STF-12-1 In File-4 Document beginning on page 95 in **Section 5.12** AGL provided a number of proposed GRAM capital spending items related to the DIMP program, as shown in i – ii below.

i. DIMP
ii. DIMP Pipe Replacements

Please provide a separate Excel spreadsheet called **Attachment-STF-12-1** with the following:

a. In Column-A using the items in i and ii, please list all of the major spending categories under i and ii.

b. In Column-B for 2020, please include the dollar amounts approved during the 2019 rate case. Label column as "2020 Approved".

c. In Column-C for 2020, please place in the actual dollars spent with a total. Label column as "2020 Actual".

d. In Column-D for 2020, please provide a variance between Columns D and C. Label as "Variance 2020 Actual minus Approved".

e. In Column-F for 2021, please provide the dollar amounts approved in the 2021 GRAM capital budget with a total. Label column as "2021 Approved".

f. In Column-G for 2021, please provide the actual dollar amounts spent during 2021. Label column as "2021 Actual".

g. In Column-H for 2021, please provide the variance between Columns G and F. Label column as "Variance 2021 Actual minus Approved".

h. In Column-J for 2022, please provide the dollar amounts approved in the 2021 i-CDP GRAM capital budget with a total. Label column as "2022 Approved".

i. In Column-K for 2022, please provide the actual dollar amounts spent during 2021. Label column as "2022 Actual".

j. In Column-L for 2022, please provide the variance between Columns K and J, actual minus approved. Label column as "Variance 2022 Actual minus Approved".

k. In Column-N for 2023, please provide the dollar amounts approved in the 2021 i-CDP GRAM capital budget with a total. Label column as "2023 Approved".

l. In Column-O for 2023, please provide the actual dollar amounts spent during 2021. Label column as "2023 Actual".

m. In Column-P for 2023, please provide the variance between Columns O and N, actual minus approved. Label column as "Variance 2023 Actual minus Approved".

n. In Column-R for 2024, please provide the dollar amounts approved for these items in the GRAM capital budget.

o. In Column-T for 2025, please provide the dollar amount requested in the 2025 – 3034 i-CDP filing for the 2025 GRAM capital budget.

p. In Column-U for 2026, please provide the dollar amount requested in the 2025 – 3034 i-CDP filing for the 2026 GRAM capital budget.

q. In Column-V for 2027, please provide the dollar amount requested in the 2025 – 3034 i-CDP filing for the 2027 GRAM capital budget.

RESPONSE

See Trade Secret Attachment STF-12-1. Please see the "Notes" section of the provided file for additional information about the data provided.

Respondents: Steven Murphy
Vice President, Engineering & Construction
Southern Company Gas

Donald Carter
Vice President, Compliance & Technical Services
Southern Company Gas

STF-12-2 In the File-4 Document in **Section 1.3.1** AGL began discussing aging pipelines. This discussion continues in **Section 5.1** page 39. When reviewing Figure 1.2 on page 7, AGL has listed 6,408 miles of vintage steel and 2,701 miles of vintage plastic that may need replacing. On page 39, AGL discussed the acceleration of pipe replacements, and on page 41, AGL stated there is a need for a large-scale replacement program. On page 58, Figure 5.7 shows that AGL expects to reduce spending on these replacements by $1.9 million. On page 99 in Figure 5.29, AGL shows a DIMP budget of $20 million a year for 2025 – 2027, but $0.00 for aging pipe replacement. AGL has appeared to heighten this issue but hasn't provided much detail. This issue raises a number of questions that would need to be addressed in a separate proceeding:

i. Where in AGL's system does this vintage pipe exist?
ii. What are the leak rates on this aging pipe?
iii. Are any of these vintage pipes located in High Consequence Areas?
iv. What is the current O&M costs to maintain this current pipe?
v. What is the timeframe AGL would need to obtain the needed contractors and resources to have a vintage replacement program?
vi. What is the best strategy to begin replacing the most problematic vintage pipe first?
vii. Should there be phases of replacement with time limits and annual goals?
viii. What is the estimated cost to replace the vintage pipe?

Please answer the following:

a. Since AGL has not provided much detail or data, does AGL agree that the best approach to answering these questions and determining the urgency of this issue is for AGL to file a petition with the Commission for a hearing process to review any large-scale vintage pipe replacement and how the program may operate?

b. In the proposed 2025 – 2027 capital budget information for DIMP in the File-4 Document, AGL is showing $0.00 for the replacement of vintage pipe but shows an extreme ramp up in capital spending for 2028 – 3030, and beyond. From a safety perspective for 2025 - 2027, wouldn't it be more prudent for AGL to engage in proactive replacement of vintage pipe with a plan, goals, and a planned or forecasted spending level to ensure there isn't a large backload of pipe to be replaced in future years?

c. In the near future, is the Company willing to meet with the Staff to discuss solutions to this issue?

Figure 1.2: Mileage of Aging Pipelines

Facility Type (miles)	Steel Unknown Install Date	Vintage Steel Pre - 1960	Mid-Vintage Steel 1960 - 1970	Modern Steel 1970 - 2022
Main	576.9	1,043.4	4,788.0	6,077.4
	Plastic Unknown Install Date	**Early Vintage Plastic Pre - 1974**	**Mid-Vintage Plastic 1974 - 1983**	**Modern Plastic 1984 - 2022**
Main	118.0	11.20	2,571.9	20,113.8

IV. Funding Requirements:

As of the end of 2022, AGL had 1,541 miles of known or assumed to be pre-1960 coated steel mains and 2,583 miles of known or assumed to be mid-vintage plastic mains in its system. The estimated costs to replace these facilities is approximately $1.9 billion.

Furthermore, the Company is at a critical decision point related to its ability to proactively address all aging distribution infrastructure. At the Company's current retirement rate of approximately 10 miles per year and starting with the oldest first (assuming unknown is included and worked first), all pre-1960s main would be renewed by approximately the year of 2188 with an asset age of 229 years and all pre-1970s main would be renewed by approximately the year of 2642 with an asset age of 673 years. In contrast, a retirement rate of 100 miles per year would result in the pre-1960s main retirement to be completed in approximately 2039 with an asset age of 80 years and pre1970s main in approximately 2084 with an asset age of 115.

As can be seen in the table Figure 5.29 below, proposed DIMP spending in the first three years of the Plan continues to be in the $20-$25 million per year range to allow for other projects related to compliance and system stability to be completed. Beyond the first three years, AGL anticipates the need to increase these replacements to manage the pace at which these aging pipelines are removed from the system. This rate of DIMP replacement growth will bring DIMP budget parameters up to $75 million per year, as outlined in the 2019 Rate Case and 2022 i-CDP filings. Also as outlined above, if the currently proposed PHMSA Distribution Rule is adopted as written, there will likely be federal mandates that will necessitate a supplemental request from AGL to revisit these investments.

Figure 5.29: DIMP Budget Parameters

Item	2022 I-CDP Filing				Current Actuals/Plan				2022-2024 Act/Plan vs. Filing	2026-2034 I-CDP Proposals ($ millions)									
	2022 (bud)	2023	2024	Filing Sub-Total	2022 (act)	2023 (act)	2024 (bud)	Current Sub-Total		2026	2026	2027	2028	2029	2030	2031	2032	2033	2034
DIMP	20.6	20.0	25.0	65.6	18.4	14.6	7.6	40.5	(25.1)	20.0	20.0	20.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
DIMP Pipeline Replacements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25.0	50.0	50.0	50.0	50.0	50.0	50.0

RESPONSE

a. Given the competing dollar interests, AGL has not requested a separate pipe replacement program at this time. AGL defers to the Commission to determine if a separate proceeding is warranted or if this proposed acceleration of the replacement of aging pipelines under the DIMP should be handled through the current i-CDP process.

AGL clearly identified that the need to accelerate the replacement of its aging pipelines starting in the 2019 Rate Case, but delayed the proposed start due to already significant rate impacts caused by other priorities. This clear statement of the need for a program acceleration was repeated in the 2022 i-CDP filing as well as the recent 2025 i-CDP filing but AGL again proposed delaying the start of the acceleration in each case due to other required work and associated rate pressures, including the more recent pandemic related cost pressures.

AGL did include additional support in the 2025-2034 i-CDP on page 98 showing that current pipeline replacement rates were unsustainable and had to be increased soon to clearly share this future need, consistent with the purpose of the i-CDP 10-year process. AGL is willing to begin conversations with the Commission as to how to best address this growing need within or outside of the i-CDP.

The following additional information has been provided to support the above response references to previous and current filings:

- AGL first suggested the need for an accelerated program to address the pre-1960 steel and mid-vintage (1974-1983) plastics pipelines in the 2019 Rate Case (Docket No. 42315; Pre-Filed Direct Testimony of Steve Murphy, Jennifer Rose, Don Carter, and Bradley J. Beckman on Behalf of Atlanta Gas Light Company). At that time, AGL proposed spending around $30 million annually but stated the following:
"*At this investment level, it will take more than 50 years to replace these pipelines, which the Company recognizes is too long from a pipeline safety perspective, particularly if more segments begin to develop more leaks in the future. Therefore, the Company acknowledges that in the future, higher funding levels must be devoted to accelerate replacement of this higher risk pipe.*"

- This was further clarified within the 2022-2031 i-CDP where the statement above was repeated and then the following paragraph was added (Section 5.11 on page 53 of the 2022-2031 i-CDP)

"As can be seen in the table below, proposed DIMP spending in 2021 has been reduced significantly from the rate case proposed levels to allow for other higher priority projects related to compliance and system stability to be completed. This spending is proposed to increase in future years but will continue to have to be prioritized against other needs. ***The spending level will likely not reach the ideal $75 million per year investment level necessary to complete this work within the preferred 25 to 30-year timeframe without additional dedicated funding similar to the previous Vintage Plastic or Bare Steel and Cast-Iron replacement programs approved by the Commission****."*

- As stated in question STF-12-2 above, AGL has continued to identify this need within multiple sections of the current 2025-2034 i-CDP document including the following statement on page 99:

  "*As of the end of 2022, AGL had 1,541 miles of known or assumed to be pre-1960 coated steel mains and 2,583 miles of known or assumed to be mid-vintage plastic mains in its system. The estimated costs to replace these facilities is approximately $1.9 billion. Furthermore, the Company is at a critical decision point related to its ability to proactively address all aging distribution infrastructure. At the Company's current retirement rate of approximately 10 miles per year and starting with the oldest first (assuming unknown is included and worked first), all pre-1960s main would be renewed by approximately the year of 2188 with an asset age of 229 years and all pre-1970s main would be renewed by approximately the year of 2642 with an asset age of 673 years. In contrast, a retirement rate of 100 miles per year would result in the pre-1960s main retirement to be completed in approximately 2039 with an asset age of 80 years and pre1970s main in approximately 2084 with an asset age of 115.*"

- AGL has also provided additional support for the need in the current i-CDP filing, such as Figure 5.27 of the i-CDP, which provides the leak rates for pre-1960 steel and mid-vintage (1974-1983) plastics.

b. AGL's budget for pipe replacements is not $0.00 for 2025-2027 because pipe replacement dollars are included within both DIMP budget lines. AGL has proposed a measured increase in pipeline replacement investments within the DIMP line back to $20 million per year for 2025-2027 (as shown in Figure 5.29 of the i-CDP included below).

Figure 5.29: DIMP Budget Parameters

Item	2022 i-CDP Filing				Current Actuals/Plan				2022-2024 Act/Plan vs. Filing	2025-2034 i-CDP Proposals ($ millions)									
	2022 (bud)	2023	2024	Filing Sub-Total	2022 (act)	2023 (act)	2024 (bud)	Current Sub-Total		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
DIMP	20.6	20.0	25.0	65.6	18.4	14.6	7.6	40.5	(25.1)	20.0	20.0	20.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
DIMP-Pipeline Replacements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25.0	50.0	50.0	50.0	50.0	50.0	50.0

Getting back to at least $20 million per year is not only important "from a safety perspective" as noted in Staff's question but also to ensure compliance with CFR 192 DIMP program mandates to identify and address system risks. The second line titled "DIMP-Pipeline Replacements" was created to clearly show the need for accelerating this work and is additive to the DIMP line when calculating proposed pipeline replacement investments. As stated in the response to question "a" above, AGL is not currently requesting this increase in the rate of pipeline replacements until 2028 due to other needs and system priorities and their already significant customer rate impacts, which is why there are no dollars shown in the DIMP-Pipeline Replacements line for 2025-2027.

Concerning the statement in question (b) about the prudency "for AGL to engage in proactive replacement of vintage pipe with a plan, goals, and a planned or forecasted spending level to ensure there isn't a large backload of pipe to be replaced in future years," the budgeted increase in investments under the DIMP line represents AGL's attempt to balance this need with customer impacts while it works with the Commission to find the best way to accelerate this work in the near future. Additionally, AGL has acted prudently by bringing this issue to the Commission's attention in the filings cited above.

c. Yes.

Respondents: Steven Murphy
Vice President, Engineering & Construction
Southern Company Gas

Donald Carter
Vice President, Compliance & Technical Services
Southern Company Gas

STF-12-3 In File-4 Document page 77, AGL provided a Figure 5.11. As **Attachment-STF-12-3**, please provide a separate Excel spreadsheet and provide a 2025 GRAM capital budget including the following:

a. In Worksheet-1, please provide a detailed ledger that will include AFUDC.

b. In Worksheet-2, please provide a budget summary similar to Figure 5.11 with a total for the year and breakout and include AFUDC.

c. In Worksheet-3, please provide a breakout of all and any capital budget dollars related to AGSC, SCS, or other affiliate related company.

RESPONSE

AGL will provide this response in a supplemental filing on or before March 15, 2024.

Respondent: Michael Morley
Director, Regulatory Reporting & Strategy
Southern Company Gas

Rob Hembree
Director, Engineering
Southern Company Gas

STF-12-4 In File-4 Document page 77, AGL provided a Figure 5.11. As **Attachment-STF-12-4**, please provide a separate Excel spreadsheet and provide a 2026 GRAM capital budget as in the following:

a. In Worksheet-1, please provide a detailed ledger that will include AFUDC.

b. In Worksheet-2, please provide a budget summary similar to Figure 5.11 with a total for the year and breakout and include AFUDC.

c. In Worksheet-3, please provide a breakout of all and any capital budget dollars related to AGSC, SCS, or other affiliate related company.

RESPONSE

AGL will provide this response in a supplemental filing on or before March 15, 2024.

Respondent: Michael Morley
Director, Regulatory Reporting & Strategy
Southern Company Gas

Rob Hembree
Director, Engineering
Southern Company Gas

STF-12-5 In File-4 document page 77, AGL provided a Figure 5.11. As **Attachment-STF-12-5**, please provide a separate Excel spreadsheet and provide a 2027 GRAM capital budget as in the following:

a. In Worksheet-1, please provide a detailed ledger that will include AFUDC.

b. In Worksheet-2, please provide a budget summary similar to Figure 5.11 with a total for the year and breakout and include AFUDC.

c. In Worksheet-3, please provide a breakout of all and any capital budget dollars related to AGSC, SCS, or other affiliate related company.

RESPONSE

AGL will provide this response in a supplemental filing on or before March 15, 2024.

Respondent: Michael Morley
Director, Regulatory Reporting & Strategy
Southern Company Gas

Rob Hembree
Director, Engineering
Southern Company Gas

STF-12-6 As **Attachment-STF-12-6** and as a separate Excel spreadsheet, please provide a 2025 GRAM O&M budget with the following:

a. In Worksheet-1, please provide a detailed budget by FERC account.

b. In Worksheet-2, please provide a breakout of all and any allocated dollars related to AGSC, SCS, or other affiliate related company.

RESPONSE

a. AGL does not have a detailed O&M budget for 2025-2027. AGL does have forecasts for O&M for 2025-2027 that were used to develop the revenue requirement forecasts for the 2025-2034 i-CDP. Please see Trade Secret Attachment STF-12-6 for the forecasted unadjusted O&M expenses at a summary level and without regulatory adjustments.

Below is the footnote included in the 2024 i-CDP filing. The statements in bold are to emphasize the variability in the assumptions between the filing on February 1, 2024 and the formal budgets and more importantly actual results that will take place in the years 2025-2027.

As stated in the filing, the estimated revenue requirements and rate impacts provided in the table are based on numerous estimates and assumptions. These assumptions include capital spend an estimated cost based on known inflationary factors applicable to the specific cost, asset in service dates, growth in customers and revenues and growth in expenses based on known inflationary factors applicable to the specific cost. Additionally, the estimates assume the current federal and state income tax rates and applicable tax rules and regulations. **When AGL files its annual GRAM filings for 2025-2027, the actual results will likely differ from the estimates provided in the figure.**

The estimated revenue requirements and rate impacts include capital spending and estimated in service dates for projects that are eligible for recovery under GRAM and the SRR. The estimates do not include the capital spend associated with ECON-1 projects.

The information included in the three tables in Figure 5.10 is for illustrative purposes to inform the Commission that there are alternative

means of implementing rates over the three year i-CDP period. AGL is not seeking or proposing a preferred method for rate recovery in this proceeding but is merely providing the required information as well as additional information required by the i-CDP MFRs.

b. AGL's recently implemented budgeting system does *not* specifically identify allocated costs in specific GL accounts as the past budgeting system. Rather the costs are embedded within the general ledger accounts with direct AGL costs. For long-term planning and forecasting purposes, the Company does not always perform separate analyses and reporting that specifically identifies the allocated costs. Such is the case in the 2024 i-CDP filing.

Respondent: Michael Morley
Director, Regulatory Reporting & Strategy
Southern Company Gas

STF-12-7 As **Attachment-STF-12-7** and as a separate Excel spreadsheet, please provide a 2026 GRAM O&M budget with the following:

a. In Worksheet-1, please provide a detailed budget by FERC account.

b. In Worksheet-2, please provide a breakout of all and any allocated dollars related to AGSC, SCS, or other affiliate related company.

RESPONSE

Please see response to STF-12-6.

Respondent: Michael Morley
Director, Regulatory Reporting & Strategy
Southern Company Gas

STF-12-8 As **Attachment-STf-12-8** and as a separate Excel spreadsheet, please provide a 2027 GRAM O&M budget with the following:

a. In Worksheet-1, please provide a detailed budget by FERC account.

b. In Worksheet-2, please provide a breakout of all and any allocated dollars related to AGSC, SCS, or other affiliate related company.

RESPONSE

Please see response to STF-12-6.

Respondent: Michael Morley
Director, Regulatory Reporting & Strategy
Southern Company Gas

STF-12-9 Regarding the capital budget information and O&M budget information in STF-11-8 through STF-11-13, please provide a separate Excel spreadsheet called **Attachment-STF-12-9** and provide the following information.

a. In Worksheet-1, please provide estimated GRAM revenue requirements for years 2025, 2026, and 2026.

b. In Worksheet-2, please provide estimated rates for the rate classes below for 2025, 2026, and 2027.

R-1
G-10
G-11
0 to 2.5
2.5 to 7
7 to 20
20 to 200
200 to 500
500 to 3000
G-12 +3,000 Dth
AG-1
S-51

RESPONSE

a. While the Company has not proposed GRAM revenue requirements or rates in the i-CDP filing, the Company provided annual estimated revenue deficiencies shown in in Figure 5.10 of the i-CDP filing. As stated in the filing, the estimated revenue requirements and rate impacts provided in the table are based on numerous estimates and assumptions. These assumptions include capital spend an estimated cost based on known inflationary factors applicable to the specific cost, asset in service dates, growth in customers and revenues, and growth in expenses based on known inflationary factors applicable to the specific cost. Additionally, the estimates assume the current federal and state income tax rates and applicable tax rules and regulations. When AGL files its annual GRAM filings for 2025-2027, the actual results will likely differ from the estimates provided in the figure.

The estimated revenue requirements and rate impacts include capital spending and estimated in service dates for projects that are eligible for recovery under GRAM and the SRR. The estimates do not include the capital spend associated with ECON-1 projects.

The information included in the three tables in Figure 5.10 is for illustrative purposes to inform the Commission that there are alternative means of implementing rates over the three year i-CDP period. AGL is not seeking or proposing a preferred method for rate recovery in this proceeding but is merely providing the required information as well as additional information required by the i-CDP MFRs.

b. Please see Attachment STF-12-9 b.1 for estimated rates in 2025, 2026, and 2027 based on the revenue requirements shown in Figure 5.10.1 and STF-12-9 b.2 for the revenue requirement shown in Figure 5.10.2 and 5.10.3. The estimates in this response should not be interpreted as a rate filing and were prepared upon request for the purposes of illustrating the potential rate impact associated with the revenue requirements provided in Figure 5.10. Please also see response to STF 12-9 a.

Please note that the residential customer impact that would result from applying the rates provided in this response are calculated differently than the bill impact estimates provided in Figure 5.10 of the original i-CDP filing. The data response is a detailed rate calculation of the rates of all rate classes. The table included in the i-CDP was a high-level estimate of residential monthly impacts only. The Customer bill impacts in Figure 5.10 assumed that the percentage of revenue recovered from residential customer in 2025 – 2027 would be the same as it had been in 2024 while the response to STF-12-9 calculates it based on the billing unit forecast from the i-CDP applied to the rates created within the response. Additionally, Figure 5.10 did not differentiate between general GRAM recovery and Peaking recovery, and while the Company does not have a specific forecast for each component, certain capital related costs can be specifically attributed to the Peaking Service and AGL have done that within the data request response. Finally, the incremental revenue requirement calculation in Figure 5.10 includes the benefit of revenue growth from new customers at existing rates, but does not include in error this incremental revenue as a component of total Company revenue to be recovered when calculating the rate impact; thus Figure 5.10 understates the rate impact because the rate increase described would fail to recover the actual total Company revenue requirement.

While Figure 5.10 and the response to STF-12-9 b are estimates, the response to STF-12-9 b is a more detailed analysis than the original filing and results in a slightly higher overall bill increase to residential customers.

Respondent: Win Blair
Manager, Rates
Southern Company Gas

Michael Morley
Director, Regulatory Reporting & Strategy
Southern Company Gas

STF-12-10 In AGL's 2025 – 3024 i-CDP Petition on pages 4 - 7, the Company requested certain amendments to the 2022 – 2031 i-CDP filing regarding the GRAM capital budget. In the File-4 Document in **Section 1.4 on page 9**, AGL stated the following.

> The Commission's Orders establishing the i-CDP process do not allow AGL to reallocate capital across the GRAM – Safety and Compliance and GRAM – Other budget categories without seeking an amendment to the current i-CDP.

AGL wanted an amendment for the 2024 GRAM capital budget and approval for this process in the 2025 – 2027 GRAM capital budgets. In the i-CDP Governance Document (Staff-AGL Stipulation) approved in Docket No. 42315 on February 23, 2021, this issue was addressed on pages 17 – 19 in Section 7. At the bottom of page 17, the Governance Document states the following.

> AGL shall be allowed to include for recovery through the GRAM the types of projects listed below. Budgets for specific projects and budget categories to be recovered through the GRAM (collectively "GRAM assets") will be approved as part of the i-CDP, but the recovery will take place in the GRAM. The GRAM will continue to provide O&M expense recovery in the manner approved within previous Commission orders and set forth in the Company's tariff. GRAM projects and budget categories will be grouped as follows:

A. Projects and Budget Categories Related to Safety and Compliance for which the Revenue Requirements are to be Recovered through GRAM

GRAM Assets related to safety and compliance will include the following:

1) Compliance with the federal Pipeline and Hazardous Materials Safety Administration (PHMSA) regulations, including the Transmission Pipeline Integrity Management Program (TIMP, 49 CFR Part 192, Subpart O) and the Distribution Integrity Management Program (DIMP, 49 CFR Part 192, Subpart P) for gas distribution pipeline systems;
2) Compliance and safety initiatives ordered and required by the Georgia Public Service Commission unless the Commission orders that the revenue requirements not be recovered through the GRAM;
3) Net costs associated with relocating system facilities for public projects required by local, state or federal government; and
4) Commission-approved capital investment projects for which the design, engineering, and construction cannot be completed in a single GRAM rate effective period.

B. Other Projects and Budget Categories for which the Revenue Requirements are to be Recovered through GRAM

Other GRAM Projects and budget categories shall include:

1) New Business and NB Overheads and AFUDC;
2) Facilities;
3) Fleet;
4) IT;
5) Gas Operations;
6) Strategic (includes service center CNG and fueling stations, and tap stations and ECON-1 projects);
7) Support (includes PT meter replacements, pressure improvement projects, renewals not including those in DIMP, system reinforcement projects,[1] field operations (bollards, ERT, BLK services), non-DIMP regulator stations, removals (retirement account), inactive service removal, and tools);
8) Any non-SRR projects;
9) Rate Base overheads and AFUDC; and
10) Other projects and budget categories necessary to present a comprehensive view of the Company's operations.

In Section 4 page 11, the Governance Document states the following:

> Budget variances, if any, for projects included within the GRAM will continue to be reported and reviewed within the Annual GRAM Filings. Likewise, AGL may make adjustments regarding projects approved for recovery through the GRAM to shift resources from one project to another within the same general project category (as budget categories are presented within the capital budget forecasts) to address evolving needs and priorities, but AGL will be required to demonstrate why such shifts are necessary or appropriate.

If approved under this proposed GRAM capital budget format, there will be one GRAM capital budget with fourteen (14) capital budget categories as listed below.

GRAM Capital Budget Categories - Proposed

1) Compliance with the Federal Pipeline and Hazardous Materials Safety Administration (PHMSA) regulations, including the Transmission Pipeline Integrity Management Program (TIMP, 49 CFR Part 192, Subpart O) and the Distribution Integrity Management Program (DIMP, 49 CFR Part 192, Subpart P) for gas distribution pipeline systems;

2) Compliance and safety initiatives ordered and required by the Georgia Public Service Commission unless the Commission orders that the revenue requirements not be recovered through the GRAM;

3) Net costs associated with relocating system facilities for public projects required by local, state or federal government; and

4) Commission-approved capital investment projects for which the design, engineering, and construction cannot be completed in a single GRAM rate effective period.

5) New Business and NB Overheads and AFUDC;

6) Facilities;

7) Fleet;

8) IT;

9) Gas Operations;

10) Strategic (includes service center CNG and fueling stations, and tap stations and ECON-1 projects);

11) Support (includes PT meter replacements, pressure improvement projects, renewals not including those in DIMP, system reinforcement projects,[2] field operations (bollards, ERT, BLK services), non-DIMP regulator stations, removals (retirement account), inactive service removal, and tools);

12) Any non-SRR projects;

13) Rate Base overheads and AFUDC; and

14) Other projects and budget categories necessary to present a comprehensive view of the Company's operations.

Please answer the following.

a. Does AGL agree that under this proposal, it would have the ability to shift capital budget dollars between the fourteen (14) categories as needed?

b. Does AGL agree that as provided in Section 4 page 11 of the Governance Document, AGL will have to demonstrate to the Commission that such shifts in capital spending between categories are necessary and appropriate?

c. Has AGL filed any reporting during 2022-2023 to the Commission related to shifting capital spending between categories to demonstrate it was necessary and appropriate?

RESPONSE

a. It should be noted that the subcategories listed in STF-12-10 are incorrect. The Peaking portion of Gas Ops in item #9, ECON-1 projects in item #10, and pressure improvement projects in item #11 are no longer included within the GRAM sections of the budget. The ECON-1 projects were separated out to be recovered under a separate rider starting with 2024 projects. Pressure Improvement and Gas Operations-Peaking projects (other than the Cherokee LNG Plant expansion which was separated to its own category) were moved into the SRR per Staff's request during the 2022 i-CDP. For clarity, the Gas Ops-Measurement work did remain within GRAM. With those adjustments, yes, AGL agrees that if the amendment is approved, AGL will have the ability to shift capital amounts between the subcategories within the GRAM – Safety & Compliance and GRAM – Other general budget categories in response to current economic conditions without the delay inherent in filing an amendment to the Plan.

b. The Governance Document speaks for itself. Section 4 on page 11 of the Governance Document states: "AGL may make adjustments regarding projects approved for recovery through the GRAM to shift resources from one project to another within the same general project category (as budget categories are presented within the capital budget forecasts) to address evolving needs and priorities, but AGL will be required to demonstrate why such shifts were necessary or appropriate." Reallocations of capital within general budget categories is reported through AGL's quarterly GRAM filings, and in accordance with the Order, AGL will demonstrate the necessity and appropriateness of any reallocation of this nature with Staff upon request.

c. No, AGL has not filed any reports beyond the quarterly and annual GRAM filings because AGL has not shifted capital between the GRAM – Safety & Compliance and GRAM – Other general project categories or any other general project category in the approved 2022-2031 Plan.

Respondent: William Horne
Director, Resource Planning & Economic Development
Atlanta Gas Light Company

STF-12-11 In File-4 Document beginning on page 121 in **Section 5.20** AGL provided a number of proposed GRAM capital spending items related to the TIMP program, as shown in i – iii below.

i. TIMP-Dig Program
ii. TIMP-ILI Retrofits
iii. TIMP-Other

Please provide a separate Excel spreadsheet called **Attachment-STF-12-11** with the following:

a. In Column-A, please list the items in i – iii.

b. In Column-B for 2020, please include the dollar amounts approved during the 2019 rate case. Label column as "2020 Approved".

c. In Column-C for 2020, please place in the actual dollars spent with a total. Label column as "2020 Actual".

d. In Column-D for 2020, please provide a variance between Columns D and C. Label as "Variance 2020 Actual minus Approved".

e. In Column-F for 2021, please provide the dollar amounts approved in the 2021 GRAM capital budget with a total. Label column as "2021 Approved".

f. In Column-G for 2021, please provide the actual dollar amounts spent during 2021. Label column as "2021 Actual".

g. In Column-H for 2021, please provide the variance between Columns G and F. Label column as "Variance 2021 Actual minus Approved".

h. In Column-J for 2022, please provide the dollar amounts approved in the 2021 i-CDP GRAM capital budget with a total. Label column as "2022 Approved".

i. In Column-K for 2022, please provide the actual dollar amounts spent during 2021. Label column as "2022 Actual".

j. In Column-L for 2022, please provide the variance between Columns K and J, actual minus approved. Label column as "Variance 2022 Actual minus Approved".

k. In Column-N for 2023, please provide the dollar amounts approved in the 2021 i-CDP GRAM capital budget with a total. Label column as "2023 Approved".

l. In Column-O for 2023, please provide the actual dollar amounts spent during 2021. Label column as "2023 Actual".

m. In Column-P for 2023, please provide the variance between Columns O and N, actual minus approved. Label column as "Variance 2023 Actual minus Approved".

n. In Column-R for 2024, please provide the dollar amounts approved for these items in the GRAM capital budget.

o. In Column-T for 2025, please provide the dollar amount requested in the 2025 – 3034 i-CDP filing for the 2025 GRAM capital budget.

p. In Column-U for 2026, please provide the dollar amount requested in the 2025 – 3034 i-CDP filing for the 2026 GRAM capital budget.

q. In Column-V for 2027, please provide the dollar amount requested in the 2025 – 3034 i-CDP filing for the 2027 GRAM capital budget.

RESPONSE

Please see Trade Secret Attachment STF-12-11. Please see the "Notes" section within the document for additional details about the data provided, including a modification of the table made to provide additional clarity around the different TIMP programs and budget lines, as well as changes to these budget lines over time.

Respondents: Steven Murphy
Vice President, Engineering & Construction
Southern Company Gas

Donald Carter
Vice President, Compliance & Technical Services
Southern Company Gas

STF-12-12 In File-4 Document beginning on page 51 in **Section 5.3** (Summary of Existing and Proposed Projects and Action Plans), AGL provided a number of proposed GRAM capital spending items, as shown in i – ix below. Additionally, the Staff has added GDOT as x. since it doesn't appear in the proposed capital budget in Figure 5.11 as a separate line item.

i. Reconfirming MAOP
ii. Modifying Pipelines for Smart Pigs
iii. Preventing Alternating Current ("A/C") Hazards
iv. Replacing Higher Risk Pipelines
v. Remediating POSI-HOLD Couplings
vi. Remediating Cased Crossings
vii. Evaluating Regulator Stations
viii. Retiring Inactive Services
ix. GDOT

Please provide a separate Excel spreadsheet called **Attachment-STF-12-12** with the following:

a. In Column-A, please list the items in i – x.

b. In Column-B for 2020, please include the dollar amounts approved during the 2019 rate case. Label column as "2020 Approved".

c. In Column-C for 2020, please place in the actual dollars spent with a total. Label column as "2020 Actual".

d. In Column-D for 2020, please provide a variance between Columns D and C. Label as "Variance 2020 Actual minus Approved".

e. In Column-F for 2021, please provide the dollar amounts approved in the 2021 GRAM capital budget with a total. Label column as "2021 Approved".

f. In Column-G for 2021, please provide the actual dollar amounts spent during 2021. Label column as "2021 Actual".

g. In Column-H for 2021, please provide the variance between Columns G and F. Label column as "Variance 2021 Actual minus Approved".

h. In Column-J for 2022, please provide the dollar amounts approved in the 2021 i-CDP GRAM capital budget with a total. Label column as "2022 Approved".

i. In Column-K for 2022, please provide the actual dollar amounts spent during 2021. Label column as "2022 Actual".

j. In Column-L for 2022, please provide the variance between Columns K and J, actual minus approved. Label column as "Variance 2022 Actual minus Approved".

k. In Column-N for 2023, please provide the dollar amounts approved in the 2021 i-CDP GRAM capital budget with a total. Label column as "2023 Approved".

l. In Column-O for 2023, please provide the actual dollar amounts spent during 2021. Label column as "2023 Actual".

m. In Column-P for 2023, please provide the variance between Columns O and N, actual minus approved. Label column as "Variance 2023 Actual minus Approved".

n. In Column-R for 2024, please provide the dollar amounts approved for these items in the GRAM capital budget.

o. In Column-T for 2025, please provide the dollar amount requested in the 2025 – 3034 i-CDP filing for the 2025 GRAM capital budget.

p. In Column-U for 2026, please provide the dollar amount requested in the 2025 – 3034 i-CDP filing for the 2026 GRAM capital budget.

q. In Column-V for 2027, please provide the dollar amount requested in the 2025 – 3034 i-CDP filing for the 2027 GRAM capital budget.

RESPONSE

Please see Trade Secret Attachment-STF-12-12 as requested with the exception of questions STF-12-12(i) and STF-12-12(ii), which are included in the response to STF-12-11 due to the complexities around providing a complete and accurate response. Please see the "Notes" section within the document for additional details about the data provided. It should also be noted that that while DOT is not one of the specified AGL safety programs, data was provided as requested in STF-12-12, including all Department of Transportation work (*i.e.*, state, county, and municipal).

Respondents: Steven Murphy
Vice President, Engineering & Construction
Southern Company Gas

Donald Carter
Vice President, Compliance & Technical Services
Southern Company Gas

STF-12-13 In File-4 Document beginning on page 51 in **Section 5.3** (Summary of Existing and Proposed Projects and Action Plans), AGL provided a number of proposed GRAM capital spending items, as shown in i – x below.

i. Reconfirming MAOP
ii. Modifying Pipelines for Smart Pigs
iii. Preventing Alternating Current ("A/C") Hazards
iv. Installing RCVs
v. Replacing Higher Risk Pipelines
vi. Remediating POSI-HOLD Couplings
vii. Remediating Cased Crossings
viii. Evaluating Regulator Stations
ix. Retiring Inactive Services
x. GDOT

Please provide a separate Excel spreadsheet called **Attachment-STF-12-13** with the following:

a. In Column-A, please list the nine (9) capital budget items.
b. In Column-B through E will be labeled as 2020 Actual – 2023 Actual.
c. For 2020 – 2023, please place the number of items completed for the nine (9) capital budget items.

RESPONSE

Please see Attachment STF-12-13.

Respondents: Steven Murphy
Vice President, Engineering & Construction
Southern Company Gas

Donald Carter
Vice President, Compliance & Technical Services
Southern Company Gas

STF-12-14 In File-4 Document beginning on page 51 in **Section 5.3** (Summary of Existing and Proposed Projects and Action Plans), AGL provided a number of proposed GRAM capital spending items, as shown in i – ix below.

i. Reconfirming MAOP
ii. Modifying Pipelines for Smart Pigs
iii. Preventing Alternating Current ("A/C") Hazards
iv. Installing RCVs
v. Replacing Higher Risk Pipelines
vi. Remediating POSI-HOLD Couplings
vii. Remediating Cased Crossings
viii. Evaluating Regulator Stations
ix. Retiring Inactive Services

Please provide a separate Excel spreadsheet called **Attachment-STF-12-14** with the following:

a. In Column-A, please list the none (9) categories.
b. In Column-B through E will be labeled as 2024 Estimated – 2027 Estimated.
c. For 2024 – 2027, please place the number of items estimated to be completed for the nine (9) capital budget categories.

RESPONSE

Please see Attachment STF-12-14.

Respondents: Steven Murphy
Vice President, Engineering & Construction
Southern Company Gas

Donald Carter
Vice President, Compliance & Technical Services
Southern Company Gas

STF-12-15 In File-4 Document beginning on page 53 in **Section 5.3** (Summary of Existing and Proposed Projects and Action Plans), AGL provided a number of proposed GRAM O&M spending items, as shown in i – vi below:

i. Replacing Celcon Caps on Service Tees
ii. Inspecting Sewer Systems for Potential Cross-bores
iii. Reducing Third Party Excavation Damages
iv. Improving Data Quality and Accessibility
v. Expanding Quality Assurance
vi. Applying PSMS - Implementing PSMS at AGL

Please provide a separate Excel spreadsheet called **Attachment-STF-12-15** with the following:

a. In Column-A, please list the items in i – vi.

b. In Column-B for 2020, please include the dollar amounts approved during the 2019 rate case. Label column as "2020 Approved".

c. In Column-C for 2020, please place in the actual dollars spent with a total. Label column as "2020 Actual".

d. In Column-D for 2020, please provide a variance between Columns D and C. Label as "Variance 2020 Actual minus Approved".

e. In Column-F for 2021, please provide the dollar amounts approved in the 2021 GRAM with a total. Label column as "2021 Approved".

f. In Column-G for 2021, please provide the actual dollar amounts spent during 2021. Label column as "2021 Actual".

g. In Column-H for 2021, please provide the variance between Columns G and F. Label column as "Variance 2021 Actual minus Approved".

h. In Column-J for 2022, please provide the dollar amounts approved in the 2021 i-CDP for GRAM recovery with a total. Label column as "2022 Approved".

i. In Column-K for 2022, please provide the actual dollar amounts spent during 2021. Label column as "2022 Actual".

j. In Column-L for 2022, please provide the variance between Columns G and F, actual minus approved. Label column as "Variance 2022 Actual minus Approved".

k. In Column-N for 2023, please provide the dollar amounts approved in the 2021 i-CDP for GRAM recovery with a total. Label column as "2023 Approved".

l. In Column-O for 2023, please provide the actual dollar amounts spent during 2021. Label column as "2023 Actual".

m. In Column-P for 2023, please provide the variance between Columns G and F, actual minus approved. Label column as "Variance 2023 Actual minus Approved".

n. In Column-R for 2024, please provide the dollar amounts approved for GRAM recovery.

o. In Column-T for 2025, please provide the dollar amount requested in the 2025 – 3034 i-CDP filing for the 2025 GRAM recovery.

p. In Column-U for 2026, please provide the dollar amount requested in the 2025 – 3034 i-CDP filing for the 2026 GRAM recovery.

q. In Column-V for 2027, please provide the dollar amount requested in the 2025 – 3034 i-CDP filing for the 2027 GRAM recovery.

r. Since AGL is proposing to speed up the replacement of vintage plastic pipe, how is the efficient and cost effective to replace Celcon caps on vintage plastic pipe that AGL intends to replace anyway?

s. On page as AGL replaced Celcon caps on vintage plastic pipe knowing the vintage plastic pipe would be replaced in the future causing the Celcon caps to be replaced twice?

RESPONSE

a. - q. Please see Trade Secret Attachment STF-12-15.

r. As stated on page 95 in Section 5.12 of the 2025-2034 i-CDP, AGL defines mid-vintage plastic as plastic pipe installed between 1974 and 1983. As stated on page 144 in Section 6.2 of the 2025-2034 i-CDP, AGL installed the affected Celcon caps between 1984 and 1995. Replacement projects targeting mid-

vintage plastic will not include Celcon caps targeted by the Celcon caps replacement program.

s. See response to part r.

Respondent: Donald Carter
Vice President, Compliance & Technical Services
Southern Company Gas

STF-12-16 In File-4 Document beginning on page 53 in **Section 5.3** (Summary of Existing and Proposed Projects and Action Plans), AGL provided a number of proposed GRAM O&M spending categories, as shown in i – vi below. This continued discussions on pages 143 – 152.

i. Replacing Celcon Caps on Service Tees
ii. Inspecting Sewer Systems for Potential Cross-bores
iii. Reducing Third Party Excavation Damages
iv. Improving Data Quality and Accessibility
v. Expanding Quality Assurance
vi. Applying PSMS - Implementing PSMS at AGL.

Please provide a separate Excel spreadsheet as **Attachment-STF-12-16** with the following:

a. In Column-A, please list the six (6) categories.
b. In Column-B through E will be labeled as 2020 Actual – 2023 Actual
c. For 2020 – 2023, please place the number of items completed for the six (6) O&M categories.

RESPONSE

Please see Attachment STF-12-16.

Respondent: Donald Carter
Vice President, Compliance & Technical Services
Southern Company Gas

STF-12-17 In File-4 Document beginning on page 53 in **Section 5.3** (Summary of Existing and Proposed Projects and Action Plans), AGL provided a number of proposed GRAM O&M spending categories, as shown in i – vi below. This continued discussions on pages 143 – 152.

a. Replacing Celcon Caps on Service Tees
b. Inspecting Sewer Systems for Potential Cross-bores
c. Reducing Third Party Excavation Damages
d. Improving Data Quality and Accessibility
e. Expanding Quality Assurance
f. Applying PSMS - Implementing PSMS at AGL.

Please provide a separate Excel spreadsheet as **Attachment-STF-12-17** with the following:

a. In Column-A, please list the six (6) categories.
b. In Column-B through E will be labeled as 2024 Estimated – 2027 Estimated.
c. For 2024 – 2027, please place the number of items estimated to be completed for the nine (9) capital budget categories.

RESPONSE

a. Please see response to STF-12-18.

b. Please see response to STF-12-18.

c. There are not nine capital budget categories listed in the question, but instead six O&M budget categories. None of the items in a. through f. in the preamble to the question are capital programs.

Respondent: William Horne
Director, Resource Planning & Economic Development
Atlanta Gas Light Company

STF-12-18 In File-4 Document beginning on page 53 in **Section 5.3** (Summary of Existing and Proposed Projects and Action Plans), AGL provided a number of proposed GRAM O&M spending categories, as shown in i – vi below.

i. Replacing Celcon Caps on Service Tees
ii. Inspecting Sewer Systems for Potential Cross-bores
iii. Reducing Third Party Excavation Damages
iv. Improving Data Quality and Accessibility
v. Expanding Quality Assurance
vi. Applying PSMS - Implementing PSMS at AGL.

Please provide a separate Excel spreadsheet as **Attachment-STF-12-18** with the following:

a. In Column-A, please list the six (6) categories.
b. In Column-B through E will be labeled as 2024 Estimated – 2027 Estimated.
c. For 2024 – 2027, please place the number of items estimated to be completed for the six (6) O&M categories.

RESPONSE

Please see Attachment STF-12-18.

Respondents: Donald Carter
Vice President, Compliance & Technical Services
Southern Company Gas

Emeka Igwilo
Vice President, Operations & CDO
Southern Company Gas

STF-12-19 Regarding the nine (9) GRAM capital budget items below and the six (6) GRAM O&M budget items below, please provide a separate Excel spreadsheet called **Attachment-STF-12-19** with the following.

a. In Column-A, please provide the nine (9) capital spending and the six (6) O&M spending categories listed below.

b. In Column-B, please use the heading called "Pipeline and Hazardous Materials Safety Administration, or ("PHMSA"), Mandated Timeframe".

c. In Column-C, please use the heading called "Pipeline Safety Unit Mandated and/or Agreed on Timeframe".

d. In Column-D, please use the heading called "AGL's Internal Timeframe for Completion".

e. In Columns B, C, and D, please place the number of years, the timeframe, for each.

f. Additionally, in the past seven (7) years, has AGL or its representatives, held discussions or meetings with representatives of the Pipeline and Hazardous Materials Safety Administration ("PHMSA") and/or the Georgia Public Service Commission Pipeline Safety Unit regarding the completion timeframe for any of the listed nine (9) GRAM capital budget items or six (6) GRAM O&M budget items listed below? If so, please discuss any mandated or agreed on timeframes.

g. Based on the requested level of spending in the 2025 – 2034 i-CDP filing, what is the timeline to have these items completed?

Nine (9) Items – GRAM Capital Budget

i. Reconfirming MAOP
ii. Modifying Pipelines for Smart Pigs
iii. Preventing Alternating Current ("A/C") Hazards
iv. Installing RCVs
v. Replacing Higher Risk Pipelines
vi. Remediating POSI-HOLD Couplings
vii. Remediating Cased Crossings
viii. Evaluating Regulator Stations
ix. Retiring Inactive Services

Six (6) Items – GRAM O&M Budget

i. Replacing Celcon Caps on Service Tees
ii. Inspecting Sewer Systems for Potential Cross-bores
iii. Reducing Third Party Excavation Damages
iv. Improving Data Quality and Accessibility
v. Expanding Quality Assurance
vi. Applying PSMS - Implementing PSMS at AGL.

RESPONSE

Please see Attachment STF-12-19.

Respondents: Donald Carter
Vice President, Compliance & Technical Services
Southern Company Gas

Emeka Igwilo
Vice President, Operations & CDO
Southern Company Gas

Brad Jones
Manager, Gas Accounting
Southern Company Gas

STF-12-20 Regarding **Section 5.9** page 88 of the File-4 Document, AGL discussed the **New Business** category of the GRAM capital budget. The Tariff Rules 7 and 8 provisions should keep AGL whole when adding new customers. As **Attachment-STF-12-20** for **2020**, please provide an Excel spreadsheet that breaks out the New Business budget components in the following.

a. In Column-A, please provide the budget categories.

b. In Column-B, please provide the 2020 **actual spending** with a total.

c. In Column-C, please provide the 2020 estimated spending with a total.

d. In Column-D, show the variance between Column B and C with a total.

e. In Column-F, please provide the actual **total actual revenues** collected from new customers during 2020.

f. In Column-G, please provide the **total actual CIAC** received from new customers.

g. In Column-I, please provide the variance between the totals in Column-B minus Columns F and G.

RESPONSE

Please see Attachments STF-12-20 through 12-23.

Respondent: Steven Murphy
Vice President, Engineering & Construction
Southern Company Gas

STF-12-21 Regarding **Section 5.9** page 88 of the File-4 Document, AGL discussed the **New Business** category of the GRAM capital budget. The Tariff Rules 7 and 8 provisions should keep AGL whole when adding new customers. As **Attachment-STF-12-21** for **2021**, please provide an Excel spreadsheet that breaks out the New Business budget components in the following.

a. In Column-A, please provide the budget categories.

b. In Column-B, please provide the 2021 **actual spending** with a total.

c. In Column-C, please provide the 2021 estimated spending with a total.

d. In Column-D, show the variance between Column B and C with a total.

e. In Column-F, please provide the actual **total actual revenues** collected from new customers during 2021.

f. In Column-G, please provide the **total actual CIAC** received from new customers.

g. In Column-I, please provide the variance between the totals in Column-B minus Columns F and G.

RESPONSE

Please see Attachments STF-12-20 through 12-23.

Respondent: Steven Murphy
Vice President, Engineering & Construction
Southern Company Gas

STF-12-22 Regarding **Section 5.9** page 88 of the File-4 Document, AGL discussed the **New Business** category of the GRAM capital budget. The Tariff Rules 7 and 8 provisions should keep AGL whole when adding new customers. As **Attachment-STF-12-22** for **2022**, please provide an Excel spreadsheet that breaks out the New Business budget components in the following.

a. In Column-A, please provide the budget categories.

b. In Column-B, please provide the 2022 **actual spending** with a total.

c. In Column-C, please provide the 2022 estimated spending with a total.

d. In Column-D, show the variance between Column B and C with a total.

e. In Column-F, please provide the actual **total actual revenues** collected from new customers during 2022.

f. In Column-G, please provide the **total actual CIAC** received from new customers.

g. In Column-I, please provide the variance between the totals in Column-B minus Columns F and G.

RESPONSE

Please see Attachments STF-12-20 through 12-23.

Respondent: Steven Murphy
Vice President, Engineering & Construction
Southern Company Gas

STF-12-23 Regarding **Section 5.9** page 88 of the File-4 Document, AGL discussed the **New Business** category of the GRAM capital budget. The Tariff Rules 7 and 8 provisions should keep AGL whole when adding new customers. As **Attachment-STF-12-23** for **2023**, please provide an Excel spreadsheet that breaks out the New Business budget components in the following.

a. In Column-A, please provide the budget categories.

b. In Column-B, please provide the 2023 **actual spending** with a total.

c. In Column-C, please provide the 2023 estimated spending with a total.

d. In Column-D, show the variance between Column B and C with a total.

e. In Column-F, please provide the actual **total actual revenues** collected from new customers during 2023.

f. In Column-G, please provide the **total actual CIAC** received from new customers.

g. In Column-I, please provide the variance between the totals in Column-B minus Columns F and G.

RESPONSE

Please see Attachments STF-12-20 through 12-23.

Respondent: Steven Murphy
Vice President, Engineering & Construction
Southern Company Gas

STF-12-24 Regarding File 12 - Excel Sheet - GRAM MFR 1&2 AGL 2025-2034 i-CDP capital budget Trade Secret spreadsheet. Please answer the following.

TIMP -ILI retrofits – Row 22

a. Please explain how AGL selected pipelines that are candidates for retrofit and prioritize pipeline integrity threats within the TIMP framework.

TIMP - Physical Security Assessment - Row 23

b. What types of security controls and measures are typically evaluated during a physical security assessment? Please provide potential project details.

TIMP-Dig Program, Project 2024 – 2033 MCAP - Row 684

c. How does AGL prioritize and budget for MAOP/MCAP-related expenses within their maintenance and integrity management programs?

d. How are warehouses managed to optimize efficiency and minimize downtime during maintenance and repair operations?

2025-2033Unspecified Work Placeholder - Row 707

e. Are there any potential projects planned for 2025-2027?

f. Please provide a detailed breakdown of the project names and descriptions for forecasted capital investments, Counties/locations to the extent known, and project cost of each project from 2025 – 2027

Rin2 Distribution Pipe to Transmission- Row 743

g. Please provide a detailed breakdown of the Rin2 Distribution Pipe to Transmission project. Names and descriptions for forecasted capital investments, Counties/locations to the extent known for the year 2027.

RESPONSE

a. Approximately 35% of AGL's transmission pipelines that require periodic inspection are not able to be assessed via ILI, which is the Company's preferred method of inspection. AGL prioritizes which pipelines are to be retrofit to allow for ILI based on multiple factors including TIMP threats, installation date, diameter, location, assessment date, length of pipeline, un-piggable features, ability to isolate, land acquisition, permitting, depth of cover, and flow restrictions. Projects are then developed across the plan years based on the gathered information to maximize the impact of the investments.

AGL prioritizes pipeline integrity threats within the TIMP framework initially using data acquired through CFR 192 required assessments of the applicable transmission pipelines every seven years. The result of these assessments is reviewed against stringent federal code and AGL TIMP plan requirements focused on ensuring the safety of any pipeline integrity risk identified. Based on this information AGL may be required to replace individual fittings up to the entire pipeline.

AGL may choose to accelerate the assessment intervals based on multiple factors including but not limited to the quantity and/or magnitude of pipeline anomalies identified, threat changes on the pipeline such as flooding or seismic activity, or pipeline location such as portions of a pipeline being in areas of heavy construction.

b. The Company utilizes a Security Vulnerability Assessment which analyzes a facility's physical features that aid in deterring, delaying, and detecting potential threats. These areas consist of perimeter features (such as fencing, signage, clearances of climbing aides such as trees or stacked items, and other barriers of entry to both persons and animals), access controls to buildings, huts or fencing, presence of lighting, locks and lock management, cameras and monitoring equipment, and intrusion detection systems.

    - This program was formed in late 2022. The focus of effort in 2022 and 2023 was to develop a programmatic approach, refine scope, develop standards for physical security features, purchase materials, conduct pilot site reviews, create procedures for surveying existing facilities, and begin updating signage at impacted company facilities.
    - Efforts in 2024 will add additional camera surveillance to certain critical facilities, lighting improvements to stations, camera installation and pilot testing to monitor remote locations and complete the installation of updated signage at all impacted stations within Georgia. Further solidification of company standards based on the continued evolution of guidelines set by the Department of Homeland Security and the Transportation Security Administration will also continue in 2024. Site inspections to be conducted in 2024 will also identify work to be executed in 2025 and future years. Such work may include fencing improvements, signage, bollard installation, lock management improvements, lighting improvements, and monitored surveillance. Work will be prioritized based on site criticality and potential system impact.

c. MAOP/MCAP validation and TIMP Assessment capital work is executed by the same functional group to ensure proper prioritization and efficiency. MCAP investigative work is executed opportunistically as part of the TIMP Assessment work. The TIMP assessment work is prioritized and executed based on the TIMP schedule and TIMP Plan, which addresses threat assessment, assessment interval, assessment method, class location, class

designation, and overall risk. MCAP remediation work is paired with TIMP assessment intervals where practical.

d. To optimize efficiency and minimize downtime, AGL utilizes a dedicated MAOP/MCAP warehouse to store replacement and remediation material utilized on transmission pipelines. This warehouse is leased and ensures emergency materials are available 24/7 and are stored properly. By housing long lead and remediation material, AGL is able to reduce construction standby costs and downtime related to transmission pipeline work and help ensure pipeline integrity, compliance assessments, and required documentation is aligned in an efficient manner.

e. The known projects for 2025 – 2027 are listed in the 2025-2034 i-CDP based on the information at the time of filing. See response to part f below for project information.

f. The currently planned projects, along with a placeholder line for items that will turn into additional projects based on the upcoming planned project work, have been provided in Trade Secret Attachment STF-12-24.

g. AGL does not have the information responsive to this request. There are approximately 461 miles of distribution pipe identified to date that are potentially impacted by the PHMSA Rin-2 ruling. AGL is still evaluating distribution pipes to determine if the pipes will require investigatory digs. When these digs occur, the distribution pipes will be inspected to determine if they will need to be reclassified as transmission per the new RIN-2 rule. Additional information is available in Section 5.2 on page 42 and Section 5.3 on page 73 in the 2025-2034 i-CDP document.

Respondent: Steven Murphy
VP, Engineering & Construction
Southern Company Gas

STF-12-25 New Business - Figure 5.7: 2022-2024 i-CDP Filing vs. Actuals/Plan – Page 61

a. As mentioned in NB-Core New Business capital budget increased by $17MM per year. Several important cost factors expect increased spending on new mains and services. Could you please explain which cost factor had the largest impact on the capital budget?

Distribution Integrity Management Program (DIMP) – 5.7: 2022-2024 i-CDP Filing vs. Actuals/Plan – Page No. 58

b. Which pipeline AGL will get replaced in the next three years: Pre-1960 or mid-vintage 1970? How does AGL quantify and rank these risks? Please provide details of the DIMP pipeline projects and its location.

c. How many miles of pipeline have been replaced in year 2023 and what was the cost? Please provide current data on Pre-1960 coated steel mains and mid-vintage 1970 main plastics.

DOT Projects – 5.14: DOT Driven Facility Relocations – Page No. 58

d. In the File-4 Document in Figure 5.31 page 103, Are the capital dollar amounts listed only for DOT relocates or are there also other activities listed in those dollar amounts?

e. According to the File-4 Document, the DOT relocation expenses for the year 2023 may have been 65% higher than the planned amount. When reviewing Figure 5.31 on page 103, the increase in DOT expenses between 2022 and 2023 was 24%. How does AGL arrive at a 65% increase?

f. Does AGL agree that the projected DOT expenses in 2024 will decrease by 16.5% from 2023?

g. Now that 2023 has ended, what were the actual DOT relocation expenses for the year?

h. As a separate Excel spreadsheet called Attachment-STF-12-26(h), please list the 2022 and 2023 DOT projects, their location, the actual dollar amounts incurred.

i. Regarding **Section 5.1** page 38 of the File-4 Document, AGL stated that Governor Brian Kemp and his FY 2024 legislative budget has proposed an additional $1.5 billion for the Georgia Department of Transportation ("GDOT") to accelerate the agency's project pipeline for infrastructure investments. On the Governor's Office of Planning and Budget website is "The Governor's Budget Report Amended Fiscal Year 2024 and Fiscal Year 2025".

Please answer the following.

1) Does AGL agree that The Governor's Budget Report Amended Fiscal Year 2024 and Fiscal Year 2025 document doesn't provide $1.5 billion for projects that would specifically cause AGL to relocate its gas facilities?

2) Does AGL agree that it has the tools needed to deal with any GDOT related relocates to include the following.

ii. Reallocating capital funding between GRAM capital budget categories.

iii. Filing amendments to the GRAM capital budget to increase funding in the GDOT category.

iv. Filing amendments to the GRAM capital budget to reduce the level of proposed spending in capital budget categories to accommodate any additional GDOT spending.

3) Related to the years 2022 and 2023, how many GDOT relocate projects did AGL seek reimbursement for the projects from the appropriate entities?

4) In the year 2022 and 2023, what was the dollar amount of reimbursements did AGL receive?

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j. The 2025-2034 i-CDP proposals increase capital spending, as shown in Figure 5.47 of the AC Mitigation Budget Parameters. What variables influence the high budget, and how does AGL prioritize AC mitigation projects?

k. Please provide the cost breakdown of AC mitigation projects, including expenses related to equipment procurement, installation, labor, and ongoing maintenance.

RESPONSE

a. The New Business capital budget has been significantly impacted by contract labor and the rising cost of materials. Labor rates have increased due to a tight labor market. Material prices have risen due to inflation, the impact of the pandemic, and supply chain challenges resulting in bottlenecks and material shortages.

b. Annually, the Company's DIMP assesses risks to its distribution system and recommends actions to address those risks, including pipeline replacement. Future projects will be determined by these annual DIMP assessments. Currently, pre-1960 steel and mid-vintage plastic distribution main are not an explicitly defined replacement program, but these types of pipes are included within all of the pipes that are assessed as part of the DIMP. The Company's DIMP Risk Assessment process is outlined in Section 5.12.III of the AGL 2025-2034 i-CDP on pages 97-99.

c. AGL replaced 10.24 miles of pipe under the DIMP budget line at a cost of $14.6 million in 2023. As stated on page 99 of Section 5.12.IV of AGL's 2025-2034 i-CDP, "[a]s of the end of 2022, AGL had 1,541 miles of known or assumed to be pre-1960 coated steel mains and 2,583 miles of known or assumed to be mid-vintage plastic mains in its system." Mid-vintage plastic pipes are identified as those manufactured between 1974-1983.

d. The numbers provided in Figure 5.31 do not include anything other than DOT related relocations.

e. The 65% increase is the difference between the 2023 budget ($30.3 million) vs. 2023 actuals ($49.9 million) as shown in Figure 5.32 of the i-CDP and included below.

Figure 5.32: Potential DOT Budget Parameters

Item	2022 i-CDP Filing				Current Actuals/Plan				2022-2024 Act/Plan vs. Filing
	2022 (bud)	2023	2024	Filing Sub-Total	2022 (act)	2023 (act)	2024 (bud)	Current Sub-Total	
DOT Projects	30.7	30.3	30.9	91.9	37.9	49.9	42.8	130.7	38.8

f. AGL forecasted a reduction in DOT spending between 2023 ($49.9 million) and 2024 ($42.8 million) based on what the Company knew at the time the filing was prepared. Because AGL has very limited control of the projects, project impacts, and project schedules for DOT work, this makes it very difficult to accurately budget what the required DOT spend will be in any given year. Following the preparation of the budget, Governor Kemp proposed a large increase in infrastructure investment, which was not contemplated in the forecast and will likely affect AGL's required 2024 investment levels for DOT work.

g. The 2023 actual numbers were included in the filing. Please see Figure 5.32 in the i-CDP filing.

h. Please see Attachment-STF-12-25h.

i.

1. The Governor's budget report ("Report") does not include specific projects or locations, so no company could ascertain the effect of the proposed spending on their operations solely based on this Report. The Report is not the state's transportation budget, as the legislature and Governor approve DOT spending levels through the FY 2025 Appropriations Act and the amended FY 2024 Appropriations Act, neither of which will be signed into law until later in the 2024 legislative session. The Report does provide the Governor's recommendation to the legislature to spend an additional approximately $1.56 billion in FY 2024 for a total DOT projected spend of over $5.6 billion in FY 2024, and approximately $109.8 million in additional estimated spending in FY 2025 for a total DOT projected spend of over $4.1 billion in FY 2025, a significant portion of which increases spending on state and local road projects. Based on past experience, this increased level of proposed DOT spending will certainly affect AGL's capital budget.

2. See responses to STF-11-2.viii and STF-12-10a.

3. AGL did not seek reimbursement for the time period requested. There are five ongoing reimbursable projects that began in 2022 or 2023. AGL anticipates these projects will be reimbursable for final actual costs in 2024 or later based on project completion. AGL currently estimates the reimbursement for these projects based on current designs.

PI Number	Year	Amount
0019197	2022	$163,518.00
0013697	2023	$682,484.41
0016054	2023	$424,324.05
0017124	2023	$99,999.50
522570	2023	$175,538.00

There is another scenario where third-party payments are made for incremental additions to AGL's system, where GDOT pays a road contractor that then pays AGL's contractors using federal funds for a small number of road relocation projects. Whether the GDOT reimbursement is to AGL or AGL's contractors, only AGL's net investment is added to AGL's rate base for ratemaking purposes.

4. AGL received $0.00 for reimbursements in 2022 and 2023 because none of the projects were completed, such that they could not yet be reimbursed. See part i.3 of this response.

j. Budgeted increases in capital spending for Alternating Current ("AC") mitigation are driven by more stringent requirements included in recent additions to federal regulations now codified in CFR 192.473(c). The budget growth also accounts for projected increases in the frequency of stray AC interference related to growing densification of infrastructure corridors driven by population growth and economic development. The need for AC mitigation projects is identified through regular surveys of AGL's corrosion control systems to identify the extent of issues. Once the need and scope of a particular AC mitigation project is defined, it is included in the capital program and prioritized along with all other projects based on level of risk, compliance drivers, and resource availability.

k. AC mitigation projects vary widely in scope and complexity, meaning there is no uniformity in the cost breakdown for each project.

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