



Press Release – February 23, 2018 at 10:40 a.m.

**PRESS RELEASE**

Media Contact: Jennifer Altieri [REDACTED]  
[REDACTED]

**Atmos Energy Investigates House Fire in Northwest Dallas**

**DALLAS** (February 23, 2018) – [Atmos Energy](#) is working with local authorities to determine what caused a house fire that occurred at 3534 Espanola Drive shortly before 7:00 a.m. Friday morning. Atmos Energy has highly experienced personnel on the scene to make the area safe.

“First and foremost our thoughts are with the family affected by today’s incident. We want to express our sincere concern,” said Jennifer Altieri, Atmos Energy spokesperson.

Atmos Energy crews are on the scene and working closely with Dallas Fire-Rescue to secure the area. As a precautionary measure, we are also working closely with the Dallas Fire-Rescue to evacuate the area.

“As part of normal operating procedures when Atmos Energy is called to the scene of an incident, we work closely with our first responders to make the area safe and then conduct leak surveys in the area to identify if gas was involved. At this point it is too soon to tell what caused this incident,” said Altieri.

Atmos Energy reminds everyone, if you smell natural gas or rotten eggs to please leave the area immediately and call 911 or the Atmos Energy emergency line at 1-866-322-8667.

**About Atmos Energy** Atmos Energy Corporation, headquartered in Dallas, is the country's largest, fully-regulated, natural-gas-only distributor, serving over three million natural gas distribution customers in over 1,400 communities in eight states from the Blue Ridge Mountains in the East to the Rocky Mountains in the West. Atmos Energy also manages company-owned natural gas pipeline and storage assets, including one of the largest intrastate natural gas pipeline systems in Texas. For more information, visit [www.atmosenergy.com](http://www.atmosenergy.com). Atmos Energy can also be accessed through social media platforms such as [Facebook](#), [Twitter](#), [Instagram](#), and [YouTube](#).

###



**Statement – Friday, February 23 at 12:00 p.m.**

Here is the latest update and statement from Atmos Energy President & CEO, Mike Haefner:

“We are deeply saddened by the death of the young girl at 3534 Espanola Drive this morning. We express our sincere heartfelt condolences to her family.

The safety of the residents and first responders is our highest concern. We are working in close partnership with Dallas Fire Rescue as the cause of today’s incident is thoroughly investigated. As soon as we have more information, we will provide a detailed assessment of the situation and an estimate of when customers’ service will be restored.”



**Update – February 23 at 4:55 p.m.**

Atmos Energy crews responded this morning to reports of an explosion at 3534 Espanola Drive. We are deeply saddened by the death of the young girl and again express our sincere heartfelt condolences to her family.

Our crews are working in close partnership with Dallas Fire Rescue as the cause of today's incident is thoroughly investigated. The neighborhood has been evacuated out of an abundance of caution. We are working directly with affected residents and are providing overnight lodging to those unable to return to their homes. Residents needing information on how to contact Atmos Energy for assistance can learn more at [www.atmosenergy.com/alerts](http://www.atmosenergy.com/alerts).

The safety of residents, first responders and our crews are our highest concern. If you smell natural gas, leave the area immediately and from a safe distance call 911 or our emergency line at 1-866-322-8667.



Press Release – February 24 at 3:20 p.m.

### Officials Lift Evacuations in Northwest Dallas

DALLAS (February 24, 2018) – [Atmos Energy](#) has coordinated with Dallas-Fire Rescue in lifting evacuations in Northwest Dallas following yesterday's incident at [3534 Espanola Drive](#).

Atmos Energy crews have completed exhaustive leak testing in the west Dallas neighborhood bounded by Gaspar Drive to the north, Larga Drive to the west, Almazan Drive to the south and Marsh Lane to the east. To ensure the safety of residents, natural gas service to this area has been disconnected.

“Residents living in those areas are welcome to return to their homes, however, you will not be able to use your gas appliances until we can safely restore service,” said Jennifer Altieri, Atmos Energy spokesperson. “Customers may choose to stay in their homes or Atmos Energy will continue to provide overnight lodging as well as assistance to residents affected by this work.

Beginning today, Atmos Energy has approximately 40 contract crews replacing 2.5 miles of pipe throughout the area which includes natural gas mains and service lines that connect to the home. We anticipate our crews will work [7 a.m. to 7 p.m.](#) each day over the next several days. Atmos Energy will restore natural gas service to these homes as we complete installation of the new main and services.

Service restoration will begin as early as tomorrow and will continue through the week. We are encouraging residents to monitor our website, <http://www.atmosenergy.com/alerts> to find out when and where we will be restoring service each day.

#### Restoring Gas Service:

An Atmos Energy technician will need to enter each home to reestablish service. Our technicians will need to unlock [the meters](#), relight all pilots and test all appliances for safety before they move on to the next home. A resident 18 years of age or older will need to be present. If you are not at home when our technician arrives, we will leave a door tag with instructions on how to contact us to restore service.



**Update February 25 at 6:34 p.m.**

Chapel Creek Apartment Evacuations

At approximately 3:00 p.m. Sunday, February 25, Atmos Energy conducted evacuations at the Chapel Creek Apartment complex located at Webb Chapel Road and Hidalgo Drive.

We have isolated gas service to the location, however we do not have an estimated time when repairs will be completed.

If residents would like to a hotel room, please call [REDACTED] to make arrangements.



**Update – February 26 at 3:50 p.m.**

Update as of February 26, 3:50 p.m.

**Residential Homes**

Restored Gas Service:

As of Monday at 2:30 p.m., Atmos Energy technicians have been restoring natural gas service to the 3600 block of Gaspar (even-numbered homes) and 3600 block of Fontana (odd-numbered homes) after replacing the natural gas main and service to the home. We are contacting the residents directly to notify them of the restored service.

How it Works:

Atmos Energy technicians will need to unlock the meters, relight all pilots and test all appliances for safety before they move on to the next home. In the event an appliance does not qualify to relight, there will be plumbers onsite to make repairs at no cost to the customer. As a reminder, a resident 18 years of age or older must be present in order to reestablish service. If a resident is not home when our technician arrives, we will leave a door tag with instructions on how to contact us to restore service.

Continuing Service Restoration:

We will continue to restore service throughout the week, and are encouraging residents to please monitor our website, <http://www.atmosenergy.com/alerts> to find out when and where we will be restoring service each day. We are continuing to work with affected residents whose service has not been restored to provide overnight accommodations and assistance. Residents can learn more at [www.atmosenergy.com/alerts](http://www.atmosenergy.com/alerts).

**Chapel Creek Apartments**

Atmos Energy is continuing to work to complete repairs to the natural gas line located near Chapel Creek Apartments. This area is still evacuated. Residents needing hotel rooms, please call [REDACTED]



**Update - Update as of February 27, 10:00 a.m.**

**Residential Homes**

As of Tuesday at 9:00 a.m., Atmos Energy crews are going door to door restoring natural gas service to more than 40 homes located in the 3700 and 3600 block of Cortez (addresses with an even number) and 3600 and 3700 block of Bolivar (addresses that include an odd number). We are contacting the residents directly to notify them of the restored service.

How it Works:

Atmos Energy technicians will need to unlock the meters, relight all pilots and test all appliances for safety before they move on to the next home. In the event an appliance does not qualify to relight, there will be plumbers onsite to make repairs at no cost to the customer. As a reminder, a resident 18 years of age or older must be present in order to reestablish service. If a resident is not home when our technician arrives, we will leave a door tag with instructions on how to contact us to restore service.

Continuing Service Restoration:

We will continue to restore service throughout the week, and are encouraging residents to please monitor our website, <http://www.atmosenergy.com/alerts> to find out when and where we will be restoring service each day. We are continuing to work with affected residents whose service has not been restored to provide overnight accommodations and assistance. Residents can learn more at [www.atmosenergy.com/alerts](http://www.atmosenergy.com/alerts).

Additional Precautionary Evacuations:

Atmos Energy estimates the total number of evacuations at approximately 300 homes.

Atmos Energy has been working closely with first responders on additional precautionary evacuations as a result of the expanded leak survey area.

These evacuations include 60 homes located on Matador Drive, 3700 block of Park (odd addresses), the 3700 block of Rockdale (even houses) and Chapel Creek Apartments. Residents needing hotel rooms, please call [REDACTED]



**Update: February 27, 2:00 PM Update from Atmos Energy:**

**Pipe Replacements:**

We have dozens of Atmos Energy crews, many of which flew in from several surrounding states to help replace and restore natural gas service in the area. As of 2 p.m. we have replaced approximately two-thirds of the more than 2.5 miles of natural gas mains and services. This has been an unprecedented effort for not only our employees but the contract crews and first responders who have jumped into action.

**Restored Gas Service:**

Atmos Energy crews are going door-to-door restoring natural gas service to more than 50 homes located in the 3600 and 3700 block of Cortez (addresses with an even number) and the 3600 and 3700 block of Bolivar (addresses with an odd number). This includes two apartment complexes and 46 single-family homes.

**Resident Accommodations:**

Atmos Energy is accommodating more than 300 residents who have been evacuated over the past 5 days. As of 1:30 PM on Tuesday, approximately 250 residents are staying in 9 hotels across North Dallas.

Later this afternoon, we will be relocating those residents to three centralized hotels in order to serve them better. We will be providing breakfast and dinner service at these locations along with 24 hour security. An Atmos Energy representative will remain at these hotels to answer questions in both English and Spanish.

Atmos Energy will continue to provide gift cards for basic needs. Thus far, we have provided more than \$170,000 in gift cards to residents.

**Communication Plan:**

Atmos Energy has four ways to provide residents information in English and Spanish.

- Residents can meet with Atmos Energy representatives at the Command Post located at the intersection of Webb Chapel Road and Larga Drive.
- An Atmos Energy representative will be in the lobby of your hotel to assist with questions from 7 a.m. to 11 p.m.
- A 24-hour call center can be contacted for relief needs or questions from residents at [REDACTED]
- Residents can receive updated information on repair operations at the following website: [www.atmosenergy.com/alerts](http://www.atmosenergy.com/alerts)





**Update as of February 27, 3:00 p.m.**

**Restored Service:**

As of Tuesday at 3:00 p.m., Atmos Energy crews are going door to door restoring natural gas service to an additional 21 homes located in the following areas bringing the total restoration efforts to 71 homes:

- 3500 block Gaspar Drive (Even)
- 3500 block Fontana Drive (Odd)
- 3500 block Bolivar Drive (Even)
- 3500 block El Rito Drive (Even)
- 3500 block Poquita Drive (Even)
- 3500 block Almazan Drive (Odd)

We are contacting the residents directly to notify them of the restored service.



**Update: Wednesday, February 28, 2018 at 6:32 AM**

Atmos Energy is working to update our website with the latest information. In the meantime, here is what we know about the early morning evacuations.

We did have another round of evacuations this morning before [4 am](#).

Here are the affected areas:

Odd numbers of the 9800 block of Bowman

Odd and Even numbers of the 9900 block of Bowman

Odd numbers of the block of 9900 Chireno

This is the only information we have right now. Attached a one-page information sheet we have been handing out to affected residents to help them through this process.



**Update: Wednesday, February 28, 2018 at 1:42 PM**

Here is our latest update regarding Northwest Dallas residents.

**Evacuations as of Wednesday, February 28, 2018 at 1:30 p.m**

- 3800 block of Cortez (even addresses)
- 3800 block Wemdon (odd)

**Previous Evacuations**

- 3700 Matador Drive (odd and even addresses)
- 3700 block of Park (odd addresses)
- 3700 block of Rockdale (even houses)
- Chapel Creek Apartments - 90 units
- 9800 block Bowman (Odd)
- 9900 block of Bowman (Odd and Even)
- 9900 block Chireno (Odd)
- Dallas Fire Station #35

**390 homes and 90 apartment units evacuated.**

**Expanded Safety Survey Boundaries**

- Walnut Hill to the north
- Webb Chapel to the west
- Lenel to the east
- Northwest Highway to the south

**Atmos Energy crews are going door to door to restoring natural gas service to the following areas:**

- 3500 Block (even) Gaspar & 3500 Block (odd) Fontana
- 3600 Block (even) Gaspar & 3600 Block (odd) Fontana
- 3600 Block (even) Cortez & 3600 Block (odd) Bolivar
- 3700 Block (even) Cortez & 3700 Block (odd) Bolivar
- 3600 Block (even) Bolivar & 3600 Block (odd) Almazan
- 9500 Block & 9600 Block Larga

**120 homes ready for natural gas restoration.**

Fire Station #43 is under evacuation, not Fire Station #35  
3900 block of Wemdbon (odd) is under evacuation



Press Release: Thursday, March 1, 2018 at 4:51 AM

**Media Contact:**

Atmos Energy spokeswoman Jennifer Altieri



**FOR IMMEDIATE RELEASE**

March 1, 2018

**Atmos Energy to Conduct Planned Outage**

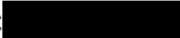
*2,800 homes affected under plan to replace natural gas delivery system*

**DALLAS (March 1, 2018)** – Out of an abundance of safety and caution, Atmos Energy will conduct a planned outage of its natural gas service [starting at noon on Thursday](#) to areas of northwest Dallas.

The outage is necessary to replace Atmos Energy’s natural gas distribution system after recent extraordinary rains and unique geological conditions in the area have caused unprecedented system performance. Affected homes are in the areas roughly bound by Walnut Hill to the north, Webb Chapel to the west, near [Northwest Highway](#) to the south and Lakemont Drive to the east.

“Our plan is to have service restored in phases over the next two to three weeks,” said John Paris, president of Atmos Energy’s Mid-Tex division. “We will be working around the clock as we replace all mains and service lines.”

Atmos Energy is deploying more than 120 crews to quickly complete this work. They also will be on hand to assist each homeowner as service is restored.

For more information residents can call our [24/7](#) dedicated number:  and check [www.atmosenergy.com/alerts](http://www.atmosenergy.com/alerts).



Thursday, March 1, 2018

Dear Resident:

Beginning today, Atmos Energy will conduct a planned outage, temporarily disconnecting natural gas service to approximately 2,800 homes in northwest Dallas. We are doing so out of an abundance of caution.

This outage will affect homes in the areas bound by Walnut Hill to the north, Webb Chapel to the east, near Northwest Highway to the south and Lakemont Drive to the north.

Atmos Energy is replacing our entire natural gas distribution system, including mains and service lines for this area. The outage is necessary to repair Atmos Energy's natural gas distribution system after recent extraordinary rains in North Texas. This action is not being taken because of any imminent emergency or danger.

We are deploying more than 120 crews to work around the clock. Our plan is to have service restored in phases over the next two to three weeks. Additionally, we will have plumbers onsite to make repairs to any natural gas appliances or customer piping at no cost to the customer.

The outage only will affect homes with natural gas appliances, however all residents in the area will see Atmos Energy crews in alleys and streets.

Mandatory relocations are **not** necessary in the affected neighborhoods. Residents are welcome to stay in their homes, however there will not be natural gas service.

For those who chose to leave, we will offer monetary assistance during the repairs. We are partnering closely with the City of Dallas and other agencies for residents who require assistance.

We also have a 24/7 dedicated number: [REDACTED] and will continue to update [www.atmosenergy.com/alerts](http://www.atmosenergy.com/alerts).

Thank you for your patience and understanding.

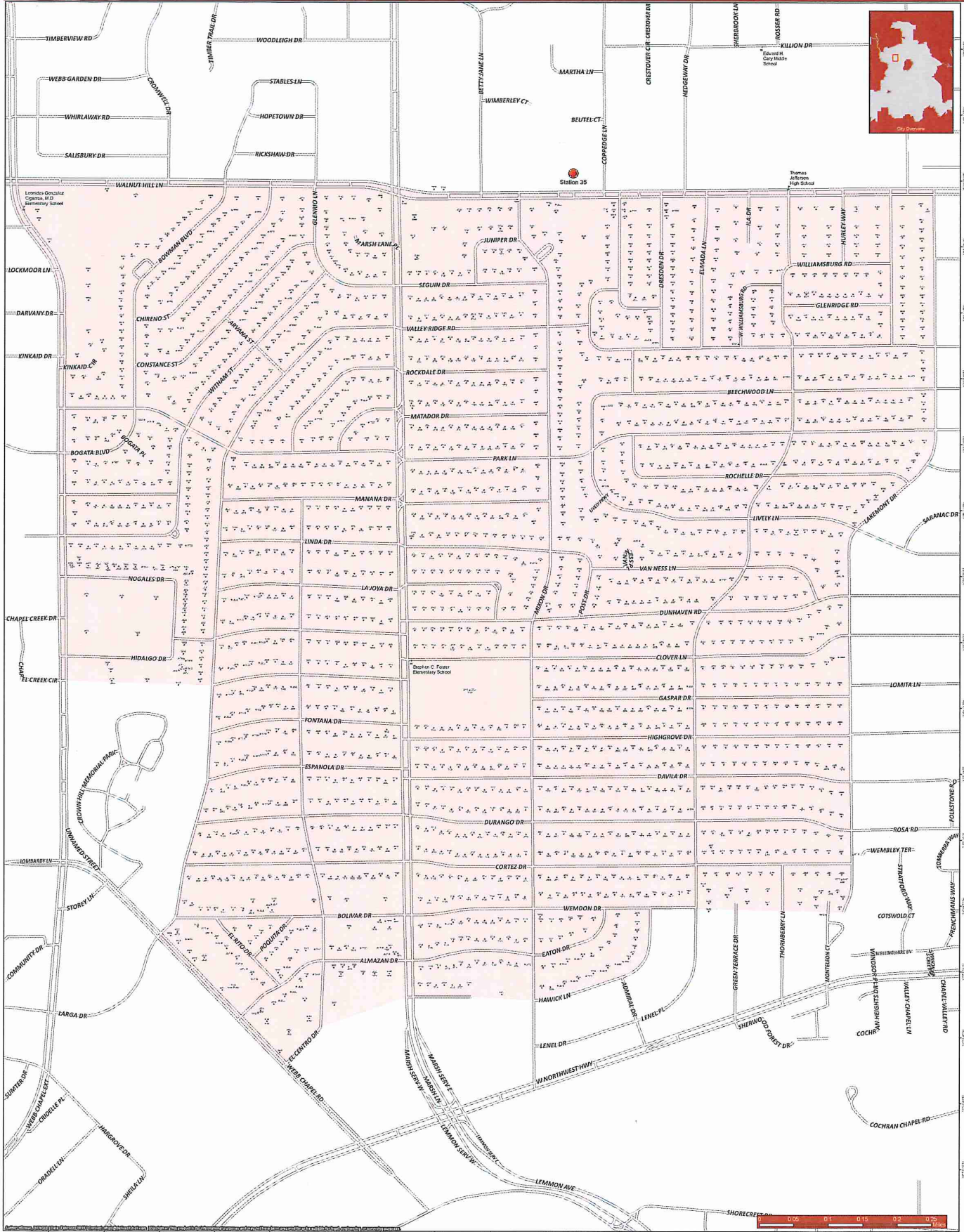
Residents in this area will have an Information Center located at Walnut Hill Recreation Center (10011 Midway Rd, Dallas, TX 75229) to answer any questions from 7 a.m. – 11 p.m. throughout the duration of the pipeline replacement.

AEC-NTSB-001320

# Atmos Energy Isolation Area

Beginning: March 1, 2018, 12:00pm

Area Addresses  
Fire Stations  
Isolation Area





## Frequently Asked Questions

### **Why is this outage taking place?**

On March 1, 2018, Atmos Energy conducted a planned outage, temporarily disconnecting natural gas service to approximately 2,800 homes in northwest Dallas. We are doing so out of an abundance of caution to ensure the safety of northwest Dallas residents.

### **How is Atmos Energy keeping me safe?**

Atmos Energy is replacing our entire natural gas distribution system, including mains and service lines for this area. The outage is necessary to replace Atmos Energy's natural gas distribution system after recent extraordinary rains in North Texas and unique geological conditions in the area have caused unprecedented system performance.

### **What area is affected?**

The outage announced on the morning of March 1 will affect homes in the areas roughly bound by Walnut Hill to the north, Webb Chapel to the west, near Northwest Highway to the south and Lakemont Drive to the east.

### **How long will it last?**

We are deploying more than 120 crews to work around the clock. Our plan is to have service restored in phases over the next two to three weeks. Additionally, we will have plumbers onsite to make repairs to any natural gas appliances or customer piping at no cost to the customer.

### **What are my choices? Do I have to evacuate?**

**Residents (whether you own or rent) in the planned outage area** are welcome to stay in their homes while this work is being done and evacuations are unnecessary; however, there will not be natural gas service.

Atmos Energy will provide monetary assistance for use for lodging, food or other expenses. If you choose to evacuate, you may use this assistance at a hotel if you decide not to stay with family or friends.

**Residents (whether you own or rent) who were evacuated prior to March 1** cannot return to their home until instructed to do so. Atmos Energy will contact each customer directly for service restoration.

If you are evacuating, bring clothing, medication, and other personal belongings needed for the next three weeks. Don't forget cash and credit cards, personal identification, cell phone and chargers. If you have pets, don't forget their food, medication and water bowls.

Make sure the special needs of infants, elderly or disabled family members are met. Please inform first responders if you have neighbors who might need transportation assistance. Don't forget to secure your home by closing and locking doors and windows.

### **How do my kids get to school?**

School bus routes through the neighborhood are unaffected. If you elect not to stay in your home, your children can be dropped off at their normal bus route.

### **Where can I get more information?**

Please call [REDACTED] or visit our website at [www.atmosenergy.com/alerts/](http://www.atmosenergy.com/alerts/).

### **Neighborhood Information Centers**

Please check in at the designated information center for your neighborhood. Proof of residency or ID is required. Atmos Energy representatives have lists of residents and will be on site, March 1, beginning at 4 p.m. to answer questions and provide monetary assistance. Hours are 7 a.m. to 11 p.m. Friday and Saturday, then 7 a.m. to 8 p.m. Sunday.

West of Marsh Lane  
Bachman Recreation Center  
2750 Bachman Drive

East of Marsh Lane  
Walnut Hill Recreation Center  
10011 Midway Road



July 2, 2018

Ms. Kari French  
Director, Oversight & Safety Division  
Railroad Commission of Texas  
P.O. Box 12967  
Austin, Texas 78711-2967

RECEIVED  
R.R.C. OF TEXAS

JUL 02 2018

GAS SERVICES DIVISION  
AUSTIN, TEXAS

Dear Ms. French:

Atmos Energy Corporation plans to further accelerate its pipe replacement efforts throughout its Mid-Tex Division as part of the company's ongoing commitment to safety by continuing to upgrade its natural gas distribution system in Texas.

This Supplement detailing those further acceleration plans follows the "Safety-Related Condition Report" that Atmos Energy submitted to the Railroad Commission on March 6, 2018, related to the abnormal, sudden, and unexplained leak activity in a defined geographic area in Northwest Dallas. As reported, in direct response to this leak activity, on March 1, 2018, Atmos Energy initiated a pipeline replacement project involving a planned outage of an area affecting approximately 2,800 residences and continued to closely monitor the area outside of the physical boundaries of the planned outage by conducting continuous leak surveys. These further accelerated pipeline replacement efforts will be in addition to those previously described in our March 15, 2018, letter pursuant to the requirements of the Railroad Commission's Distribution Facilities Replacement Rule under 16 TAC 8.209.

Ultimately, a number of factors will influence the rate at which further accelerated pipeline replacement may be accomplished. As we work towards these goals, the most-influential factors will be the availability of qualified construction crews to perform the work and their ability to scale as we further accelerate pipe replacement; however, it may also be influenced by the availability of materials; trained and qualified employees to design, coordinate, and inspect the level of construction activity; contractors and fill material to conduct street repairs; and city resources to support the increased level of activity. Keeping these factors in mind, we present this supplement to Atmos Energy Mid-Tex Division's Distribution Facilities Replacement Work Plan to the Railroad Commission for your review, comment, and approval.

As we know, and have seen in this instance, a risk model cannot quantify unknown, undiscovered, or unranked risk. As we have done here, we will continue to take into account any "unknown" conditions as they present themselves and may retire or replace facilities in order to mitigate these risks.



July 2, 2018  
Ms. Kari French  
Page 2

We appreciate the Railroad Commission's consideration of our replacement plans. We look forward to your response and welcome the opportunity to discuss these matters with you in the future.

Sincerely,

A solid black rectangular redaction box covering the signature area.

Marlo A. Sutton  
Director, Regulatory & Compliance  
Mid-Tex Division

Enclosure

Distribution Facilities Replacing Reporting  
 Atmos Energy Mid-Tex Division  
 Supplement - July 2, 2018

Work Plan (2018) - Submitted

Material	Distribution Piping		Service Lines	Components
	feet	miles	each	each
Steel	750,000	142	17,000	-
Cast Iron	424,000	80	-	-
Plastic	200,000	38	6,000	-
Misc	-	-	-	36,000
<b>Grand Total</b>	<b>1,374,000</b>	<b>260</b>	<b>23,000</b>	<b>36,000</b>

Work Plan (2018) - Supplement

Material	Distribution Piping		Service Lines	Components
	feet	miles	each	each
Steel	158,000	30	13,000	-
Cast Iron	10,000	2	-	-
Plastic	-	-	-	-
Misc	-	-	-	-
<b>Grand Total</b>	<b>168,000</b>	<b>32</b>	<b>13,000</b>	<b>-</b>

Work Plan (2018) - Total Including Supplement

Material	Distribution Piping		Service Lines	Components
	feet	miles	each	each
Steel	908,000	172	30,000	-
Cast Iron	434,000	82	-	-
Plastic	200,000	38	6,000	-
Misc	-	-	-	36,000
<b>Grand Total</b>	<b>1,542,000</b>	<b>292</b>	<b>36,000</b>	<b>36,000</b>

Distribution Facilities Replacing Reporting  
 Atmos Energy Mid-Tex Division  
 Supplement - July 2, 2018

Work Plan (2018) - Submitted

Material	Distribution Piping		Service Lines	Components
	feet	miles	each	each
Steel	750,000	142	17,000	-
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<b>Grand Total</b>	<b>1,542,000</b>	<b>292</b>	<b>36,000</b>	<b>36,000</b>



## **Atmos Energy Announces Plans to Further Accelerate Pipe Replacement in its Mid-Tex Division**

**DALLAS (July 25, 2018).** As part of the company’s ongoing commitment to safety, the Mid-Tex Division of Atmos Energy filed a supplement to its pipe replacement plan with the Railroad Commission of Texas pursuant to Rule 8.209 that outlines the utilities’ replacement projections throughout the 2018 calendar year.

“The safety of our customers and our communities is our highest priority at Atmos Energy,” said David Park, Atmos Energy Senior Vice President of Utility Operations. “This filing states our plans to further increase pipe replacement throughout the Mid-Tex Region. Our goal for the remainder of 2018 is to double the work crews dedicated to pipe replacement activity, including cast iron. This increase is in addition to the 40 crews added earlier in the year.”

Atmos Energy is working with local contractors to encourage and support the incremental increase of qualified contract crews that will be available to perform this further accelerated pipe replacement.

“Our planned pipe replacement projects have always been and will continue to be a top priority at Atmos Energy, with more than 80% of our investments directed toward enhancing the safety and reliability of our system,” said Mike Haefner, Atmos Energy President and CEO.

A copy of the supplement was posted to our website earlier this month. To view the supplement, click [here](#).

### **Update on Northwest Dallas**

The NW Dallas distribution system is operating safely as it had been performing in the months and years before February and March 2018.

As expected, we reported to the Railroad Commission of Texas that we repaired more leaks in our Mid-Tex Division in the first half of 2018 than reported for the prior six-month period. Copies of our two most recent PS 95 Semi-Annual Leak Reports are posted on our website [here](#). This increase is largely explained by the abnormal, sudden, and unexplained leak activity within a confined geographic area in Northwest Dallas in February and March of this year.

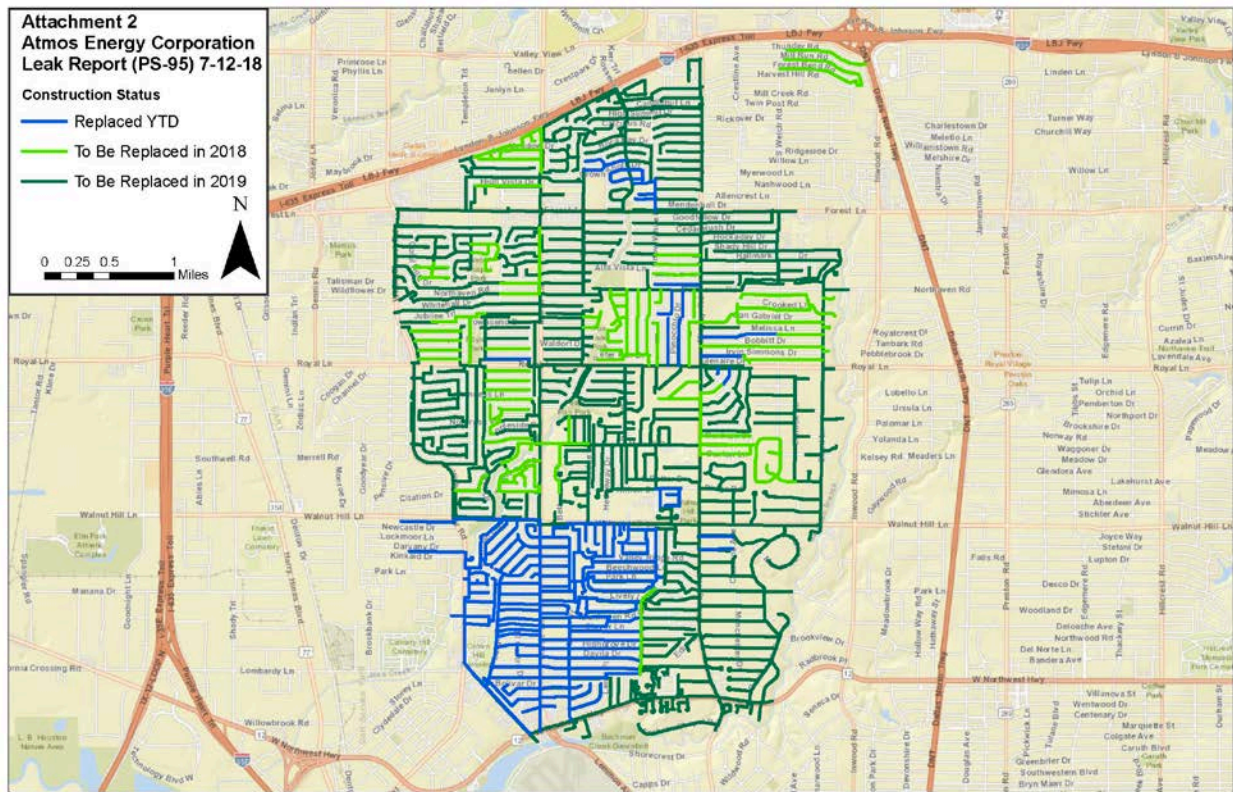


Our leak investigations revealed that **in less than a week's time**, our system experienced multiple times the number of leaks experienced in each of the previous three years over this area. In direct response to this leak activity, on March 1, 2018, Atmos Energy initiated a pipeline replacement project involving a planned outage of an area affecting approximately 2,800 residences.

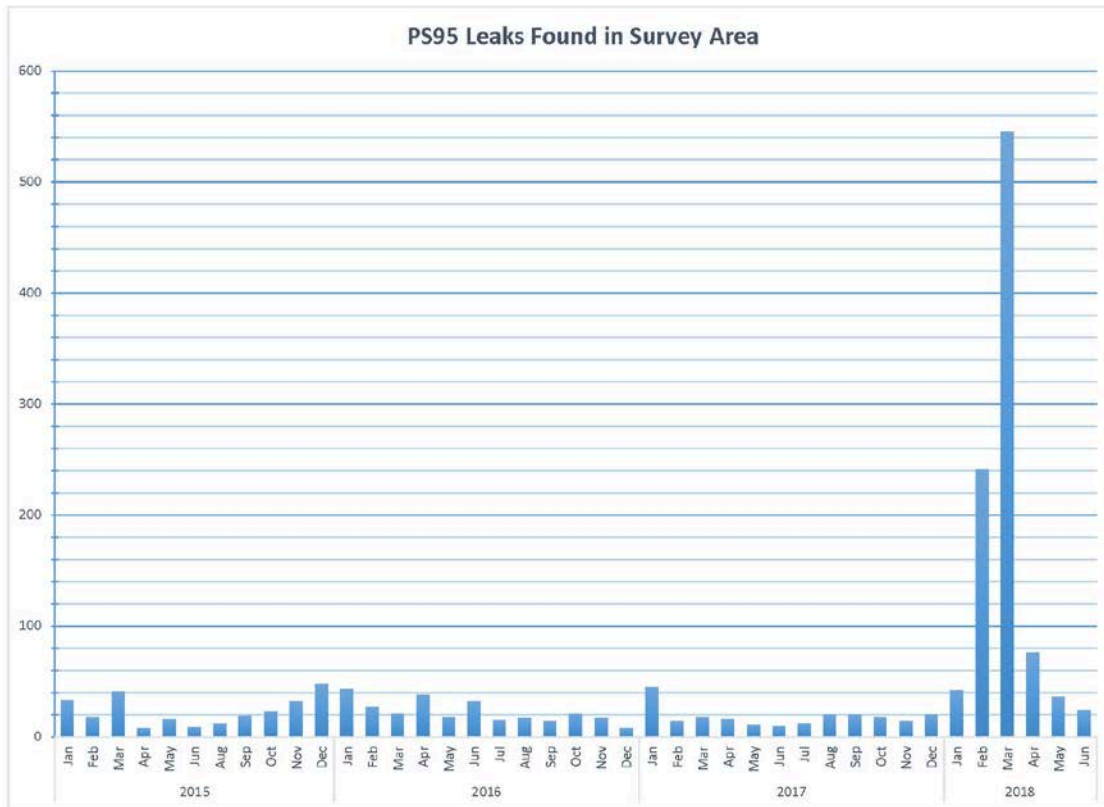
While crews worked to replace pipe within the planned outage area, Atmos Energy continued to closely monitor the area outside of the physical boundaries of the planned outage area (Survey Area) with the state-of-the-art leak survey technologies we used before, during, and after the outage. When a hazardous leak was found, crews took immediate action to eliminate the hazard.

During the same period, leak surveys outside the Survey Area identified isolated areas with leak occurrences higher than historic levels. In these cases, and whenever this occurs elsewhere on our system, leaks are addressed following established guidelines. If we find a leak that is hazardous (a Grade 1), we immediately eliminate the hazard. If the leak is non-hazardous, we schedule it for repair based on regulations and monitor it until that repair is performed. If the occupants of the property should be notified, we have an employee keep those individuals apprised of the situation.

Following the planned outage, crews remained in the Survey Area monitoring the system by conducting leak surveys, making required repairs, and completing additional replacement projects. The map below reflects the further accelerated replacement projects completed thus far this year across Northwest Dallas, those planned to be completed by the end of 2018, and the projects projected to be completed in 2019. A copy of the map was filed with the Commission and available [here](#) on our website. Additional pipeline replacement work throughout the Mid-Tex Division will continue as described in our March 15, 2018 letter to the Commission as well as our recently filed supplement. (See [Distribution Facilities Replacement Plan and Supplemental Report](#))



Our natural gas system in the Survey Area had been operating safely and was performing normally. In the first weeks of 2018, we found an average of 9 leaks per week in this Survey Area. In the days leading up to March 1 and through the end of March, we found an average of 130 leaks per week. From April through June 2018, we returned to finding an average of 9 leaks per week in the Survey Area even as we have continued to perform more frequent leak surveys.



To understand this sudden, unexplained, leak activity, we hired a geotechnical engineering firm to assess the system. (See [Report](#)) Based on all of the available information, we continue to believe that the geology of this specific area, coupled with the effects of extraordinary, sustained rainfall, and unique hydrology, as well as a number of other factors, caused the system to perform the way it did. We are working with both our experts and our regulators to appropriately account for these conditions in our risk models to direct the priority of our pipe replacement and leak survey activity in the future.

Even though there is no evidence that all of these factors exist anywhere else in our system, by including these factors in our risk-based prioritization model, our pipe replacement work and our leak survey work will be focused on areas where some of these factors may exist, even if not all of them do. As we have done here, we will continue to take into account any unknown and undiscovered conditions as they present themselves.



## **Operating our System Safely**

We operate our system safely and in compliance with state and federal regulations. Atmos Energy diligently works to meet and surpass the requirements of these regulations through its own proactive efforts as well as through its cooperation with the Railroad Commission of Texas in ensuring compliance.

### **Modernizing Natural Gas Infrastructure**

Since acquiring the assets of TXU Gas in 2004, Atmos Energy has invested over \$3 billion in replacing pipe, and we plan to spend another \$3 billion in the next 5 years as we increase the pace of pipeline replacement and modernization of our system. We continuously evaluate our natural gas distribution system and develop plans to address the risks as part of our Integrity Management Plan in compliance with state and federal regulations. This includes a risk based prioritization model approved by the Railroad Commission of Texas that considers many factors that can affect the performance of our system and thus the priority for replacement including maintenance history, age, material, joining method, and other factors. As technology advances or we learn new things about our system, we will continue to review and supplement our plans.

Ultimately, a number of factors will influence the rate at which further accelerated pipeline replacement may be accomplished. The most-influential factors will be the availability of qualified construction crews to perform the work and their ability to scale as we further accelerate pipe replacement; however, it may also be influenced by the availability of materials; trained and qualified employees to design, coordinate, and inspect the level of construction activity; contractors and fill material to conduct street repairs; and city resources to support the increased level of activity. Further, a constructive rate environment is necessary to attract the capital necessary to fund these significant investments.

Subject to these limiting factors, our goal is to perform an entire system replacement of a significant portion of northwest Dallas by the end of 2019 and to eliminate cast iron from the Mid-Tex distribution system by 2021.





## **Monitoring and Prevention**

We actively monitor our system, repair leaks, and operate an emergency hotline 24 hours a day/7 days a week to respond to and investigate, reports of natural gas leaks. Every working day of the year, company employees are performing regularly scheduled leak surveys of our system. The frequency of these surveys is governed by regulations, and we use multiple technologies to perform leak surveys, some of which include infrared based leak detection, laser based technologies, and new technologies that have been developed for our industry. Moreover, as technology for finding leaks improves, we find and repair more leaks.

Atmos Energy has been, and continues to be, actively involved in working with industry research and development organizations and manufacturers to develop and evaluate new technologies to enhance safety. We were among the early participants in our industry to evaluate technologies that had the potential to be adapted to our industry, including leak detection equipment with sensors that are approximately 1,000 times more sensitive than traditional sensors.

## **Recognizing a Gas Leak - Odorant**

Utilities odorize natural gas so that it is “readily detectable by a person with a normal sense of smell” as required by federal and state regulations. The odorant we use in our Mid-Tex Division adds a “rotten egg” odor to natural gas so that people can smell it if there is a leak and call us. We respond to tens of thousands of leak calls each year. All other activities of our service technicians are put on hold to respond to a call when someone smells gas. Our technicians also conduct periodic sampling with instruments to assure the proper concentration of odorant throughout our pipeline system.

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We remind everyone: do not rely on your sense of smell alone to detect the presence of natural gas: use any of your senses—smell, listen, or look—to check for signs of a leak. If you ever smell or otherwise detect leaking natural gas, leave the premises immediately and call 911 and Atmos Energy at [REDACTED]. Do not assume someone else will call.



### **About Atmos Energy**

Atmos Energy Corporation, headquartered in Dallas, is the country's largest, fully-regulated, natural-gas-only distributor, serving over three million natural gas distribution customers in over 1,400 communities in eight states from the Blue Ridge Mountains in the East to the Rocky Mountains in the West. Atmos Energy also manages company-owned natural gas pipeline and storage assets, including one of the largest intrastate natural gas pipeline systems in Texas. For more information, visit [www.atmosenergy.com](http://www.atmosenergy.com). Atmos Energy can also be accessed through social media platforms such as Facebook, Twitter , Instagram and YouTube.