**DESCRIPTION:**

b-18. A detailed description of any analysis by the EDC concerning the economic consequences and potential risks associated with the extension of the term or termination for all the interstate pipeline contracts.

**RESPONSE:**

There was not an explicit analysis performed by AGL. The Company continues to receive the benefits of the Southern Natural Gas, LLC (“SNG”) 2025 rate case settlement approved by the FERC rate case docket RP24-744 settled on February 18, 2025. The docket has a “come back” provision and that will have the Company re-engaging with the pipeline by 11-1-2030. SNG continues to be an integral source of capacity for the AGL system and in many cases, the sole provider of natural gas to a geographic area. The consequence of not extending the agreements would be incalculable. Non-settling parties would be expected to pay a reservation rate of $12.4644 per Dth of firm transportation capacity per month or any other such rate that SNG may file. Settling parties pay a lower rate of $10.46 per Dth per month.

Many of AGL’s FT and storage capacity contracts on Transcontinental Gas Pipe Line Company, LLC (“Transco”) are in an evergreen state and rolling forward on a year-to-year basis. Transco provides an integral source of capacity for the AGL system and in some cases, it is the sole provider of natural gas to a geographic area. As such, the consequence of not extending the agreements would be incalculable. This pipeline is in the midst of a rate case and settlement discussions with all their shippers and other system stakeholders.

Failure to renew existing interstate capacity or allow it to extend in this manner would mean the Company would have to secure replacement capacity in a capacity constrained market. The result would undoubtedly be higher fixed costs for any replacement capacity that might be found as compared to the cost of the capacity that would have been allowed to expire and/or be turned back to the pipeline for it to re-market.

**This response was prepared by or under the supervision of Gregory Becker, Director Capacity Planning for SCG.**