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DOCKET NO. 41560

IN RE: ATLANTA GAS LIGHT COMPANY'S UNIVERSAL SERVICE FUND APPLICATION PROJECTS

FINAL ORDER APPROVING APPLICATION NO. 8 MONROE COUNTY PROJECT

I. Background

Commission Rule 515-7-5-.02 states that, consistent with O.C.G.A. §46-4-161, the Commission is authorized to create and establish regulations to administer a universal service fund for each gas company that elects to become subject to the provisions of Article 5 of Chapter 4 of Title 46 of the Official Code of Georgia Annotated, and which satisfies the requirements of O.C.G.A. §46-4-154. With respect to each such gas company, which is also termed an "Electing Distribution Company" ("EDC") under the Natural Gas Competition and Deregulation Act, the Commission is charged with making a determination prior to the commencement of the electing distribution company's fiscal year as to the amount of funding that is appropriate for that year. Commission Rule 515-7-5-.03 states that a universal service fund shall be created for each electing distribution company for the purposes set forth in O.C.G.A. §46-4-161(a). These purposes include assuring that gas is available for sale by marketers to firm retail customers within a territory certificated to each such marketer; enabling the electing distribution company to extend and expand its facilities and service in the public interest; assisting low-income residential consumers in times of emergency as determined by the Commission; and consumers of the regulated provider of natural gas in accordance with Code Section 46-4-166. Commission Rule 515-7-5-.07 outlines procedures related to applications for disbursement from the Universal Service Fund for an electing distribution company.

II. Atlanta Gas Light Company ("AGL") Universal Service Fund ("USF") Application Projects – Monroe County Project

A. Project Description

On August 18, 2025, AGL filed its Monroe County Project, Application-8, in DN 41560 ("USF Monroe Application"). AGL proposed to extend natural gas facilities with funding from the USF in Forsyth, Georgia, to serve the Electric Cities of Georgia ("ECG") training facility. According to the EGC website, it is a non-profit organization that provides strategic and technical services to fifty-two (52) publicly owned communities with utility operations, with its headquarters located in Atlanta. AGL stated that ECG will use natural gas for space heating at the facility, and it is being developed to train utility workers through a U.S. Department of Labor certified apprenticeship program. The proposed ECG facility is in proximity to the Georgia Public Safety Training Center in the City of Forsyth, and ECG plans to invest approximately $6.6 million in constructing the facility, which is expected to employ two full-time training personnel by 2027. AGL further stated that ECG estimates approximately 1,200 people will attend training at the facility annually. AGL stated that the training programs offered at the facility will include Groundman School, Powerline Workers Apprenticeship, Underground Locating, and Soft Skill training, among other programs.

To serve this facility, AGL proposed tying into an existing 2" plastic main (MAOP 60 psi) on Indian Springs Drive and installing approximately 930 feet of 2" plastic main along Indian Springs Drive and Mahala Drive, along with 107 feet of 1-1/4" plastic service. In calculating average costs, or Unit Costs, this resulted in a shortfall of $33,603, which will be treated as a contribution in aid of construction ("CIAC") under the Rule 8 Nonresidential Main. Instead of using Rule 8 as the basis for the customer contribution, AGL has requested USF recovery. This shortfall, or CIAC, includes income tax and finance cost gross ups.

Commission Rule 515-7-5-.07(4)(a)-(c) sets forth the process requirements for an EDC to file a USF Application Project. As required by Commission Rule, AGL filed minimum filing requirements ("MFR"), which included the following:

(a) Application Excel Worksheet that shall contain the following related to the Allowable Investment calculation in Tariff Rule 7 and 8:

i. Section-1: Name and Address of Requesting Organization.

ii. Section-2: Name and Address of Service Location.

iii. Section-3: Applicant Contact Information.

iv. Section-4: Loads Information: Existing and Requested.

v. Section-5: Usage & Revenues: Calculate Expected Revenues.

vi. Section-6: Existing Facilities & Proposed Facilities for Mains & Services

vi. Section-6: Existing Facilities & Proposed Facilities for Mains & Services

vii. Section-7: Investment Factor

viii. Section-8: Allowable Investment Calculation (Investment Factor x Estimated Revenues)

x. Section-9b: Total Allowable Investment (Includes 125 Feet of Free Main).

xi. Section-9c: (Excess Allowable) Excess Costs, or CIAC (Section-9a - Section-9b).

xii. Section-10a: Customer Contribution Towards Project.

xiii. Section-11: Total Customer CIAC (Becomes USF Proposed Portion).

(b) The EDC shall include a map(s) of the service location and the route of the project from existing facilities.

(c) The EDC shall maintain detailed records of all expenditures for which reimbursement is requested and shall make those records available to the Commission and its Staff for audit and verification.

The MFRs were provided in the USF Monroe Application as an electronic Excel spreadsheet, detailing a breakout of the therms, DDDC, revenue calculation, cost-to-serve calculation, allowable investment, and the resulting shortfall that would become the basis of the USF funding request.

B. Capital Budgets

On July 28, 2025, AGL filed its 2025 capital budget data in DN 15326, reporting a total of $637,999,762 and identifying the 5% cap as $31,899,998. The Staff determined that the GRAM portion of the capital budget was lower than approved in the 2025-2034 i-CDP in Docket No. 43820. AGL explained that allocated IT projects were excluded in the amount of $30 million. Upon reviewing the 2025 capital budgets approved in the 2025-2034 i-CDP, the Staff found the total to be $667,989,452, which results in a 5% cap of $33,399,473. However, as provided in O.C.G.A. 46-4-161(b), the USF is restricted to $25,000,000 in any approved obligations during AGL's fiscal year (calendar year).

III. Staff Analysis

A. Project Review

Prior to the filing, AGL provided a draft of the USF Monroe Application to the Staff for review. The Staff worked with AGL to finalize the numbers and dollar amounts used in the USF Monroe Application. Once the Parties agreed on the filing content, AGL submitted the filing. The Staff then reviewed the formal filing and found no issues, and the Staff deemed the MFRs to be whole and complete. Staff recommends approval of the project.

B. USF Available Funds & Cost to Serve

Under the USF statute, O.C.G.A. 46-4-161(b), there is an annual restriction of a $25,000,000 budget on any new USF disbursements, or approved obligations. For 2025,

$24,379,189 remains unencumbered and available for approved obligations. AGL currently has a separate project under review in DN 43510 with a total 2025 USF funding request of $22,345,586. This leaves USF available funds of $2,033,603. In considering the Monroe County Project, there is available 2025 USF funds for this project, $33,603 for this project, as requested by AGL. This encumbered balance of both projects remains well below AGL's 2025 5% capital budget restriction.

IV. Finding of Facts and Conclusions of Law

The Commission finds and concludes that the Monroe County Project is in the public interest, and during the September 4, 2025 Administrative Session, the Commission approved the Monroe County Project with a USF disbursement request of $33,603.00, the Commission approved Staff's recommendation to approve the Monroe County Project with a USF disbursement request of $33,603.00.

* * * * *

V. Ordering Paragraphs

WHEREFORE IT IS ORDERED, that the Commission approves the Monroe County Project with a USF distribution request of $33,603.00.

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 Administrative Session on the 4th day of September 2025.

Sallie Tanner
Executive Secretary

9-9-25
Date

Jason Shaw
Chairman

9-9-25
Date