

## **SB 173 Key Points**

### **April 10, 2007**

1. 70% of petroleum products used by Georgians to drive their cars, fly planes, harvest crops and heat homes is supplied by Georgia based Colonial Pipeline Company. Colonial Pipeline's main line that runs from Texas, through Louisiana, Mississippi, Alabama, and to service Georgia terminates at Powder Springs, but then runs on through Georgia and up the East coast.
2. This main line from Louisiana to Powder Springs is over capacity at peak demand times already and will experience more serious allocation and rationing by 2010.
3. To meet the petroleum product needs of a growing Georgia, Colonial is proposing adding an additional pipeline from Louisiana to Powder Springs that will run along side the current main line. The additional petroleum product for the new line will come from refineries in the gulf that are being re-built and expanded as a result of hurricane Katrina and are coming on-line in 2010---the expected completion date of the new pipeline.
4. Even with a robust bio-fuels program, hybrid auto program, conservation program and other alternative energy programs, Georgia's need for increased petroleum product is substantial and will continue to grow. This \$1 billion project will meet that energy need. The only transportation alternatives are marine shipping and trucking, both of which are more environmentally risky and much more expensive.
5. In developing the State Energy Strategy, Gov. Perdue's Energy Policy Council recognized the need to "enhance petroleum infrastructure to minimize vulnerability to supply interruptions." Colonial's pipeline expansion is the only immediate and viable method to accomplish this goal.
6. Pipeline expansion has been endorsed by Delta Air Lines, Georgia Chamber of Commerce, Agri-business Council, BP Oil Company, Georgia Petroleum Council, Georgia Association of Convenience Stores, AAA Auto Club South, Georgia Automobile Dealers Assoc., Georgia Motor Trucking Association and the Georgia Oilmen's Assoc.
7. In 1995, Georgia added redundant certifications, hearing processes, notifications, and environmental procedures for building petroleum pipelines. These procedures were adopted because Colonial was attempting to build a NEW pipeline in southwest Georgia. No other state has such redundant rules nor does any other utility in Georgia have to meet these rules.
8. The proposed house Committee sub to SB 173 exempts a products pipeline company from the redundant requirements of the 1995 law as long as the new line runs contiguous to a current pipeline corridor that already has at least a 30" diameter pipe in place. SB 173 House Committee sub only applies to main lines shown on the attached map and DOES NOT APPLY TO ANY OTHER PIPELINE IN GEORGIA.
9. Colonial Pipeline's proposed expansion project in Georgia only runs 47 miles from the Alabama line to Powder Springs. The line from Powder Springs through Georgia and into South Carolina has sufficient capacity for many years to come and NO expansion is planned.
10. In this particular case, as long as the supply line expansion runs contiguous to the current supply line corridor, from the Alabama line to Powder Springs, the supply line would be exempt from the redundant rules adopted in '95.) They would still be subject to all environmental permitting and the eminent domain laws passed by the General Assembly in 2006. Indeed, petroleum pipelines would still have the most restrictive process of any utility in Georgia.
11. SB 173 only allows the pipeline off the existing corridor for 3 reasons (to still be exempt from the redundant 1995 rules. They can go off the corridor for up to 1 mile to avoid an environmentally sensitive area, to avoid nearby development, or to avoid an historic site on the National Register. If they have to go off the corridor for more than 1 mile to due to any of these three exceptions, then the '95 rules apply before they could condemn under eminent domain for any property outside the 1-mile distance from the existing right of way. If an additional pipe cannot be placed next to an existing right of way and must be placed within one mile, the maximum width of the non-contiguous easements would be limited to 50'.
12. SB 173 is an extremely tightly written bill that accommodates the need for increased infrastructure while protecting the environment as well as individual property rights with the same restrictions the state has imposed on all other utilities.
13. SB 173 passed the Senate on March 1, 2007 with bipartisan support, 43-11.