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**DOCKET NO. 43510**

**IN RE: ATLANTA GAS LIGHT COMPANY'S UNIVERSAL SERVICE FUND  
FACILITIES EXPANSION PLAN**

**FINAL ORDER APPROVING ATLANTA GAS LIGHT COMPANY'S PETITION TO  
APPROVE THE 2025 UNIVERSAL SERVICE FUND FACILITIES EXPANSION  
PLAN**

### **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's 2025 Universal Service Fund Facilities Expansion Plan – Emanuel County Project**

Commission Rule 515-7-5-.07(1) and (2) outlines the process requirements for an EDC to file a USF Annual Plan. On September 3, 2024, Atlanta Gas Light Company (“AGL”) filed the Universal Service Fund Facilities Expansion Plan (“USF 2025 Plan”), which did not include any proposed projects at that time.

On June 16, 2025, AGL filed a petition for approval of its Emanuel County Project under the USF 2025 Plan. As required by Commission Rule 515-7-5-.07(2)(a)-(g), AGL filed seven (7) required Minimum Filing Requirements (“MFR”). The MFRs included the following:

- MFR-1: Written description of each project
- MFR-2: AGL capital budget
- MFR-3: Stakeholder process
- MFR-4: Maps of each project
- MFR-5: Basic economic development data
- MFR-6: Project Financial Analysis
- MFR-7: Project Technical Analysis

### **A. MFR-1 Project Description**

AGL proposes to serve a wood pellet manufacturing plant, LJR Forest Products, in Emanuel County near the town of Nunez, Georgia, south of Swainsboro. LJR Forest Products is owned by Faircloth Forest Products, Inc., a manufacturing company specializing in producing and distributing lumber boards and pallets. Their website states that they serve clients throughout the United States and abroad, meeting diverse needs through established export operations. AGL stated that the plant is expanding, including installing natural gas equipment to dry the material used to make wood pellets. It was stated that the expansion is expected to employ as many as 12 additional people.

AGL, stated in its petition, that it currently operates a 12-inch steel/6-inch steel pipeline that originates in Alamo at the Alamo tap station. This 12-in steel/6-inch pipeline traverses northeast along AGL’s right of way and a public right-of-way, and feeds areas in Wheeler, Toombs, Treutlen, and Montgomery Counties. AGL stated that an additional segment of this pipeline must be upsized to serve this project. AGL has obtained approval to upsize pipeline segments upstream of this proposal, specifically completing 8,300 feet of 12-inch steel pipeline approved by the Commission in the 2019 USF Annual Plan, 12,012 feet of 12 inch steel pipeline in the 2022 USF Annual Plan, and 19,455 feet of 12 inch steel pipeline in the 2023 USF Annual Plan. The current AGL proposal is to continue the Alamo transmission line upgrade from Glenwood, Georgia, and to install approximately 28,000 feet of 12 inch steel pipeline (MAOP 300 psi) along AGL’s right-of-way. This pipeline will end north of Mt. Vernon, Georgia near the Company’s existing 6-inch steel main that provides natural gas service north towards Swainsboro, Georgia.

The Staff considers this upgrade to be Alamo Phase-4. South of Swainsboro, AGL will then install 18,000 feet of 6 inch steel pipeline (MAOP 300 psi) along SR 56, Trout Trail, and

Grande Creek Road to the customer's new facility. Additionally, the proposal includes approximately 1,400 feet of 4 inch steel pipeline (MAOP 300 psi) to complete the project.

**B. MFR-2 Capital Budgets**

AGL filed its MFR-2 capital budget data as trade secret to include its 5% dollar amount cap. On July 28, 2025, AGL filed its 2025 capital budget data in DN 15326, stating the capital budget was \$637,999,762, with a 5% cap of \$31,899,998. The Staff found that the GRAM portion of the capital budget was lower than approved in the 2025-2034 i-CDP in Docket No. 43820. AGL stated that allocated IT projects were excluded in the amount of \$30 million. When the Staff reviewed the 2025 capital budgets approved in the 2025-2034 i-CDP, the total was \$667,989,452. Based on this dollar amount, the 5% cap would be \$33,399,473. However, as provided in O.C.G.A. 46-4-161(b), the USF is restricted to \$25,000,000 for any approved obligations during AGL's fiscal year (calendar year).

**C. MFR-3 Stakeholder Process**

The Staff reviewed MFR-3 and found no material issues.

**D. MFR-4 Maps**

AGL filed a map, but it did not have sufficient details.

**E. MFR-5 Basic Economic Development Data**

AGL provided the basic economic impact data below.

Name of Company(s)	<b>LJR Forest Products</b>
Capital investment by Company(s)	Customer indicates that \$3.5 million in non-utility capital investment has been deployed to date.
Jobs created	10 to 12
Annual payroll	N/A
Known residential or commercial growth	No known residential or commercial growth. This natural gas infrastructure project is necessary to serve the LJR Forest Product's plant expansion. This expansion project could result in further improvements of the AGL system in the future based on available intrastate pipeline capacity for other firm customers.
Other information	See MFR-1.

**F. MFR-6 Financial Technical Analysis**

As seen in MFR-6 below, AGL provided the Cost to Serve with an estimated cost of \$33,175,940 with income tax and finance cost gross ups.

**MFR-6: Cost to Serve**

Line	Type	Project	Footage Size/Type	Estimated Engineering Costs	Income Tax Gross-Up	Financing Cost Gross-Up	Cost to Serve
1	Commercial	Emanuel County	28,000' x 12" steel 18,000' x 6" steel 1,400' x 4" steel	\$ 28,519,308	\$ 4,483,806	\$ 172,827	\$ 33,175,940
<b>Total:</b>				<b>\$ 28,519,308</b>	<b>\$ 4,483,806</b>	<b>\$ 172,827</b>	<b>\$ 33,175,940</b>

### **G. MFR-7 Project Technical Analysis**

In MFR-7, AGL provided technical details about each line-extension project that include gas load, PSI, pipe length details, wall thickness, and other details.

## **III. Staff Analysis**

### **A. Project Review**

The Staff reviewed the filing to confirm that all MFR details were provided and found them to be whole and complete. On July 2, 2025, the Staff issued its 17<sup>th</sup> Set of Data Requests to obtain additional information on this project. After several meetings with AGL, review of the petition, and issuance and review of Staff's 17<sup>th</sup> Set of Data Requests, the Staff gained a better understanding of the project and the need for additional capacity to support LJR Forest Projects. AGL also provided more detailed maps of the proposed project. The Staff asked several questions regarding the cost items in MFR-6, which AGL addressed. The Staff was satisfied with AGL's responses.

### **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 the separate project under review in DN 41560 with a total USF funding request of \$33,603. In considering this proposed project, the available 2025 USF funds for the Emanuel County Project decreases to \$24,345,586, which is the 2025 request for this project. This unencumbered balance remains well below AGL's 2025 5% capital budget restriction, as discussed in MFR-2 above.

As noted in Section II(F) above, AGL's Cost to Serve for this project is an estimated \$33,175,940, with income taxes and finance costs. When the 2025 available funds for this project is considered, the \$24,345,586, this results in a \$8,830,354 shortfall. The Staff and AGL discussed recommending this project as a multi-year USF-funded project. As a multi-year project, the USF 2025 \$25,000,000 budget restriction will provide \$24,345,586 in funding for 2025. The USF 2026 \$25,000,000 budget restriction will provide \$8,830,354 in funding for 2026.

As provided in Commission Rule 515-7-5-.07(1) when the project is completed, AGL will receive recovery of actual costs not to exceed its 5% budget cap, or USF unencumbered funds, or the \$25,000,000 budget restriction. For any dollar amounts that exceed these restrictions, they will be recovered in AGL's rate base for ratemaking purposes.

With the \$8,830,345 committed to the Emanuel County Project, the USF 2026 \$25,000,000 budget restriction will have a remaining balance of \$16,169,646 for any new 2026 USF proposed obligations.

#### **IV. Commission Decision**

During the September 4, 2025 Administrative Session, the Staff recommended approval of the Emanuel County Project as a multi-year USF project with an estimated cost of \$33,175,940 in the following:

- The USF 2025 \$25,000,000 budget restriction will provide \$24,345,586 in funding for 2025.
- The USF 2026 \$25,000,000 budget restriction will provide \$8,830,354 in funding for 2026.
- The USF 2026 \$25,000,000 budget restriction will have a remaining balance of \$16,169,646 for any new 2026 USF proposed obligations.

During the September 4, 2025 Administrative Session, Commissioner Johnson made a motion to amend the Staff recommendation in the following:

“I move that the Commission adopt Staff’s recommendation to approve the Emanuel County Project as a multi-year project in the total estimated amount of \$33,175,940, but with the following modifications. My motion reduces the 2025 approved amount to \$22.3 million from the \$24.3 million and shifts recovery of \$2 million into 2026 by approving \$10.8 million in spend instead of \$8.8 million in the Staff recommendation.”

The Commission approved Staff’s recommendation as amended by Commissioner Johnson’s motion.

#### **V. Finding of Facts and Conclusions of Law**

The Commission finds and concludes that during the September 4, 2025 Administrative Session, the Commission found the Emanuel County Project to be in the public interest, and the project was approved as a multi-year USF project with an estimated cost of \$33,175,940 in the following:

- The USF 2025 \$25,000,000 budget restriction will provide \$22,345,586 in funding for 2025.
- The USF 2026 \$25,000,000 budget restriction will provide \$10,830,354 in funding for 2026.
- The USF 2026 \$25,000,000 budget restriction will have a remaining balance of \$14,169,646 for any new 2026 USF proposed obligations.

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**VI. Ordering Paragraphs**

**WHEREFORE IT IS ORDERED**, that the Commission approves the Emanuel County Project as a multi-year USF project with an estimated cost of \$33,175,940.

**ORDERED FURTHER**, that the Commission approves that the USF 2025 \$25,000,000 budget restriction will provide \$22,345,586 in funding for 2025.

**ORDERED FURTHER**, that the Commission approves that the USF 2026 \$25,000,000 budget restriction will provide \$10,830,354 in funding for 2026.

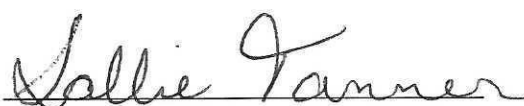
**ORDERED FURTHER**, that the Commission approves that the USF 2026 \$25,000,000 budget restriction will have a remaining balance of \$14,169,646 for any new 2026 USF proposed obligations.

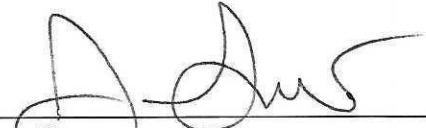
**ORDERED FURTHER**, that all findings, conclusions, statements, and directives made by the Commission and contained in the foregoing sections of this Order are hereby adopted as findings of fact, conclusions of law, statements of regulatory policy, and orders of this Commission.

**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 4<sup>th</sup> day of September 2025.

  
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Sallie Tanner  
Executive Secretary

  
\_\_\_\_\_  
Jason Shaw  
Chairman

9-12-25  
Date

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Date