USF 2024 Plan

STF-14-1 Related to the Glynn County Project-1 with an estimated total cost of **$2,926,329**, please answer the following.

f. As an electronic excel file, provide the calculation for the first five fiscal years following the initial service date, and the estimated rate of return to the electing distribution company produced by such revenues during each such fiscal year.

SUPPLEMENTAL RESPONSE:

f. O.C.G.A. § 46-4-161 requires the Commission to consider, among other things, the estimated revenues to the electing distribution company during the first five fiscal years following the initial service date, and the estimated rate of return to the electing distribution company produced by such revenues during each such fiscal year when evaluating USF project applications. In the past, the Commission has approved USF disbursements for the entire project cost based on engineering estimates in some cases and for customer contributions in aid of construction based on a Tariff Rule 7 or 8 analysis in other cases. In the case of disbursements for the entire estimated project cost based on estimates, the financial analysis Staff requested cannot be calculated because the Company has not made a capital investment. Although the revenues from the new USF customer(s) remain the same, any revenues from the new USF customer(s) would offset revenues that would be otherwise collected from other customers on the AGL system. Please see Attachments STF-14-1 through STF-14-5 for the requested financial analysis based on filed costs to serve.

Although the requested data is presented within the Attachments, it should be noted that the calculations assume that each project (for both costs and revenues) is done as a stand-alone initiative. Nonetheless, all similar customers are charged the same rates (by class and DDDC factor), even though the costs to serve a particular customer may be higher or lower than the costs to establish service to a similar customer. Consequently, the stand-alone financial analysis presented within the Attachments provides the requested data, AGL will earn approximately its authorized return on all service provided in any given rate-effective period.

Respondent: Billy Horne
Director, Resource Planning and Economic Dev.
Southern Company Gas

STF-14-2 Related to the Glynn County Project-2 with a total estimated cost of **$1,513,311**, please answer the following.

d. As an electronic excel file, provide the calculation for the first five fiscal years following the initial service date, and the estimated rate of return to the electing distribution company produced by such revenues during each such fiscal year.

SUPPLEMENTAL RESPONSE:

d. O.C.G.A. § 46-4-161 requires the Commission to consider, among other things, the estimated revenues to the electing distribution company during the first five fiscal years following the initial service date, and the estimated rate of return to the electing distribution company produced by such revenues during each such fiscal year when evaluating USF project applications. In the past, the Commission has approved USF disbursements for the entire project cost based on engineering estimates in some cases and for customer contributions in aid of construction based on a Tariff Rule 7 or 8 analysis in other cases. In the case of disbursements for the entire estimated project cost based on estimates, the financial analysis Staff requested cannot be calculated because the Company has not made a capital investment. Although the revenues from the new USF customer(s) remain the same, any revenues from the new USF customer(s) would offset revenues that would be otherwise collected from other customers on the AGL system. Please see Attachments STF-14-1 through STF-14-5 for the requested financial analysis based on filed costs to serve.

Although the requested data is presented within the Attachments, it should be noted that the calculations assume that each project (for both costs and revenues) is done as a stand-alone initiative. Nonetheless, all similar customers are charged the same rates (by class and DDDC factor), even though the costs to serve a particular customer may be higher or lower than the costs to establish service to a similar customer. Consequently, the stand-alone financial analysis presented within the Attachments provides the requested data, AGL will earn approximately its authorized return on all service provided in any given rate-effective period.

Respondent: Billy Horne
Director, Resource Planning and Economic Dev.
Southern Company Gas

STF-14-3 Related to the Cherokee County Project with a total estimated cost of **1,321,203**, please answer the following.

d. As an electronic excel file, provide the calculation for the first five fiscal years following the initial service date, and the estimated rate of return to the electing distribution company produced by such revenues during each such fiscal year.

SUPPLEMENTAL RESPONSE:

d. O.C.G.A. § 46-4-161 requires the Commission to consider, among other things, the estimated revenues to the electing distribution company during the first five fiscal years following the initial service date, and the estimated rate of return to the electing distribution company produced by such revenues during each such fiscal year when evaluating USF project applications. In the past, the Commission has approved USF disbursements for the entire project cost based on engineering estimates in some cases and for customer contributions in aid of construction based on a Tariff Rule 7 or 8 analysis in other cases. In the case of disbursements for the entire estimated project cost based on estimates, the financial analysis Staff requested cannot be calculated because the Company has not made a capital investment. Although the revenues from the new USF customer(s) remain the same, any revenues from the new USF customer(s) would offset revenues that would be otherwise collected from other customers on the AGL system. Please see Attachments STF-14-1 through STF-14-5 for the requested financial analysis based on filed costs to serve.

Although the requested data is presented within the Attachments, it should be noted that the calculations assume that each project (for both costs and revenues) is done as a stand-alone initiative. Nonetheless, all similar customers are charged the same rates (by class and DDDC factor), even though the costs to serve a particular customer may be higher or lower than the costs to establish service to a similar customer. Consequently, the stand-alone financial analysis presented within the Attachments provides the requested data, AGL will earn approximately its authorized return on all service provided in any given rate-effective period.

Respondent: Billy Horne
Director, Resource Planning and Economic Dev.
Southern Company Gas

STF-14-4 Related to the McIntosh County Project with a total estimated cost of **$19,657,977**, please answer the following.

e. As an electronic excel file, provide the calculation for the first five fiscal years following the initial service date, and the estimated rate of return to the electing distribution company produced by such revenues during each such fiscal year.

SUPPLEMENTAL RESPONSE:

e. O.C.G.A. § 46-4-161 requires the Commission to consider, among other things, the estimated revenues to the electing distribution company during the first five fiscal years following the initial service date, and the estimated rate of return to the electing distribution company produced by such revenues during each such fiscal year when evaluating USF project applications. In the past, the Commission has approved USF disbursements for the entire project cost based on engineering estimates in some cases and for customer contributions in aid of construction based on a Tariff Rule 7 or 8 analysis in other cases. In the case of disbursements for the entire estimated project cost based on estimates, the financial analysis Staff requested cannot be calculated because the Company has not made a capital investment. Although the revenues from the new USF customer(s) remain the same, any revenues from the new USF customer(s) would offset revenues that would be otherwise collected from other customers on the AGL system. Please see Attachments STF-14-1 through STF-14-5 for the requested financial analysis based on filed costs to serve.

Although the requested data is presented within the Attachments, it should be noted that the calculations assume that each project (for both costs and revenues) is done as a stand-alone initiative. Nonetheless, all similar customers are charged the same rates (by class and DDDC factor), even though the costs to serve a particular customer may be higher or lower than the costs to establish service to a similar customer. Consequently, the stand-alone financial analysis presented within the Attachments provides the requested data, AGL will earn approximately its authorized return on all service provided in any given rate-effective period.

Respondent: Billy Horne
Director, Resource Planning and Economic Dev.
Southern Company Gas

STF-14-5 Regarding the Athens-Clarke County Project, please answer the following.

e. As an electronic excel file, provide the calculation for the first five fiscal years following the initial service date, and the estimated rate of return to the electing distribution company produced by such revenues during each such fiscal year.

SUPPLEMENTAL RESPONSE:

e. O.C.G.A. § 46-4-161 requires the Commission to consider, among other things, the estimated revenues to the electing distribution company during the first five fiscal years following the initial service date, and the estimated rate of return to the electing distribution company produced by such revenues during each such fiscal year when evaluating USF project applications. In the past, the Commission has approved USF disbursements for the entire project cost based on engineering estimates in some cases and for customer contributions in aid of construction based on a Tariff Rule 7 or 8 analysis in other cases. In the case of disbursements for the entire estimated project cost based on estimates, the financial analysis Staff requested cannot be calculated because the Company has not made a capital investment. Although the revenues from the new USF customer(s) remain the same, any revenues from the new USF customer(s) would offset revenues that would be otherwise collected from other customers on the AGL system. Please see Attachments STF-14-1 through STF-14-5 for the requested financial analysis based on filed costs to serve.

Although the requested data is presented within the Attachments, it should be noted that the calculations assume that each project (for both costs and revenues) is done as a stand-alone initiative. Nonetheless, all similar customers are charged the same rates (by class and DDDC factor), even though the costs to serve a particular customer may be higher or lower than the costs to establish service to a similar customer. Consequently, the stand-alone financial analysis presented within the Attachments provides the requested data, AGL will earn approximately its authorized return on all service provided in any given rate-effective period.

Respondent: Billy Horne
Director, Resource Planning and Economic Dev.
Southern Company Gas