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News Release

PSC Considers A Stipulation With Atmos Energy On Fatal Gainesville Natural Gas Explosion; Issues Final Rules For Determining If Natural Gas Prices Are Competitive; Approves Funds For Appling County Gas Main Extension

ATLANTA, May 6, 2003 – A majority of the Georgia Public Service Commission (Commission) today considered and amended a stipulation with Atmos Energy to resolve issues involving the December 17, 2002 explosion in Gainesville, Georgia which later resulted in the death of a citizen and serious injury to a second person. Commissioner Speir's motion to amend the stipulation required Atmos Energy to pay a penalty of \$375,000 in two parts: \$195,000 to fund a statewide natural gas public safety education program in English and Spanish and a credit of \$180,000 to the pipe replacement program. This credit would reduce the monthly rider paid by customers by about \$0.25 for the twelve months beginning October 2003. Commissioner Everett stated that the \$195,000 for public education be under the control of the Commission and that Atmos not derive any advertising benefit from this. The stipulation also required Atmos to survey and repair all leaks in its pipes with specified deadlines under Commission oversight and to resolve the 13 alleged violations of federal and state regulations outlined in the Commission's February 24, 2003 report on the incident. The Company rejected the amended stipulation that required them to pay \$180,000 more than the original stipulation and made a counter-offer to pay \$90,000 into the pipe replacement program. The Commissioners took this offer under advisement.

The Commission also approved the final adoption of new Commission rules to determine if natural gas prices are constrained by market forces. The Commission is required to adopt the rules by the Natural Gas Consumers' Relief Act of 2002 before invoking its emergency powers to protect consumers in certain situations.

In other action, a majority of the Commission approved Commissioner Everett's motion to disburse \$243,204 from the Universal Service Fund (USF) to Atlanta Gas Light Company to pay for the extension of a natural gas main to the new Appling County Detention Center near Baxley. Based on Chairman Baker's motion the Commission also ordered approximately \$250,000 be refunded from the USF to schools or other public entities who contributed money for projects that exceeded the allowable investment guidelines. Most of these customers were county school systems and one was a county fire station.

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