its Staff and Atlanta Gas Light Company (AGL).

Last January the Georgia Public Service Commission charged that Atlanta Gas Light Company had failed to replace and adequately protect several hundred miles of corroding natural gas pipeline. The PSC opened a case against the utility after learning that nearly 20,000 leaks, many considered hazardous, had occurred in the Atlanta area over a three-year period starting in 1996. Nearly fifty percent (50%) of the leaks were the result of aging cast iron and corroding bare steel pipe, some of which has been in the ground since the late 1800's.

"We took action against Atlanta Gas Light out of a concern for public safety," said PSC Chairman Bobby Baker. "It is our wish to avoid any serious problems by requiring Atlanta Gas Light to modernize their distribution system over a reasonable time period."

If the PSC approves the agreement scheduled for a hearing July 8, the utility will embark on a ten (10) year modernization program to replace more than 2300 miles of bare steel and cast iron pipe. Starting in the more densely populated areas of Atlanta, the utility is required to replace some 230 miles per year over the next 10 years.

The modernization program would begin this Fall and will be funded by ratepayers over the next ten years contingent on the company's performance. Beginning in October of 1999, ratepayers will pay a monthly surcharge expected to be less than fifty cents.

However, Bev Knowles, Director of Utilities for the PSC, believes the improvements will start to pay off by the third year of the program. "Ratepayers will see a savings in the long run as there will be less maintenance cost, less miles of pipe to monitor for gas leaks, less gas will be lost from the system and our lives and property will be safer," said Knowles.

In the neighboring state of South Carolina, South Carolina Electric and Gas company completed a similar ten (10) year modernization program and were able to drive their costs down nearly fifty percent (50%) he noted.

The infrastructure improvements are expected to last sixty years or more.

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**Update: By a 3-2 vote, the PSC approved the forementioned stipulation during its regularly scheduled, July 21,1998 Adminstrative Session.**