

PIEDMONT NATURAL GAS MEDIA STATEMENT

Piedmont Natural Gas deeply regrets the inadvertent release of a small amount of bentonite clay at its pipeline construction site in Radnor Lake State Natural Area (“RLSNA”). This clay is a naturally occurring substance that is non-toxic and not hazardous to human health. This material is used in conjunction with the process of horizontal directional drilling – the method determined by Piedmont and the State’s Department of Environment and Conservation (TDEC) to best minimize the impact of the pipeline within RLSNA and on colluvial soils. The amount of the spill was approximately 300 gallons, consisting mostly of water and some 12.5 pounds of bentonite clay. No matter how small the amount or how benign the substance, however, the incident should not have happened and Piedmont takes very seriously its responsibility to review the event and take corrective measures to minimize the possibility of any future occurrence.

Prior to the start of construction, Piedmont worked diligently with the TDEC to establish safeguards to address the possibility of an event like the one that just occurred. Those safeguards worked. The release of bentonite clay was discovered on May 11 by a Piedmont representative - hired solely for the purpose of monitoring environmental impacts -- and work was immediately halted and TDEC notified. The spill was contained within a very short period of time helping to prevent any clay from reaching the Lake or the Slough. By May 14, most of the clay was manually removed from the spill area by approximately forty Piedmont workers. Turbidity levels in the surrounding Slough have fallen significantly. The attached photographs show the cleaned area.

In the Company’s efforts to further mitigate any future risk associated with the horizontal drilling process, Piedmont is implementing the following additional actions. Piedmont will patrol RLSNA outside of Piedmont’s work area on an even more frequent basis. Piedmont’s water quality consultant on the project, AqueAeTer, Inc., will now inspect and monitor the water quality on site on a daily basis until drilling is finished within RLSNA. In addition the drilling site is being modified to include a release pit to contain any potential future releases.

Piedmont will submit its final report to TDEC on this incident by the end of the day today and will continue to coordinate all work with TDEC through the park ranger dedicated solely to this project.