



Atlanta Gas Light

William Horne
Director of External Affairs

10 Peachtree Place, NE
Atlanta, GA 30309
404.584.3153 tel
404.357.8009 cell
bhorne@southernco.com

April 17, 2020

Mr. Reece McAlister
Georgia Public Service Commission
244 Washington St., SW
Atlanta, GA 30334

**Re: DN 42615 – Atlanta Gas Light Company’s Request for Approval of the Sale
and Purchase of the Lake Drive Property
Responses to Staff’s First Set of Data Requests**

Dear Mr. McAlister:

Please find an original, one (1) copy, and a DVD of Atlanta Gas Light Company’s (AGL) responses to Staff’s First Set of Data Requests in the above referenced docket.

Please contact me if you have questions.

Sincerely,

A handwritten signature in black ink that reads "W. Horne".

William Horne

Enclosures

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STF-1-1 How does AGL plan to utilize this property proposed property purchase at 104 Lake Drive, Marietta, GA 30066 ("The Property")?

Response: The property will be utilized as the Northwest Metro Region Service Center, helping to provide field operations services to Cobb, Cherokee, Bartow, Pickens, Gilmer and Fannin counties.

Respondent(s): Jesse Killings
Vice President
Atlanta Gas Light Company

Wendell Dallas
Vice President
Atlanta Gas Light Company

Kenneth Horton
Director, Regional Operations
Atlanta Gas Light Company

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STF-1-2 Will the Property be part of Plant in Service for the GRAM 2020?

Response: Yes. The Company expects to include the property as a component of plant in service in its 2020 GRAM compliance filing, which will be filed July 1, 2020 for the test year 2021.

Respondent: Mike Morley
Director, Regulatory Reporting and Strategy
AGL Services Company

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STF-1-3 How will AGL finance the purchase of The Property? Affiliate Transfer?

Response: Yes. The Company expects to include the property as a component of plat in service in its 2020 GRAM compliance filing, which will be filed July 1, 2020 for the test year 2021.

Respondent: Mike Morley
Director, Regulatory Reporting and Strategy
AGL Services Company

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STF-1-4 Will AGL be replacing or selling the current "3840 Marietta Service Center" that is currently used for the same purpose? If so, please explain.

Response: When the new facility goes into service, the Company will not renew the lease of the Regional Business Center located at 600 TownPark Lane, Suite 175, Kennesaw, Georgia 30144, which accommodates the region leadership, clerical staff, and service providers, when it expires on June 30, 2021. The Company will also decide how to utilize the Marietta Depot located at 2741 McCollum Parkway, Kennesaw, Georgia 30144, which is primarily used for material and equipment storage, employee meetings, and vehicle parking. In deciding how to utilize the Marietta Depot, we will factor in proximity to work, response times, and how we will manage the addition of new employees.

Respondent(s): Jesse Killings
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STF-1-5 On page 1 of AGL's March 6, 2020 petition, the Company stated the following:

AGL intends to purchase property from Georgia Power located at 1040 Lake Drive in Marietta, Cobb County, Georgia. The Lake Drive property has been used by Georgia Power as an office warehouse complex, but was removed to non-utility property in August 2018. Upon purchase, AGL intends to utilize the Lake Drive property to replace AGL's existing Marietta office and Marietta depot.

Please answer the following:

- a. Please provide the Cobb County 2016, 2017, 2018, and 2019 tax assessments and tax bills for The Property.
- b. What is the EDP classification of The Property?
- c. Did AGL request that AGL physically review The Property for any potential environmental issues?

Response:

- a. Georgia Power Company is assessed as a unit by the State of Georgia Department of Revenue. All property owned is reported together and assessed together. Georgia Power Company does not receive tax bills for the individual parcels owned. Therefore, no bills are available to provide specifically for the 1040 Lake Drive property located in Marietta, Cobb County, Georgia.
- b. Please provide an explanation of "EDP classification."
- c. Yes, AGL has requested permission to assess the property and buildings on the property. No assessments have taken place as of yet.

Respondent(s): Sherry Simpson
Facilities, Construction Manager
Southern Company Services

Greg Corbett
Director, Environmental Services
Southern Company Gas

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STF-1-6 As part of the appraisal report, it was stated that a qualified building inspector or engineer should be consulted for specific details as to the condition of buildings and their components. Please answer the following:

- a. Did AGL hire a qualified building inspector to determine the condition of the facilities? If so, please provide the name and company.
- b. Please list the AGL representatives who have visited The Property before the petition was filed and the dates of those visits.
- c. If the Property was visited, did the AGL representatives find any wear-and-tear, damages, contamination, or other defects that will require additional monies to correct?
- d. Please provide an assessment made by any AGL representatives on changes to the existing facilities needed to make The Property operationally useful to AGL. Please include dollar amounts.

Response:

- a. Yes, AGL hired Pinnacle Services Group, a general contractor. The contact is Jerry Peljovich, President and CEO.
- b. Sherry Simpson and Valerie Smith (11/15/18)

Kenneth Horton, Randall Spencer, James Slocum, Stephen Reece, Andrea Ellis and Valerie Smith (02/12/2019)
- c. The building is in good structural condition; however, the interior finishes need to be updated and replaced.
- d. The AGL Facilities team is currently consulting with a third-party designer/architect to begin a renovation design. Since this is very early in the process, no budget has yet been determined.

Respondent: Sherry Simpson
Facilities, Construction Manager
Southern Company Services

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STF-1-7 As part of appraisal report, it stated the following:

IMPROVEMENT DESCRIPTION: The subject site is improved with an office warehouse facility consisting of one main building, two small storage buildings and related site improvements. No public records on the subject improvements were available from the Cobb County Tax Assessor or Planning office. Size, age and characteristics of the improvements on the subject site were determined from client provided data and personal inspection and are assumed to be accurate and sufficient for the purposes of this appraisal. If there proves to be a significant difference between what is assumed and what is accurate, the appraiser reserves the right to amend this report and any value conclusions. Please refer to client provided survey in the Addenda. The subject buildings are described as follows:

The professional appraiser stated there were no tax records related to The Property. Please see the information below from QPublic.net and answer the following:

- a. Based on the QPublic records, does AGL agree that Cobb County stated a 2019 appraised value of \$61,405?
- b. Based on the QPublic records, does AGL agree that Cobb County provided an assessed land value for years 2008 – 2019 of \$24,562?

Response:

- a. AGL understands that Qpublic is the assessor's information system. The value listed for 2019 on the property (\$61,405 fair market value) may or may not be accurate for 2019 or any other year. According to information from Georgia Power Company's tax department, the value does not agree with Georgia Power Company's central return; therefore, it is likely that Qpublic computed it based on the lot size and average value per square foot. Further, Qpublic is not actually assessing anything to Georgia Power Company on this property because the consolidated value is assessed on a separate account.
- b. See answer (a) above.

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Facilities, Construction Manager
Southern Company Services

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STF-1-8 Please provide the Georgia Power book value for The Property from 2008 – 2019.

Response: The amounts provided are as of year-end.

2008	439,629
2009	419,617
2010	402,855
2011	394,012
2012	381,682
2013	369,051
2014	356,430
2015	350,428
2016	353,459
2017	344,554
2018	330,887
2019	325,200

Respondent: Richard Dodd
Regulatory Accounting Manager
Georgia Power Company

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STF-1-9 What was the year Georgia Power acquired The Property?

Response: Georgia Power Company purchased the Property in 1972 and recorded to plant in service in 1973.

Respondent: Richard Dodd
Regulatory Accounting Manager
Georgia Power Company

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STF-1-10 What year were each of the buildings constructed at The Property?

Response: Georgia Power Company built three buildings on the Property, one each in 1973, 1978, and 1984.

Respondent: Richard Dodd
 Regulatory Accounting Manager
 Georgia Power Company

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- STF-1-11 Since AGL intends to replace its current Marietta Service Center with The Property, please answer the following related to the current Marietta Service Center:
- a. What is the size of the current AGL Marietta Service Center in square feet?
 - b. When was it constructed?
 - c. When was it purchased?
 - d. Please provide the book value for the current Marietta Service Center from 2008 – 2019.
 - e. Please provide the Cobb County tax bills for 2008 – 2019.
 - f. Please provide the address of the Marietta Service Center.
 - g. Please provide a property description of the Marietta Service Center to include number of buildings, and size of buildings.
 - h. If it is AGL's intent to abandon the current Marietta Service Center, what is the estimated cost to abandon the property?

Response

- a. The current leased Regional Business Center is approximately 8,371 sq. feet. The owned Marietta Depot is approximately 4,996 sq. feet..
- b. The Regional Business Center lease was commenced in May of 2008, and the Marietta Depot was constructed in 2008 - 2009.
- c. The Regional Business Center lease was commenced in May of 2008, and the Marietta Depot land was purchased in March 2008.
- d. We do not have access to the book value of the current Regional Business Center as this is leased space; however, the Marietta Depot book value is \$1,474,390.06.
- e. AGL is assessed as a unit by the State of Georgia Department of Revenue. All property owned is reported together and assessed together. We do not receive tax bills for the individual parcels owned. Therefore, we have no bills to provide specifically for the Marietta Depot on McCollum Parkway. With regards to the leased facility, we do not reimburse the landlord or pay the tax bills directly for this facility.

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- f. The address of the Regional Business Center is 600 TownPark Lane, Suite 175, Kennesaw, Georgia 30144. The Marietta Depot is located at 2741 McCollum Parkway, Kennesaw, Georgia 30144.
- g. The Regional Business Center is located at 600 TownPark Lane, Kennesaw, Georgia 30144 and is comprised of 8,371 sq. feet of leased space. The Marietta Depot which is 4,996 sq. feet is situated on approximately 4 acres and is located at 2741 McCollum Parkway, Kennesaw, Georgia 30144 and is owned.
- h. See response to STF 1-4.

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STF-1-12 Please provide the Purchase and Sell agreement between Georgia Power and AGL for this sale.

Response: The parties have not yet entered into an agreement and are awaiting Commission approval to do so.

Respondent: William Horne
Director, External Affairs
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STF-1-13 By job title, please provide the estimated number of employees that will be utilizing The Property at the new Marietta Service Center.

Response:

Region Director – 1 Operations Manager – 1 Operations Supervisors – 6 Operations Foremen – 6 Crew Leads – 7 Field Specialist A – 30 Field Specialist A (Dev) - 1 Field Technician A – 5 Field Technician B – 1 Field Technician B (Dev) – 1 Field Technician C - 4	General Technician – 11 Office Assistant II – 2 Office Assistant III – 1 Account Executive, SR – 2 Account Executive – 2 Corrosion Technician II – 2 Project Coordinator – 5 Meter Reader – 7 Engineer Associate – 1 Project Engineer – 1 Corrosion Supervisor– 1 Total Employees - 98
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