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NEWS RELEASE

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FOR IMMEDIATE RELEASE

PSC Ensures Natural Gas Pipeline Safety in Georgia *Ongoing Inspections and Pipeline Replacement Programs Underway*

ATLANTA – September 20, 2010 – Although Georgia has never experienced an incident of quite the magnitude of the explosion in San Bruno, California, the state's chances of a similar occurrence would be significantly higher had the Georgia Public Service Commission and its natural gas utilities not implemented aggressive Pipeline Replacement Programs (PRP) that have become national models.

“Despite the incident in San Bruno, the nation's natural gas system has a safe track record. Last year utilities reliably delivered natural gas to 165 million homes and businesses through a 2.3 million mile distribution and transmission pipeline delivery system with only 44 serious incidents, more than 25 percent of which can be attributed to third-party damage,” said Commissioner Stan Wise.

In 1997 the Commission initiated an investigation to ensure Atlanta Gas Light Company (AGLC) was meeting its obligation to adequately protect its pipeline infrastructure, much of which was century old cast iron and unprotected bare steel pipe, not unlike that in the San Bruno incident. Over 20,000 leaks had been identified over a three-year period including leaks in the lines right in front of the Commission offices by the State Capitol.

In Docket 8516, the Commission in 1998 ordered AGLC to replace more than 2300 miles of bare steel and cast iron natural gas distribution and transmission pipes over a ten year period. Since that time additional pipes have been added to the program. Now in the eleventh year of the program, the utility has successfully replaced nearly 90% of the targeted pipe at a cost of approximately \$580 million. Georgia's PRP has resulted in less maintenance cost to the utility, less gas lost from the system, less miles of pipe to monitor and, most importantly, ensuring that lives and property are safer. Under the program, the Commission allowed AGLC to recover the cost of the program. In 1999, AGLC customers paid \$0.11 a month. Today that charge is \$1.95 a month.

Similarly, in Docket 12509, the Commission in 2000 ordered Atmos, which serves about 57,000 customers in Columbus and Gainesville, to place more than 184 miles of cast iron and bare steel pipe in its service areas. To date more than 137 miles of pipe have been replaced. As of October 1, 2010, the Atmos pipeline monthly charge per residential customer will be \$4.00.

These pipeline replacement programs are only one part of the Commission's ongoing programs to ensure the safety and reliability of the state's natural gas pipes. Although generally not seen by the public, the Commission has two enforcement authorities under our Facilities Protection Unit; the Pipeline Safety Section and the Georgia Utility Facilities Protection Section. The Commission has eight fulltime pipeline safety inspectors in its Pipeline Safety Group who conduct safety inspections of all natural gas systems operated in Georgia by AGLC, Atmos and municipalities.

"Although no one can guarantee that an accident will not occur, I can guarantee that the Public Service Commission will continue to ensure safe and reliable service with the transportation of natural gas for the safety and well being of Georgia's citizens," said Commissioner H. Doug Everett.

During 2009 the Pipeline Safety Group monitored and inspected over 78,159 miles of distribution mains, service lines and transmission pipelines transporting natural gas to over 2 million Georgia customers. With eight qualified inspectors, each inspector is responsible for approximately 9,769 miles of natural gas pipeline along with 250,000 customers. The inspectors evaluated operator compliance with pipeline safety regulations during 1,029 inspections, expending 1,560 inspection days. These inspections addressed operator qualifications and integrity management along with accident investigations and follow up inspections that monitor operators for violations of the law.

For more information, please go to the Commission web site at www.psc.state.ga.us.

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