**BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION**

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| ***In Re*:** **2019 ATLANTA GAS LIGHT RATE CASE/AFFILIATE TRANSACTION AUDIT**  | **)****)****)****)** | **DOCKET 42315** |

**STAFF’S THIRTY-THIRD SET OF DATA REQUESTS TO THE**

**ATLANTA GAS LIGHT COMPANY**

**2023 GRAM FILING (WP 2 Workpapers)**

TO: BLAKE O’FARROW

 DIRECTOR – REGULATORY AFFAIRS

 ATLANTA GAS LIGHT COMPANY

 TEN PEACHTREE PLACE

 ATLANTA, GA 30309

 COMES NOW the Georgia Public Service Commission Staff (“Staff”) and, pursuant to the authority vested in it by the Georgia Public Service Commission (“Commission”) pursuant to O.C.G.A. § 46-2-57, herein propounds the following interrogatories and requests for production of documents (collectively, “data requests”), to be answered under oath by Atlanta Gas Light Company, (“AGLC” or “Company”) or its designated representatives. The Company shall file with the Executive Secretary’s Office using the Alternative E-filing instructions. Public and Trade Secret responses shall be Accompanied therewith shall be an electronic version in Microsoft Word® format for text documents and Excel® for spreadsheets.

 Please provide responses on or before 4:00 p. m. on **September 1, 2022.**

**INSTRUCTIONS**

1. These requests shall be deemed to be continuing. The Respondent is obliged to change, supplement, and correct all answers to requests to conform to available information; including such information as first comes available to the Respondent after the answers are hereto filed.
2. The answers provided should first restate the question asked and also identify the person(s) supplying the information.
3. All information is to be divulged that is within the knowledge, possession, control, or custody of the Respondent or may be reasonably ascertained thereby.
4. As used herein the “document” included, but is not limited to, the original and all copies (regardless of origin and whether or not including additional writing thereon or attached thereto) of memoranda, reports, books, manuals, instructions, directives, records, forms, notes, letters, notices, confirmations, telephone calls, meetings or other communications, bulletins, transcripts, diaries, analyses, summaries, correspondence and enclosures, circulars, opinions, studies, investigations, questionnaires and surveys, work sheets, and all drafts, preliminary versions, alterations, modifications, revisions, changes, amendments and written comments concerning the foregoing, in whatever form, stored or contained in or on whatever medium including computerized memory or magnetic media.

**Docket No. 42315**

**Information Request**

**WP 2-1-4 Capital Spending**

STF-33-1 Regarding WP 2-1 Columns D, E, and F, and WP 2-1-4, in an Excel spreadsheet, please provide the FERC accounts with corresponding GL accounts side-by-side. Please remove the current WP 2-1 and rename WP 2-1-4 as the new WP 2-1.

STF-33-2 As an electronic Excel spreadsheet and by FERC Account, please provide the actual total Plant Additions for the following years.

1. 2018
2. 2019
3. 2020
4. 2021

STF-33-3 As provided in Table-1 below, please complete the table below. Provide the response in an electronic Excel spreadsheet with unlocked cells.

**Table-1: 2018 – 2021 Capital Budget/Plant Additions Analysis**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Column-1: Year** | **Actual Capital Budget $ Expended** | **Plant Additions Added During Column-1 Current Fiscal Year Attributed to Prior Fiscal Year Capital Budget** | **Plant Additions Added During Column-1 Current Fiscal Year Attributed to Current Fiscal Year Capital Budget** | **Plant Additions Added During Following Fiscal Year Attributed to Column-1 Current Capital Budget** |
| 2018 |   |   |   |   |
| 2019 |   |   |   |   |
| 2020 |   |   |   |   |
| 2021 |   |   |   |   |

**WP 2-1-4 Plant Additions Historic Test Year (“HTY”)**

STF-33-4 When reviewing WP 2-1-4 Plant Additions, AGL has listed two large projections for Plant Additions. First for FY 2022, from July – December 2022, AGL has projected $252,808,866. Second for FY 2023, AGL has projected $468,244,962. This is an 18-month projection of Plant Additions of $721,053,828. For FY 2022, please complete the table below in an Excel spreadsheet with unlocked cells.

**Table-2: 2022** **Capital Budget/Plant Additions Analysis**

|  |  |  |  |
| --- | --- | --- | --- |
| **Column-1: Year** | **Actual Capital Budget $ Expended** | **Plant Additions Added During Column-1 Current Fiscal Year Attributed FY 2021 Capital Budget** | **Plant Additions Added During 2022 Fiscal Year Attributed to 2022 Capital Budget** |
| 1st Q 2022 |   |   |   |
| 2nd Q 2022 |   |   |   |

STF-33-5 Related to FERC Account 363.2, Vaporizing Equipment, please identify the projects related to the December 2021 Plant Additions, $18,971,387.

STF-33-6 Related to FERC Account 363.3, Compressor Equipment, please identify the projects related to the October 2021 Plant Additions, $12,502,222.

STF-33-7 Related to FERC Account 367 Plant Additions, please identify the transmission main projects related to the following months in the Historic Test Year (“HTY”).

 June 2021: $15,057,482

 September 2021: $13,404,467

 October 2021: $6,440,731

 December 2021: $9,172,280

 February 2022: $7,592,750

 March 2022: $8,893,464

 May 2022: $12,492,937

 June 2022: $7,989,538

STF-33-8 Related to FERC Account 376 Plant Additions, please identify the distribution main projects related to the following months in the HTY.

 June 2021: $8,770,891

 July 2021: $7,986,775

August 2021: $14,048,442

 September 2021: $65,451,772

 November 2021: $17,165,799

 January 2022: $21,088,427

 April 2022: $10,328,544

 May 2022: $13,089,746

STF-33-9 Related to FERC Account 381 Plant Additions, Meters, October 2021, what project caused an increased in Plant Additions by $6,898,795, which was much higher than any other month in the HTY.

STF-33-10 Related to FERC Account 392.20G Plant Additions for September 2021, which facilities required the purchased of $4,469,339 in office equipment and what type of office furnishings were purchased for AGL?

**WP 2-1-4 June 2022 Projected - HTY**

STF-33-11 Related to the amount of $7,989,539 in FERC Account 367 for June 2022, please identify the distribution main projects related to this project dollar amount for the HTY.

STF-33-12 Related to the amount of $21,699,037 in FERC Account 376 for June 2022, please identify the distribution main projects related to this project dollar amount for the HTY.

STF-33-13 Related to FERC Account 378 for Measuring Equipment, how was the projected dollar amount of $4,233,086 calculated, and why is it higher than any dollar amount in the prior 12-months?

STF-33-14 Related to FERC Account 381 for Meters, how was the June 2022 projected dollar amount calculated to have Plant Additions totaling $1,433,087.

STF-33-15 Related to FERC Account 391.20G for June 2022 in the amount of $2,085,377 in Plant Additions, what projects will cause this increase?

STF-33-16 Related to FERC Account 392, Transmission Equipment, in the amount of $1,736,356 in Plant Additions, what projects will cause this increase?

STF-33-17 Related to FERC Account 394G, Tools, in the amount of $421.656, what has caused this increase in Plant Additions?

STF-33-18 Related to FERC Account 397G, Communication Equipment, in the amount of $438,552, what has caused this increase in Plant Additions?

**WP 2-1-4 Plant Additions HTY: July – December 2022**

STF-33-16 Related to FERC Account 367 Mains, $38,368,425, for December 2022, what projects will contribute to these increased Plant Additions?

STF-33-17 Related to FERC Account 377 Compressor Station Equipment, $9,047,776, for December 2022, what projects will contribute to these increased Plant Additions?

STF-33-18 Related to FERC Account 390G, Structures/Improvements, $5,416,293, for September 2022, what projects will contribute to these increased Plant Additions?

STF-33-19 Related to FERC Account 390G, Structures/Improvements, $3,445,773, for December 2022, what projects will contribute to these increased Plant Additions?

STF-33-20 Related to FERC Account 391.20G, Office Equipment, $15,327,314, for August 2022, what projects will contribute to these increased Plant Additions?

STF-33-21 Related to FERC Account 391.20G, Office Equipment, $4,008,131, for December 2022, what projects will contribute to these increased Plant Additions?

**WP 2-1-4 Plant Additions Forward Looking Test Year (“FTY”)**

STF-33-22 Related to FERC Account 367 Mains for Transmission projects, $87,016,847, for December 2023, what projects will contribute to these increased Plant Additions?

STF-33-23 Related to FERC Account 375 Structures/Improvement projects, $88,169,796, for November 2023, what projects will contribute to these increased Plant Additions?

STF-33-24 Related to FERC Account 376 Mains for Distribution projects, $13,221,961, for December 2023, what projects will contribute to these increased Plant Additions?

STF-33-25 Related to FERC Account 381 Meters, $8,036,991, for December 2023, what projects will contribute to these increased Plant Additions?

STF-33-26 Related to FERC Account 390G, Structures/Improvements, $13,653,710, for March 2023, what projects will contribute to these increased Plant Additions?

STF-33-27 Related to FERC Account 390G, Structures/Improvements, $13,653,710, for March 2023, what projects will contribute to these increased Plant Additions?

STF-33-28 Related to FERC Account 391.12G, Computer Hardware, $5,984,549, for December 2023, what projects will contribute to these increased Plant Additions?

STF-33-29 Related to FERC Account 392, Transmission Equipment, for the following months below, what projects will contribute to these increased Plant Additions?

 October 2023: $2,678,462

 November 2023: $2,670,255

 December 2023: $2,390,325

STF-33-30 Related to FERC Account 394G, Tools, $1,196,334, for December 2023, what projects will contribute to these increased Plant Additions?

**2022 WP 2-1-5-6 Capital Budget**

STF-33-31 When reviewing WP 2-1-5-6 C73, it provides a 2022 capital budget dollar amount of $350,470,842, which is the FY 2022 GRAM capital budget approved as part of the i-CDP in Docket No. 43820 that includes direct capital spending and AFUDC/Overheads. In D73, AGL has an “Outlook” capital budget in the amount of $366,437,963 that included ECON-1 capital spending. If AGL has capital spending beyond the approved $350,470,842, does the Company agree that capital spending, and associated Plant, cannot be recovered in rates?

**2023 WP 2-1-5-6 & Attachment-B Capital Budget**

STF-33-32 When reviewing the 2023 GRAM capital budget filed as part of the i-CDP in Docket No. 43820, September 14, 2021, the dollar amount was $340,262,783 in direct spending and $52,777,346 in AFUDC/Overheads with a total dollar amount of $393,040,190. When reviewing the 2023 GRAM filing, WP 2-1-5-6 C88, AGL listed the 2023 GRAM capital budget amount as $379,776,888. When reviewing the 2023 GRAM Attachment B, AGL listed its 2023 GRAM capital budget as $490,136,661. Please answer the following:

1. Does AGL agree that the capital budget approved for the 2023 GRAM is $340,262,783 in direct spending and $52,777,346 in AFUDC/Overheads with a total dollar amount of $393,040,190?
2. When reviewing the i-CDP approved capital budget, the 2023 GRAM model WP 2-1-5-6, and the 2023 GRAM Attachment B, why does AGL have different capital budget numbers for the 2023 GRAM?

**WP 2-3 CWIP**

STF-33-33 When reviewing WP 2-3 Column-C Lines 1 – 13, AGL listed monthly CWIP balances for 13 months, July 2021 – July 2022. Likewise, AGL attempted to show CWIP balances for the Cherokee LNG tank and the SRR in Columns D and E that was deducted from the Column-C balances.

When reviewing the WP 3 AFUDC calculation, it appears to show three different calculations. First, Lines 1 – 5 are showing the HTY AFUDC, the removal of LNG/SRR AFUDC, to arrive at an adjusted AFUDC. Second, Lines 22 – 24 is showing how a percentage of AFUDC to HTY CWIP was calculated. Third, Lines 27 – 31 is showing how a percentage of AFUDC to FTY CWIP was calculated with a final AFUDC number based on that FTY percentage. Please answer the following.

1. Related to the HTY CWIP dollar amounts in WP 2-3 Column-C Lines 1 - 13, does this represent all CWIP for AGL for GRAM, SRR, and Cherokee LNG tank derived from AGL’s/AGSC’s accounting system?
2. Does the AGL/AGSC accounting system have the ability to separately track actual CWIP by GRAM projects, SRR projects, and the Cherokee LNG project?
3. If the AGL/AGSC accounting system has the ability to separately track CWIP by GRAM projects, SRR projects, and the Cherokee LNG project, does the AGL/AGSC accounting system automatically calculate AFUDC on those monthly CWIP balances **using AGL’s weighted cost of capital**?
4. Please revise WP 2-3 to show actual monthly CWIP balances from the AGL/AGSC accounting system for GRAM only in Column C, Lines 1-13.
5. Please revised WP 2-3 to show actual monthly AFUDC balances from the AGL/AGSC accounting system for GRAM only in Column D, Lines 1-13.
6. On a revised WP 2-3 Column-C Line-14, calculate a 13-month average from the actual CWIP dollar amounts.
7. On a revised WP 2-3 Column-D Line-14, calculate a 13-month average from the actual AFUDC dollar amounts. This dollar amount can be used in Schedule-3 E24.
8. Does AGL agree to remove WP 3 since AFUDC is addressed on WP 2-3?

STF-33-34 Related to the FTY CWIP dollar amounts in WP 2-3 Column- C Lines 15 – 32, calculate a monthly AFUDC in Column-D, Lines 15 – 32, using its weighted cost of capital.

STF-33-35 Regarding the CWIP FTY dollar amounts in WP 2-3 Lines 15 – 32, AGL AddedCapex Less Additions in Columns F and G. The numbers were derived from dollar amounts in Lines 34 – 52. The dollar amounts in Lines 34 – 52 are hard inputs. Please create a new WP 2-3-1 to provide the projected “Capex Breakout by Program” spending by month July 2022 – December 2023.

**WP 2-5 AGSC Rate Base Allocated to AGL**

STF-33-36 Regarding WP 2-5 Atlanta Gas Light Services Company (“AGSC”) Allocated rate base to AGL, the Staff has reviewed the worksheet. Please answer the following:

1. When reviewing the calculation for the AGSC Accumulated Deferred Income Tax associated with the Net Plant that serviced AGL, the following formula was used with the final result on Line-9 “ADITs Allocated to AGLC”.

**WP 2-5 AGSC ADIT Formula**

=$BX$38/$BX$34\*BY34 or

|  |  |
| --- | --- |
| Line-9 | ADITs allocated to AGLC  |
|  | Divided by |  |
| Line-7 | Net Plant Allocated to AGLC |

Multiplied by

|  |  |
| --- | --- |
| Line-7 | Net Plant Allocated to AGLC |

In cells BX38 and BX39, May 2022, remain fixed for each month through December 2023. Cell BY34 will change to the current month through December 2023. Through the process of determining AGL’s allotment of Plant, Depreciation, and CWIP, AGL/AGSC used what should be actual dollar amounts and then used the Allocation Factor in Row-11, 32.38%, to allot AGL’s portion of those dollar amounts.

For ADIT, AGL deviated from this process and uses an entirely different methodology, that derived a 22.91% allocation of AGSC ADIT’s to AGL. Please answer the following:

1. Why didn’t AGL/AGSC craft an AGSC ADIT worksheet similar to WP 2-6 to determine the actual AGSC ADIT?
2. Why didn’t AGL/AGSC use the 32.38% allocation derived from Suppl Attach A and used in WP 2-5 Row-11?
3. When reviewing the line numbering on WP 2-5, it appears to be inconsistent. As part of a revised 2023 GRAM Filing, and as a response to this data request, please use the line numbering and new headings below in Table-4 in the requested items in STF-33-36(c) below.

**Table-4: WP 2-5 with Corrected Line Numbers**

|  |  |
| --- | --- |
| **Line No.** | **Description** |
|  |  |
| 1 | **Allocation Factor** |
|  |  |
| 2 | **AGSC Plant-in-Service** |
| 3 | Beginning Balance |
| 4 | Additions |
| 5 | Retirements/Adjustments |
| 6 | **AGSC Plant in Service Ending Balance** |
|  |  |
| 7 | **AGSC Plant in Service Allocated to AGLC** |
|  |  |
| 8 | **AGSC Accumulated Reserve** |
| 9 | Beginning Balance |
| 10 | Depreciation |
| 11 | Retirements/Adjustments |
| 12 | **AGSC Accumulated Reserve Ending Balance** |
|  |  |
| 13 | **AGSC Accumulated Reserve Allocated to AGLC** |
|  |  |
| **14** | **AGSC Net Plant Associated with AGLC** |
|  |  |
| 15 | **AGSC CWIP** |
| 16 | CWIP Activity |
| 17 | AGSC, Net Activity |
| 18 | **AGSC CWIP Ending Balance** |
|  |  |
| 19 | **AGSC CWIP Allocated to AGLC** |
|  |  |
| 20 | AGSC ADIT: WP 2-5-1 |
|  |  |
| 21 | **AGSC ADIT Allocated to AGLC** |
|  |
| 22 | **Net Plant Allocated to AGLC** |
|  |  |
| 23 | **CWIP allocated to AGLC** |
|  |  |
| 24 | **ADITs allocated to AGLC** |
|  |  |
| 25 | **AGSC Rate Base allocated to AGLC** |

1. Please provide the following:
2. Please provide a new WP 2-5-1 ADIT worksheet for AGSC in the same format as AGL used in WP 2-6 for the period from June 2017 through December 2023. This will confirm the ADIT amount associated with AGSC.
3. In the new WP 2-5 format listed in STF-33-36(b), provide the WP 2-5-1 AGSC ADIT dollar amounts on WP 2-5 Line-20 monthly “AGSC ADIT: WP 2-5-1”. Then in WP 2-5 Line-21 the monthly “AGSC ADIT Allocated to AGLC” can be calculated using the “Allocation Factor” on Row-11/Line-1, consistent with Plant in Service, Accumulated Reserves, and CWIP. Then the Line-21 result can be transferred to Line-24 “ADITs Allocated to AGLC”.
4. In the new WP 2-5 Line-25, please provide the new “AGSC Rate Base Allocated to AGLC”.

**WP 2-6**

STF-33-37 Regarding WP 2-6, please answer the following:

1. AGL didn’t provide line numbers. Please use the following format in Table-5 below.

**Table-5: Revised WP 2-6 with Line Numbers**

|  |  |
| --- | --- |
| **Line No.** | **Description** |
|  | (a) |
|  |  |
| 1 | New Plant Additions |
|  |  |
| 2 | Federal Tax Depreciation on New Plant |
| 3 | State Tax Depreciation on New Plant |
|  |  |
| 4 | Federal Tax Depreciation on Existing Plant |
| 5 | State Tax Depreciation on Existing Plant |
|  |  |
| 6 | Total Federal Tax Depreciation |
| 7 | Total State Tax Depreciation |
|  |  |
| 8 | Book Depreciation |
|  |  |
| 9 | Federal Deferred Tax |
| 10 | State Deferred Tax |
|  |  |
| 11 | Deferred Tax on Cost of Removal |
| 12 | **Total ADIT Balance before Proration** |
|  |  |
|  |  |
| 13 | Adjustments Related to PRP Equity Entries |
|  |  |
| 14 | EDIT Protected Activity |
| 15 | EDIT Unprotected Activity |
| 16 | Excess Deferred Income Taxes |
|  |  |
| 17 | Federal Deferred Tax Proration |
|  |  |
| 18 | Monthly ADFIT Increase |
|  |  |
| 19 | Days in Month |
| 20 | Days left in Year |
|  |  |
| 21 | Proration % |
| 22 | Prorated ADFIT Increase |
|  |  |
| 23 | **Total Prorated ADIT Balance** |

1. Please use the line numbers provided in STF-33-37-(a). Regarding WP 2-6, please construct a new version that shows populated cells with actual numbers from June 2017 through July 2022 and then projections from August 2022 through December 2023.
2. Please use the line numbers provided in STF-33-37-(a). Regarding the WP 2-6 Line-2 “Federal Tax Depreciation” on New Plant”, AGL uses a formula

=(SUM(C12:N12)\*Inputs!C187+SUM(O12:Z12)\*Inputs!B187)/12

SUM(C12:12) is Line-1 New Plant Additions January 2022 – December 2022, though no numbers are used for January 2022 – May 2022.

\*Inputs!C187 is a 2023 Federal 20-year MACRs rate of 7.86%

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+SUM(O12:Z12) is the Line-1 New Plant Additions January 2023 – December 2023.

\*Inputs!B127 is the 2022 Federal 20-year MACRs rate of 4.10%.

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/12 is the result reduced to a monthly number

**Table-6: Inputs Worksheet**



AGL begins with December 2023 to make the calculation and works backward populating earlier months. Why does AGL use this procedure instead of basing the calculations on a month by month basis using monthly projected New Plant Additions on Line-1?

1. Why does AGL apply a 2023 MACRs rate to 2022 New Plant Additions on Line-1?
2. Why does AGL apply 2022 MACRs rate to 2023 New Plant Additions on Line-1?
3. As provided in Table-6 above, please provide the source of the 2022 MACRs rate of 4.10%.
4. As provided in Table-6 above, please provide the source of the 2023 MACRs rate of 7.86%

STF-33-38 Please use the line numbers provided in STF 33-37-(a). Regarding WP 2-6 Line-3, “State Tax Depreciation on New Plant”, the calculations have the same issues as provided STF-33-37(a) – (g). Please address the same issues in Line-3 using (a) – (f) responses.

STF-33-39 Please use the line numbers provided in STF 33-37-(a). Regarding WP 2-6 Line-2, “Federal Tax Depreciation” on New Plant, and Line-3 State Tax Depreciation on New Plant, please answer the following:

1. Please provide the source for the depreciation dollar amounts found in the Table-7 below.

**Table-7: Inputs Worksheet**

 

1. When reviewing the monthly numbers provided in WP 2-6 Lines 2 and 3, AGL calculated a dollar amount for December 2023 and then populated that number backwards for the prior months. Why did AGL use this procedure instead of calculating a monthly projected dollar amount based on the projected Plant Additions? This is what AGL did for the WP 2-6 Line-8 Book Depreciation that pulled in the calculated dollar amounts from WP 2-2-1 Row-71.

STF-33-40 Please use the line numbers provided in STF-33-37-(a). Regarding the WP 2-6 Line-8, “Federal Deferred Tax”, calculation, please answer the following:

1. AGL used the formula below to calculate the Line-9 “Federal Deferred Tax” for each month.

 =-(H20-H23+H26)\*'Schedule 9'!$D$14

 H20 is the Line-6 “Total Federal Tax Depreciation”

 H23 is the Line-8 “Book Depreciation”.

 H26 is the Line-10 “State Deferred Tax”.

 Schedule-9!$D$14 is the locked in current corporate Federal Tax Rate of 21%.

 Why did AGL include the “State Deferred Tax” amount as part of the Line-8 “Federal Deferred Tax” calculation?

1. Why does Line-6 “Total Federal Tax Depreciation” subtract Line-8 “Book Depreciation” as part of the calculation?
2. Regarding Line-9, “Federal Deferred Tax” and Line-10 “State Deferred Tax”, why does AGL apply the Federal and State tax rates to this calculation when ADIT is based on MACRs depreciation and not income related?

STF-33-41 Regarding the Line-10 “State Deferred Tax” calculation, why does AGL remove the same Line-8 “Book Depreciation”, as it does in the Federal Deferred Tax” calculation?

STF-33-42 As seen in Table-8 below and WP 2-6, Line-13, “Adjustments Related to PRP Equity Entries”, please explain what these numbers are related to. What are the numbers between Lines 12 and 13 that affect the numbers on Line-13?

 **Table-8: Adjustments Related to PRP Equity Entries**

 

STF-33-43 Regarding WP 2-6, Line-14, what is EDIT related to concerning ADIT and for “Protected EDIT” and Line-15, “Unprotected EDIT”, please define the difference between the two. What Plant is this related to?

STF-33-44 Regarding WP 2-6, Lines 17 – 22, please explain what each of these lines are related to. What is an ADFIT, and why is AGL calculating an ADFIT that impacts the ADIT calculation?

STF-33-45 Regarding 2-2-1, WP 2-5 and WP 2-6, has AGL accounted for the full Section 179 bonus depreciations allowed by the Internal Revenue Service? If so, please demonstrate where it has been provided.



**WP 2-8 Customer Deposits**

STF-33-46 Regarding WP 2-8, how did AGL calculate the interest rate in cell D25 that was pulled from Inputs cell D59? Please see below.

STF-33-47 Please provide the Fed Funds Rates used in the customer deposit interest rate calculation and the source of the numbers.

**WP 2-8: Customer Deposits**

