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News Release

PSC Approves Agreement with Atlanta Gas Light to Resolve Coal Tar Cleanup Issues

Atlanta, June 6, 2006 – The Georgia Public Service Commission (Commission) today approved an agreement with Atlanta Gas Light Company (AGLC or the Company) to resolve issues stemming from a Commission staff audit of the Company's Manufactured Gas Plant (MGP) Environmental Response Cost Recovery (ERC) Rider, Docket Number 4167. The audit covered the Company's spending through year 14 of the ERC Rider which ended June 30, 2005.

A majority of the Commission, by a 3-2 vote, approved the agreement which calls for the Company to credit \$600,000 to the ERC rider within 60 days of the Commission's written order approving the agreement. Commission staff, Consumers Utility Counsel and the Company all signed the agreement before presenting it to the Commission. The original staff audit recommendation filed on May 8, 2006 called for the Company to credit \$664,760 to the MPG program.

This agreement has no effect on the Commission's authority to audit any MPG program expenses incurred since July 1, 2005 or to re-examine expenses which fall under item 3 below.

Other items in the agreement include:

- 1. The Company will apply state of Georgia travel and expense guidelines for expenses incurred by contractors working the MPG program on an ongoing basis.
- 2. The Company will provide the Commission with an updated equipment inventory list with purchase prices and will use the best method available to dispose of equipment to obtain the best market value to be credited to the MGP program.
- 3. This agreement settles all issues stemming from the staff audit of the MGP program through the end of June 30, 2005. However the Commission can re-examine and disallow any item if it finds fraud, concealment, criminal misconduct or failure to disclose a material fact.

AGLC customers are assessed a monthly surcharge, or rider, to pay for the costs of clean up for the Commission approved program which started in 1992 to clean up environmental damage at 13 sites in Georgia and Florida owned by the Company. The monthly surcharge is currently set at \$1.20.

According to Commission records, the Company has spent more than \$256 million on coal tar remediation efforts since the beginning of the MPG program in 1992.

For more information, you can access Docket Number 4167-U through the Docket Search on the Commission web site, www.psc.state.ga.us.

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