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IN RE: ATLANTA GAS LIGHT COMPANY'S UNIVERSAL SERVICE FUND GEORGIA PUBLIC SERVICE COMMISSION DOCKET NO. 16193

And

ATLANTA GAS LIGHT COMPANY'S CAPACITY SUPPLY PLAN GEORGIA PUBLIC SERVICE COMMISSION DOCKET NO. 44319

PROPOSED ORDER ADOPTING STIPULATION

This matter comes before the Georgia Public Service Commission ("Commission") as a result of a Stipulation between the Commission Staff ("Staff') and Atlanta Gas Light Company ("AGL") concerning extending AGL's asset management agreement. The Commission voted at its regular Administrative Session on December 20, 2022, to adopt the Stipulation (Attachment A). As set forth in the Stipulation, Sequent Energy Management LLC (formerly known as Sequent Energy Management, L.P., "Sequent") will serve as AGL's asset manager for a term of four (4) years beginning April 1, 2023, and ending March 31, 2027.

Background

Pursuant to the Commission's September 30, 2019, Order Adopting Settlement Agreement in Docket No. 42317, the current asset management agreement expires on March 31, 2023. The Staff and AGL have agreed to a proposed Stipulation that provides for increased guaranteed minimum payments to

the Universal Service Fund ("USF"). Based on the current market conditions and an analysis of the current asset manager's performance, AGL and the Staff agree that it is in the best interests of AGL's customers for Sequent to continue as asset manager subject to the terms and conditions described in the Stipulation.

Commission Decision

On December 1, 2022, the Commission voted at Administrative Session to adopt the Stipulation between the Staff and AGL. A public disclosure version of that Stipulation is attached hereto as Attachment A.

* * * * *

WHEREFORE IT IS ORDERED, that the Stipulation (Attachment A) between Staff and AGL regarding the Asset Management Agreement is approved.

ORDERED FURTHER, that a motion for reconsideration, rehearing, or oral argument or any other motion shall not stay the effective date of this Order, unless otherwise directed by the Commission.

ORDERED FURTHER, that jurisdiction over this matter is expressly retained for the purpose of entering such further Order or Orders as this Commission may deem just and proper.

The above action of the Commission in Administrative Session on the 20th day of December, 2022.

Sallie Tanner
Executive Secretary

12-30-22
Date

Tricia Pridemore
Chairman

12-30-22
Date

TRADE SECRET
EXEMPT FROM PUBLIC DISCLOSURE UNDER O.C.G.A. § 50-18-72(a)(34)

Attachment A

TRADE SECRET
EXEMPT FROM PUBLIC DISCLOSURE UNDER O.C.G.A. § 50-18-72(a)(34)

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

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: XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX.

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.

PUBLIC DISCLOSURE VERSION OF
A TRADE SECRET DOCUMENT

By:

ATLANTA GAS LIGHT COMPANY
COMMISSION STAFF

/S/ Pedro Cherry

Pedro Cherry, President

Date: *November 18, 2022*

GEORGIA PUBLIC SERVICE

/S/ Nancy Tyer

Nancy Tyer, Director, Natural Gas Unit

Date: *November 18, 2022*

Conformed Copy

PUBLIC DISCLOSURE VERSION OF
A TRADE SECRET DOCUMENT

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.

TRADE SECRET
EXEMPT FROM PUBLIC DISCLOSURE UNDER O.C.G.A. § 50-18-72(a)(34)

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

IN RE:	**)**	
ATLANTA GAS LIGHT COMPANY'S	**)**	**Docket No. 44319**
2022-2025 CAPACITY SUPPLY PLAN	**)**	
And	**)**	
ATLANTA GAS LIGHT COMPANY'S	**)**	**Docket No. 16193**
UNIVERSAL SERVICE FUND	**)**	

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 _____ day of _____, 2022.

DN 44319 and DN 16193 Order Adopting Stipulation between Staff and AGL

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DN 44319 and DN 16193 Order Adopting Stipulation between Staff and AGL PUBLIC 20223