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DOCKET NO. 42315: 2019 ATLANTA GAS LIGHT COMPANY RATE CASE/AFFILIATE TRANSACTION AUDIT

FINAL ORDER APPROVING ATLANTA GAS LIGHT COMPANY'S PETITION TO MODIFY ITS GEORGIA RATE ADJUSTMENT MECHANISM (GRAM) TARIFF

I. Background

O.C.G.A. § 46-2-20(a) provides that the Georgia Public Service Commission ("Commission") has general supervisory authority over gas companies.

O.C.G.A. § 46-2-23 provides that the Commission has exclusive power to determine what are just and reasonable rates and charges to be made by any person, firm, or corporation subject to its jurisdiction.

On February 21, 2017, the Commission approved a Stipulated Agreement between the Staff of the Georgia Public Service Commission ("Staff") and Atlanta Gas Light Company ("AGL") for an alternative form of ratemaking in accordance with O.C.G.A. §46-2-23.1. The process was called the Georgia Rate Adjustment Mechanism ("GRAM"). In the February 14, 2020, Final Order in Docket No. 42315, AGL's 2019 rate case, the Commission approved that AGL could continue to use the GRAM with modifications from the originally approved GRAM ratemaking process.

O.C.G.A. § 46-2-23.1(c)(d), provides the following:

(c) After notice and hearing the commission may approve the plan, or approve it with modifications, if the commission determines that the application is in the public interest and

will produce just and reasonable rates, after taking into consideration the extent to which the application:

(1) Is designed to and is likely to produce lower prices for consumers of natural gas in Georgia;
(2) Will provide incentives for the gas company to lower its costs and rates;
(3) Will provide incentives to improve the efficiency and productivity of the gas company;
(4) Will foster the long-term provision of natural gas service in a manner that will improve the quality and choices of service;
(5) Is consistent with maintenance and enhancement of safe, adequate, and reliable service and will maintain or improve preexisting service quality and consumer protection safeguards;
(6) Will not result in cross-subsidization among or between groups of gas company customers;
(7) Will not result in cross-subsidization among or between the portion of the gas company's business or operations subject to the alternative form of regulation and any unregulated portion of the business or operations of the gas company or of any of its affiliates;
(8) Will reduce regulatory delay and cost; and
(9) Will tend to enhance economic activity in the affected service territory.

(d) Performance based regulation adopted by the commission as an alternative form of regulation shall provide for the following:

(1) Equal and symmetric opportunities to earn above and below the performance standard;
(2) Performance incentives based upon conditions within the control of the management of the gas company; and
(3) Adjustments from time to time for the net effect of changes in tax rates, other costs imposed by law, and the cost of capital.

During 2023, the Staff and AGL engaged in a series of meetings to revise the Georgia Rate Adjustment Model ("GRAM Model") in an attempt to make it more efficient. Additionally, the Staff and AGL created a new Peaking Service Rate Model ("Peaking Model") that would calculate an adjusted Peaking Service rate. When the 2024 GRAM Filing was made on July 14, 2023, it included the updated GRAM Model and the new Peaking Model. As a result of these changes, on August 28, 2023, the Commission approved revisions to AGL's Peaking Service tariff. On January 19, 2024, AGL filed a petition for revisions to the GRAM tariff to reflect the agreed on changes.

II. GRAM Tariff Revision

The majority of the revisions occurred in tariff Section 26.5 to update the items that will be filed with the annual GRAM filing. There was an updated tariff Section 26.5.4 for the Peaking Service Rate Model that outlined the items that will be included in that model. There was updated language in tariff Section 26.6 related to the Revenue True Up ("RTU"). This was mainly to reflect the revenues related to the GRAM Model and the Peaking Model. All other changes in the GRAM tariff were mainly clarifying language.

III. Commission Decision

During the February 6, 2024 Administrative Session, the Commission approved AGL's January 19, 2024 petition to modify the GRAM tariff.

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IV. Ordering Paragraphs

WHEREFORE IT IS ORDERED that the Commission approves AGL's January 19, 2024 petition to modify the GRAM tariff.

ORDERED FURTHER, that all findings, conclusions, statements, and directives made by the Commission and contained in the foregoing sections of this Order are hereby adopted as findings of fact, conclusions of law, statements of regulatory policy, and orders of this Commission.

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 ordered by the Commission.

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

The above by action of the Commission in an Administrative Session on the 6th day of February 2024.

Sallie Tanner
Executive Secretary

2-6-24
Date

Jason Shaw
Chairman

2-6-24
Date