

STATE OF GEORGIA

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

IN RE)	
)	
Atlanta Gas Light Company's)	
Universal Service Fund)	DOCKET NO. 16193
)	
and)	
)	
Atlanta Gas Light Company's)	DOCKET NO. 44319
2019-2022 Capacity Supply Plan)	
)	

**JOINT MOTION OF NATURAL GAS STAFF OF THE GEORGIA
PUBLIC SERVICE COMMISSION AND ATLANTA GAS LIGHT COMPANY
TO EXTEND ASSET MANAGEMENT AGREEMENT**

Pursuant to the Commission's March 12, 2020, Order Adopting Settlement Agreement in Docket Nos. 42317 and 16193, the current Asset Management Agreement (“AMA”) expires on March 31, 2023. The Staff of the Georgia Public Service Commission (“Staff”) and Atlanta Gas Light Company (“AGL”) have agreed to a proposed Stipulation attached hereto as Attachment A that, with modifications, extends the AMA to March 31, 2027. The proposed Stipulation increases the guaranteed minimum annual payments, which are paid in quarterly installments to the Universal Service Fund ("USF"). Based on the current market conditions and an analysis of the current asset manager's past performance and transparency for the Staff auditors, AGL and Staff agree that Sequent Energy Management, L.P. ("Sequent") should continue as asset manager subject to the new terms and conditions described in the Stipulation. Sequent has consistently demonstrated an ability to create value for AGL’s customers.

Staff and AGL respectfully request that the Commission approve the attached Stipulation and extend AGLC's AMA with Sequent until March 31, 2027, subject to the revised terms and conditions as set forth in the proposed Stipulation.

Respectfully submitted this 18th day of November 2022.

/S/ Jack Branch

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Georgia Public Service Commission

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PUBLIC DISCLOSURE VERSION OF
A TRADE SECRET DOCUMENT

Attachment A

PUBLIC DISCLOSURE VERSION OF A TRADE SECRET DOCUMENT

ATTACHMENT A

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

IN RE:)	
ATLANTA GAS LIGHT COMPANY'S)	Docket No. 44319
2022-2025 CAPACITY SUPPLY PLAN)	

STIPULATION

WHEREAS, pursuant to the Georgia Public Service Commission's ("GPSC" or the Commission") March 12, 2020, Order Adopting Settlement Agreement in Docket No. 42317 and Docket No. 16193, the current asset management agreement expires on March 31, 2023; and

WHEREAS, based on current market conditions and an analysis of the current asset manager's performance, Atlanta Gas Light Company ("AGL") and the Commission Staff agree that it is in the best interests of AGL customers for AGL's asset manager to continue as asset manager subject to the terms and conditions described below; and

WHEREAS, AGL represents that its current asset manager has agreed to serve through March 31, 2027, subject to the terms and conditions described below; and

WHEREAS, the terms and conditions described herein increase the annual minimum guaranteed contributions.

NOW THEREFORE, AGL and the Commission Staff hereby agree and recommend to the Commission that it issue an Order in this matter approving the Stipulation in resolution of the issues before the Commission.

1.

AGL shall continue its asset management agreement with its current asset manager, Sequent Energy Management LLC (formerly known as Sequent Energy Management, L.P., "Sequent"), through March 31, 2027, consistent with the modifications listed below.

2.

With the exception of capacity release transactions and off-system sales, which shall continue to be shared at 50% with the USF in accordance with O.C.G.A § 46-2-23.1(1)(1), AGL

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shall remit XX% of the aggregate net margin to the USF from any transactions involving unused AGL capacity assets, whether made directly by AGL or indirectly by its agent. The total amount contributed to the USF for a given Contract Year (April – March) shall be the greater of the funds resulting from sharing formula above or the aggregate annual guaranteed minimum (as set forth below). The aggregate annual guaranteed minimum for each year during the term of the contract shall be:

- For the Contract Year beginning April 1, 2023 (“Contract Year 1”), the aggregate annual guaranteed minimum contribution to the USF shall be \$XX million.
- For the Contract Year beginning April 1, 2024 (“Contract Year 2”), the aggregate annual guaranteed minimum contribution to the USF shall be \$XX million.
- For the Contract Year beginning April 1, 2025 (“Contract Year 3”), the aggregate annual guaranteed minimum contribution to the USF shall be \$XX million.
- For the Contract Year beginning April 1, 2026 (“Contract Year 4”), the aggregate annual guaranteed minimum contribution to the USF shall be \$XX million.

3.

Funds will be remitted to the USF on a quarterly basis. The first deposit will be due within fifty (50) days after the close of the first quarter. Cumulative year-to-date deposits for a contract year shall be adjusted, if necessary, to be at least 25% of the guaranteed minimum contribution in the first quarter, at least 50% in the second quarter, at least 75% in the third quarter and 100% in the fourth quarter. The minimum payment shall be in accordance with the attached Schedule A.

4.

Unrealized financial gains and losses will continue to be excluded in the determination of the Net Margin available for sharing. Accordingly, the definition of Net Margin included in Exhibit D for the new term of the asset management agreement shall be as follows:
XX

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XX
XX
XX
XX.

5.

AGL shall continue to perform annual benchmark studies evaluating the performance by Sequent pursuant to the provisions of the asset management agreement and shall file with the Commission the report of Sequent’s performance relative to such benchmarks or metrics. The initial benchmark study shall be filed with the Commission on or before June 30, 2023, for the two-year period of April 2021 through March 2023 in Docket 16193. Subsequent annual benchmark studies shall be filed with the Commission no later than June 30 for each year in Docket 16193.

6.

In the event the Commission does not approve the Stipulation, it would be considered void and have no binding precedential effect. Further, if the Commission does not approve the Stipulation, it shall not be presented as evidence in any matter before this Commission.

7.

Should the Commission not accept this Stipulation as filed, the parties understand that AGL may be under an obligation to issue an RFP on or before March 30, 2023. Whether the Commission accepts this Stipulation or not, the terms and conditions of this Stipulation are likely to affect responses to subsequent RFPs for asset management agreements. Accordingly, this Stipulation shall be treated as Trade Secret in accordance with Commission Rule 515-3-1-.11 and shall continue to remain Trade Secret in accordance with Rule 515-3-1-.11.

8.

This Stipulation, if approved, shall not have any precedential effect in any future proceeding or be binding on either party except to the limited extent necessary to implement the provisions hereof.

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PUBLIC DISCLOSURE VERSION OF
A TRADE SECRET DOCUMENT

By:

ATLANTA GAS LIGHT COMPANY

GEORGIA PUBLIC SERVICE COMMISSION STAFF

/S/ Pedro Cherry

/S/ Nancy Tyer

Pedro Cherry, President

Nancy Tyer, Director, Natural Gas Unit

Date: *November 18, 2024*

Date: *November 18, 2024*

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Schedule A

Calculation of Quarterly Deposit for Remittance to the Universal Service Fund

Per Section 3 of the Stipulation, “Cumulative year-to-date deposits for a contract year shall be adjusted, if necessary, to be at least 25% of the guaranteed minimum contribution in the first quarter, at least 50% in the second quarter, at least 75% in the third quarter and 100% in the fourth quarter.”

Each quarterly deposit for a Contract Year (April 1 through March 31) shall be the amount required such that the cumulative year-to-date deposit is the greater of:

Quarter 1	25% of Annual Guaranteed Minimum	Or	Q1 deposit determined by the appropriate sharing calculation ¹
Quarter 2	50% of Annual Guaranteed Minimum	Or	Q2 year to date deposit determined by the appropriate sharing calculation ¹
Quarter 3	75% of Annual Guaranteed Minimum	Or	Q3 year to date deposit determined by the appropriate sharing calculation ¹
Quarter 4	100% of Annual Guaranteed Minimum	Or	Q4 year to date deposit determined by the appropriate sharing calculation ¹

¹ Appropriate sharing calculation for remittance to the USF is as follows:

- Capacity Release transactions and off-system sales shall be shared with the USF in accordance with O.C.G.A. § 46-2-23.1(i)(1).
- XX% of the aggregate net margin (as calculated in Exhibit D, as modified in Section 4 of the Stipulation) from all other transactions involving unused AGL capacity assets, whether made directly by AGL or indirectly by its agent.

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

IN RE:)
ATLANTA GAS LIGHT COMPANY'S) **Docket No. 44319**
2022-2025 CAPACITY SUPPLY PLAN)

CERTIFICATE OF SERVICE

I, the undersigned, do herewith certify that I have caused to be served the required copies of the Order Adopting Stipulation. All parties are being provided an electronic copy:

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This 18th day of November, 2022.
