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Atlanta Gas Light

CHEROKEE LNG EXPANSION – LNG TRACKER

QUARTERLY REPORT NO. 9

Docket No. 43820

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ATLANTA GAS LIGHT
CHEROKEE LNG EXPANSION – LNG TRACKER
QUARTERLY REPORT NO. 9
DOCKET NO. 43820

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INTRODUCTION

Atlanta Gas Light Company ("AGL" or the "Company") files this Quarterly Report No. 9 for the Cherokee LNG Expansion Project (the "Project") with the Georgia Public Service Commission (the "Commission" or "GPSC") in compliance with Appendix A of the Stipulation approved by the Commission's November 18, 2021, Order in Docket No. 43820 (the "i-CDP Order") approving AGL's Amended 2022-2031 i-CDP (the "Plan"). The Stipulation approved by the i-CDP Order requires that AGL submit Quarterly Reports to the GPSC Staff ("Staff") documenting progress on the execution of the Project. This report documents such progress for the first quarter of 2024 covering the period from January 1 through March 31, 2024.

Appendix A further stipulates that for each calendar quarter AGL shall provide:

1. A high-level Project schedule similar to Appendix G in AGL's Pre-12/23/20 FEED Report, including:
    a. AGL's current contracting and construction approach for the Project and AGL's system improvement projects;
    b. Tasks and associated subtasks to be based on the five Project components listed inTable 14 of AGL's Amended 2022-2031 i-CDP;
    c. A detailed narrative discussing the schedule to be provided each month on a quarterly basis; and,
    d. A narrative to focus on variances to previous reporting with explanations and actions taken to address.
2. A Project budget update similar to Table 14 of the Plan, including:
    a. Categories and associated subcategories budget updates consistent to those in the Plan;
    b. A detailed narrative discussing the budget to be provided each month on a quarterly basis; and,
    c. A narrative to focus on variances to previous reporting with explanations, cost variances support, and actions taken to address.
3. A Project risk register similar to the risk register in AGL's Pre-12/23/20 FEED Report, which incorporates:
    a. A risk register to incorporate AGL's current contracting and construction approach for the Project and AGL's system improvement projects;



b. An organization of the risk register to be based on the five Project components and associated subcomponents listed in Table 14 of the Plan;
c. A detailed narrative discussing the risks to be provided each month; and,
d. A narrative to focus on variances to previous reporting with explanations and actions taken to address.

PROJECT SCHEDULE

Tank Engineering, Procurement, & Construction ("EPC") engineering and construction work and Detailed Engineering Design work for the Tank Balance of Plant ("BOP"), Power Generation and Liquefaction project phases of the Project remained in progress in the first quarter of 2024. The kickoff for Detailed Design for Vaporization occurred in first quarter of 2024. The tank and tank balance of plant in-service is progressing towards an in-service date in late second quarter 2024. Work progress for power generation remains on schedule to meet a third quarter 2024 in-service date, but due to late equipment deliveries, the liquefaction in-service will be delayed until late 2024 (see the Project Risk Register section). A high-level schedule showing the major tasks associated with project execution and projected in-service dates is provided in Attachment A.

The key Project work completed in the quarter ending March 31, 2024, include the following:

1. LNG Storage Tank Construction Progress

   January Work Completed:

   - Paint subcontractor continued blasting, priming and painting tank
   - Paint subcontractor demobilized to continue work after winter
   - Worked on punch list items
   - Figure 1 shows a view of the tank construction site at the end of January 2024

   February Work Completed:

   - Contractor was demobilized from site
   - Figure 2 shows a view of the tank construction site at the end of February 2024

   March Work Completed:

   - Electrical subcontractor remobilized
   - Terminated 4160V motors
   - Completed grounding at bottom of tank
   - Tested fiber optic cables
   - Mounted and installed cameras
   - Worked on punch list items
   - Figure 3 shows a view of the tank construction site at the end of March 2024

   Engineering Work Completed:

   - Documents Issued for Approval
     - Tank Operating and Maintenance Manual
     - Tank Overview Training Module
   - Engineering work continues according to schedule

2. Tank BOP and Power Generation Construction Progress

January Work Completed:

- Excavated for the MR compressor skid foundation
- Excavated for the turbine generator building foundations
- Installed forms and rebar for the turbine generator building footer and wall foundations
- Installed forms and rebar for the lube oil tank foundations and PDC-2 building foundations
- Tied rebar and built forms for the regen cooler and feed gas compressor
- Poured concrete for the turbine generator building footer and walls
- Poured concrete for the lube oil tank foundations
- Poured concrete for PDC-2 building foundations
- Backfilled around the mole sieve foundations
- Welded and installed 8" and 6" stainless steel pipe on the pipe racks
- Welded and installed 10", 8", and 6" pipe coming off the BOG compressors
- Welded and installed small bore LO lines in the compressor building
- Installed pipe supports in the compressor building
- Installed u-bolts to secure the pipe on the pipe racks
- Installed structural steel for the BOG pipe in the compressor building
- Installed structural steel for the PDC-1 building walkway platforms
- Installed trim pipe going to the lube oil tanks
- Set the lube oil tanks on the foundations
- Installed conduit and cable tray under PDC-1
- Pulled wire and terminated in PDC-1
- Removed damaged equipment in PDC-1 building (UPS-1 and MCC-10)
- Figure 4 shows a view of the BOP and Power Generation construction site at the end of January 2024

February Work Completed:

- Excavated for the pipe rack support foundations between the turbine generator and compressor building
- Excavated for the MR compressor motor foundation
- Installed forms and rebar for the turbine generator building trenches, wall and floor
- Installed forms and rebar for the supports around the turbine generator building (TVS)
- Installed forms and rebar for the pipe rack support foundations between the turbine generator and compressor building
- Installed forms and rebar for the MR compressor motor foundation
- Poured concrete for the turbine generator building trenches, wall and floor
- Poured concrete for the pipe rack support foundations
- Poured concrete for the supports around the turbine generator building (TVS)
- Tied rebar and built forms for the trenches
- Backfilled around the turbine generator building foundations
- Welded and installed 16", 8", and 6" stainless steel pipe going to the flash separator
- Welded and installed 10", 8", and 6" pipe coming off the BOG compressors

- Welded and installed small bore pipe in the compressor building
- Installed pipe supports in the compressor building
- Installed pre-insulated pipe supports on the stainless steel pipe
- Welded and installed supports for the 8" BOG vent pipe
- Installed trim pipe going to the lube oil tanks
- Set the flash separator
- Received/set PDC-2 on the foundations
- Installed conduit and cable tray under PDC-1
- Installed bus duct replacement sections
- Pulled wire from the tank area to PDC-1 and PDC-2
- Terminated and tested MV cables
- Figure 5 shows a view of the BOP and Power Generation construction site at the end of February 2024

March Work Completed:

- Completed all high priority items listed in Group 1 with exception to the excluded items
- Excavated for the turbine generator building control room foundations and the trenches
- Excavated for the MR compressor motor foundation and the feed gas compressor foundation
- Installed forms and rebar for the turbine generator building control room foundations
- Installed forms and rebar for the MR compressor motor foundation
- Installed forms and rebar for the trenches (trench 1 and 4)
- Installed forms and rebar for the feed gas compressor foundation
- Poured concrete for the turbine generator building control room foundations
- Poured concrete for the MR compressor motor foundation
- Poured concrete for the feed gas compressor foundation
- Poured concrete for the trenches (trench 1 and 4)
- Tied rebar and built forms for the trenches
- Backfilled around the turbine generator building foundations
- Welded and installed 16", 8", and 6" stainless steel pipe going to the flash separator
- Welded and installed the IA header and FG line on the pipe racks
- Welded and installed small bore pipe in the compressor building
- Successfully completed pressure test 6 (10" NG line)
- Received/set the MR compressor skid and motor
- Installed the structural steel between the compressor and turbine building
- Installed structural steel supports in the turbine generator building
- Installed pre-insulated pipe supports on the stainless steel pipe
- Cut and capped the 12" existing fire water line
- Pulled cables from T-102 battery limits to PDC-1
- Installed cable tray from PDC-1 to the compressor building
- Pulled wire from compressor building and coolers to PDC-1
- Terminated cables in the compressor building and in PDC-1
- Installed columns, framed openings, liner panels and insulation for the turbine generator building

- Hydro-excavated a perimeter trench for the proposed stormwater pipe (extra work)Figure 6 shows a view of the BOP and Power Generation construction site at the end of March 2024

3. Detailed Engineering Progress

Engineering Work Completed:

- Tank BOP, Power Generation, Liquefaction and Fire Protection detailed design continued. Detailed design for Vaporization began.
- Specifications and Procurement Packages for Equipment Purchases
- Support for review of engineering deliverables from equipment provider vendors
- BOP, Power Generation and Liquefaction Issued for Construction (IFC) design drawings for construction are in progress
- Construction support is ongoing to review submittals from construction contractors and field requests for additional information



Figure 1: View of Tank Construction Site at the End of January 2024



Figure 2: View of Tank Construction Site at the End of February 2024



Figure 3: View of Tank Construction Site at the End of March 2024



Figure 4: View of BOP and Power Generation Site at the End of January 2024



Figure 5: View of BOP and Power Generation Site at the End of February 2024



Figure 6: View of BOP and Power Generation Site at the End of March 2024

PROJECT BUDGET

AGL provides its Annual Spend Analysis for the Project for the end of the 4th Quarter 2023, and January, February and March 2024 in Tables 1, 2, 3 and 4, respectively. The cost data presented in these tables is converted to $ millions relative to the original Table 14 in the i-CDP Plan. Table 5 presents the cost deviations between Table 1 and Table 4. The total estimated direct cost of completion for execution of the Project remains at approximately [redacted].

Table 1: Annual Spend Analysis – from AGL's Project financials update for December 2023 (end of 4th Quarter 2023)

[redacted]

Table 2: Annual Spend Analysis – from AGL's Project financials update for January 2024



Table 3: Annual Spend Analysis – from AGL's Project financials update for February 2024



Table 4: Annual Spend Analysis – from AGL's Project financials update for March 2024 (end of 1st Quarter)



Table 5: Deviations between Table 4 (March 2024) and Table 1 (End of 4th Quarter 2023)



Discussion of Deviations in Table 5

Table 5 shows the cost estimate deviations between the December 2023 (end of 4th Quarter 2023) estimate presented in Table 1 and the March 2024 (end of 1st Quarter 2024) estimate presented in Table 4.

[redacted]

- [redacted]
- [redacted]
- [redacted]

Such cost deviations are in line with expected parameters during project execution as major equipment procurements are executed, equipment delivery and payment schedules are finalized, and construction schedules and cash flows adjustments are made.

[redacted]

Total actual costs through March 2024 were [redacted] and the total estimated remaining cost to complete project execution was [redacted] (including internal costs and contingency).

PROJECT RISK REGISTER

The Project Team uses a rolling wave planning approach to manage risks for each of the execution phases and maintains a heightened focus on the risks to the current / upcoming phases while maintaining overall visibility of the future phases.

Currently the team focuses on the Tank BOP, Power Generation and Liquefaction scopes with a potential to impact the 2024 in-service delivery date. Potential risk will be continuously refined and reassessed as additional information becomes available. AGL held risk workshops in August and September 2023 to complete a Quantitative Schedule and Cost Risk Analysis. The remaining project contingency of [redacted] equates to the estimated contingency cost at the high-end confidence level.

A risk register update was completed in first quarter 2024, and an update to the Quantitative Cost Risk Analysis will be completed in early second quarter 2024. The register developed from these workshops is provided in Attachment C (showing the medium and higher risk items only).

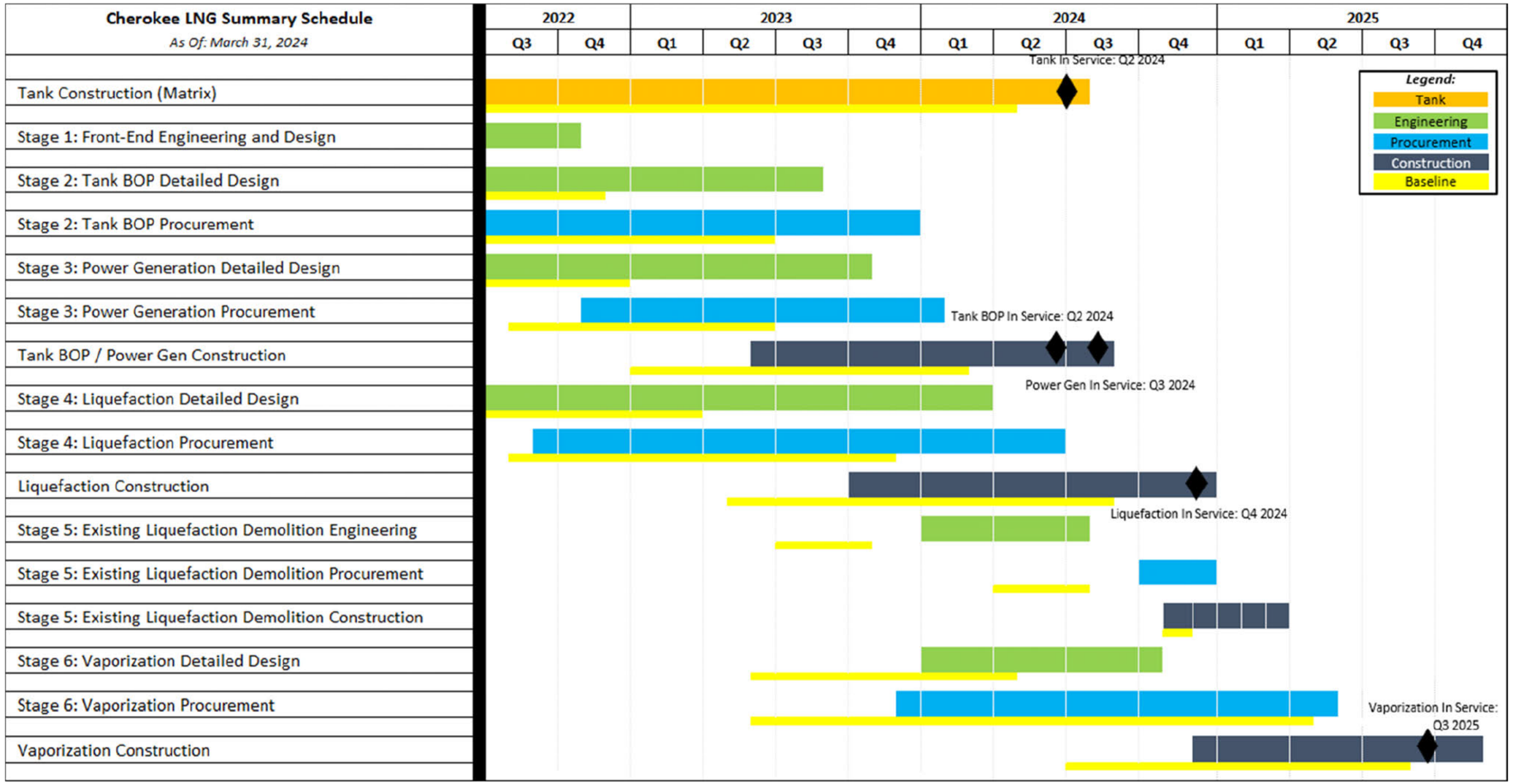
One "High-Risk" item was identified:

- **Late equipment delivery (PDC and MCC)** – Some electrical equipment was damaged in transit and replacement components are in fabrication.

Appendix C provides further information on these risk items and mitigation plans being implemented to minimize the probability and/or potential impact of these risks.

ATTACHMENT A. PROJECT SCHEDULE

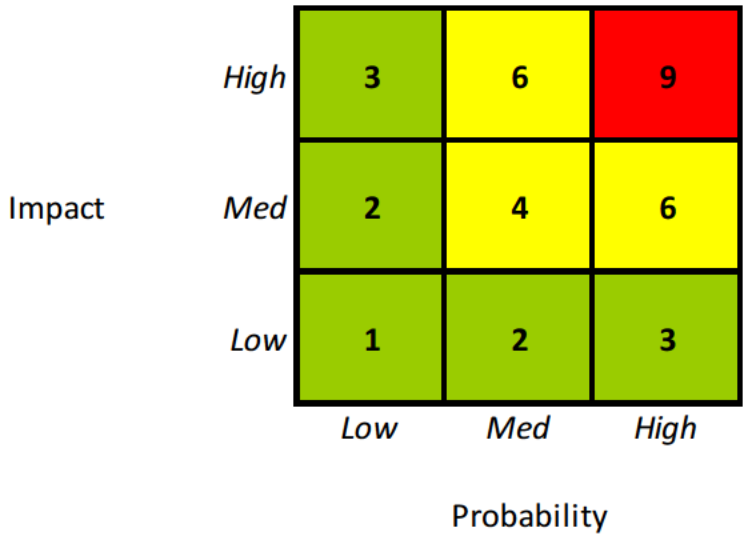
High level project schedule for execution of the Project.



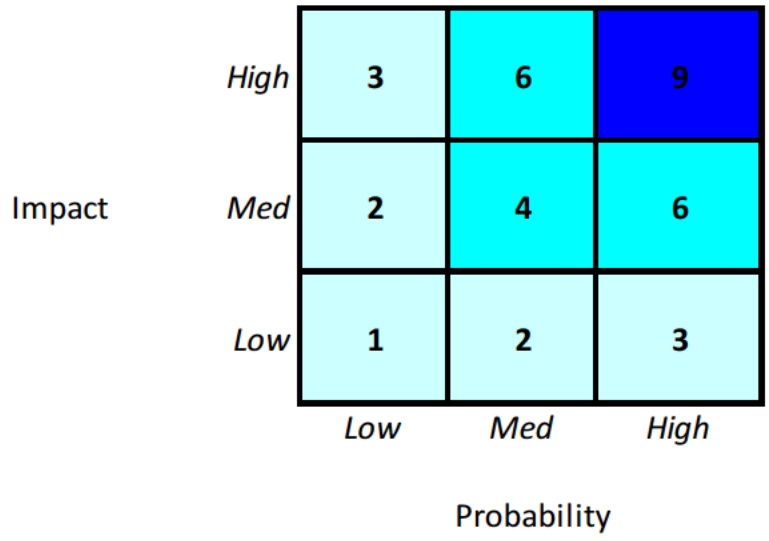
ATTACHMENT B. PROJECT RISK REGISTER

HEAT MAP ILLUSTRATION

Risk Matrix Value & Color Code



Opportunities Matrix Value & Color Code



L = Low
M = Medium
H = High

PROJECT RISK REGISTER – **TANK/BOP**

[redacted]

PROJECT RISK REGISTER – LIQUEFACTION



PROJECT RISK REGISTER – **VAPORIZATION**

[redacted]