Atlanta Gas Light Company
2025 - 2034 Integrated Capacity and Delivery Plan
Docket 43820
Responses to Staff's 17th Set of Data Requests

STF-17-2 Regarding ASC recording of AFUDC to CWIP, please answer the following.

a. Please describe the manner in which the ASC AFUDC recorded to CWIP and direct assigned or allocated to AGL for ratemaking purposes prior to the implementation of the Enterprise software was reflected in the AFUDC included in AGL's operating income for ratemaking and GRAM purposes.

b. Address the extent to which the ASC AFUDC direct assigned or allocated to AGL's operating income for ratemaking purposes was dollar for dollar the same as the ASC AFUDC recorded to CWIP in the same accounting period and then direct assigned or allocated to AGL. Provide a copy of all documentation that supports and/or was relied on for your response.

RESPONSE:

a.&b.

Please see the Company's response to STF-17-1 for a discussion on the ASC capitalized interest calculated on CWIP. ASC does not allocate the income statement component of capitalized interest costs to its affiliates. Prior to the implementation of EF, AGL's operating income was not adjusted for ratemaking purposes to incorporate AGL's allocable portion of ASC's capitalized interest.

Costs for direct assigned shared assets that began after the EF implementation are transferred to the applicable utilities on a monthly basis as the costs are incurred. Therefore, post-EF direct assigned shared assets are included in AGL's CWIP through the duration of the project, and AFUDC is recorded to AGL's CWIP on a monthly basis. For ratemaking purposes in the 2024 GRAM, CWIP for direct assigned shared assets was included in AGL's AFUDC calculation to credit operating income for the estimated AFUDC for the test year.

AGL currently does not include an operating income adjustment for ratemaking purposes for capitalized interest on ASC allocable shared assets. In future GRAM filings, rate case proceedings, and other filings that require the calculation of AGL's revenue requirement, the Company will include a ratemaking adjustment to incorporate AGL's portion of the capitalized interest on ASC allocable shared assets.

Respondent: Michael Morley
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