



# Colonial Pipeline Company

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Dear Representative:

Ten years ago, Georgians consumed nearly 19 million gallons of petroleum products every day. That's gasoline for our cars, jet fuel for planes at Hartsfield-Jackson, diesel for trucks and agriculture equipment, etc. Today, we consume 23 million gallons a day. Even with the rapid development of alternative fuels and conservation, Georgia's consumption will increase another 2 million gallons a day - or more - over the next five years. Our cars, our economy and our state depend on access to petroleum products at a reasonable price. That is why I am asking you to support Senate Bill 173.

More than 70% of all oil products consumed in Georgia come via Colonial Pipeline, which consists of two 36-inch steel pipes that run side-by-side from the refineries of Texas and Louisiana, across Mississippi, Alabama and 47 miles into Powder Springs. Today, those supply lines are at capacity with space being rationed during parts of the year. By 2010, full capacity and rationing will be routine much of the year.

So where will Georgians' new source of petroleum come from? There are really only three options:

- 1) A significant increase in tanker truck traffic,
- 2) Add port capacity in Savannah for oil delivery, which also requires significant increases in tanker trucks for the rest of the state,
- 3) Expand the supply line by adding one more pipe to the current corridor from the Gulf Coast to Powder Springs.

From a cost and public safety standpoint, expanding the supply line is the best choice. Additional tanker truck transport will clog our roads and cost your constituents 8-10 cents or more per gallon than pipeline transport. There would be a ripple impact - a negative one - on Georgia's farmers, airlines, tourists, and heavy industry.

SB 173 concerns legislation passed by the General Assembly in 1995 to establish pipeline siting restrictions beyond those already part of Georgia law. Those restrictions were put in place to stop a new pipeline from being built from southwest Georgia to Tallahassee, and they achieved that goal.

Understandably, Colonial is reluctant to commit to the proposed expansion without reasonable assurance that it will be possible to complete the project. SB 173 modifies the redundant, unpredictable and time-consuming siting regulations imposed in 1995, whose sole purpose was to stop a pipeline.

SB173 keeps all environmental permitting requirements imposed by the state and the federal government, and all restrictions imposed by the eminent domain laws of our state. Citizens' property rights will still be protected and government oversight will still be comprehensive if SB 173 becomes law.

The Federal Energy Regulatory Commission acknowledged the need for this project in July 2006. Governor Perdue's Energy Policy Council also recognized the need for the expansion and upgrade of the pipeline infrastructure. Delta Airlines, the Agribusiness Council, the Georgia Chamber of Commerce, Georgia Automobile Dealers, AAA, The Georgia Motor Trucking Association, Georgia Oilmen's

Association, and other industries and associations have all endorsed the construction of this pipeline to secure needed oil and gas supplies at a reasonable cost. Building this pipeline secures Georgia's energy future for some time to come. If we do not build it, then our citizens' energy needs and our economy's energy requirements will be at risk. I am convinced that expansion of this line is a critical part in meeting the future energy needs of our citizens and our state's economy.

If this bill passes, Federal and state oversight will more than adequately protect citizens' property rights and to protect our state's environment. Indeed, Colonial Pipeline's ability to condemn property will remain the most restricted of any utility in Georgia.

I am attaching information for your review regarding SB 173. As you know, the Senate passed SB 173 by a sizeable majority and with true bi-partisan support and involvement. I am hopeful the House can approach this extremely important legislation in the same bi-partisan and thoughtful way. Further tightening of the legislation was recommended in a recent hearing that would limit the legislation to main lines of 30" or more, thus excluding all lines to north and south Georgia. Please review the attached information and don't hesitate to contact Sam Whitehead, Colonial's Public Affairs Manager, with any questions, suggestions, or requests for more information. (678-762-2333, cell 404-272-3250, [swhitehe@colpipe.com](mailto:swhitehe@colpipe.com)).

Sincerely,

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Attachments