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December 16, 2025

IN RE: Docket No. 42315: Atlanta Gas Light Company’s (“AGL”) 2019 Rate Case and Affiliate Transaction Audit: Atlanta Gas Light Company’s 2026 Annual Georgia Rate Adjustment Mechanism (“GRAM”) Filing

Natural Gas Staff’s 2026 GRAM Statement of Confirmation

I. Natural Gas Unit Review Team

The Natural Gas Unit AGL 2026 GRAM review team consisted of the following:

Tony Wckerly, Project Leader
Nijah James, Co-Assistant Project Leader
Brian Artis, Co-Assistant Project Leader
Janey Chauvet, Senior Engineer
Krushmi Chheda, Financial Analyst
Anjali Dube, Financial Analyst
Irma Ormeno, Financial Analyst

II. History of the AGL GRAM

O.C.G.A. § 46-2-20(a) provides that the Georgia Public Service Commission (“Commission”) has general supervisory authority over gas companies.

O.C.G.A. § 46-2-23 provides that the Commission has exclusive power to determine what are just and reasonable rates and charges to be made by any person, firm or corporation subject to its jurisdiction.

On February 21, 2017, the Commission approved a Stipulated Agreement between the Staff of the Georgia Public Service Commission (“Staff”) and Atlanta Gas Light Company (“AGL”) for an alternative form of ratemaking in accordance with O.C.G.A. §46-2-23.1. The process was called the Georgia Rate Adjustment Mechanism (“GRAM”). In the February 14, 2020 Final Order in Docket No. 42315, AGL’s 2019 rate case, the Commission approved that AGL could continue to use the GRAM with modifications from the originally approved GRAM ratemaking process.

III. 2025 GRAM Stipulation

During the December 12, 2024 Special Administrative Session, the Commission approved the 2025 GRAM Stipulation between the Staff and AGL. In Section-2 of the Stipulation, it stated that the monthly incremental GRAM bill adjustment for a residential customer in a Peaking Pool Group with a DDDC of 1.3 will be \$2.99 in 2025, \$2.99 in 2026, and \$2.99 in 2027, and the monthly incremental GRAM bill adjustment for a non-peaking residential customer with a DDDC of 1.3 will be \$2.36 in 2025, \$2.82 in 2026, and \$3.02 in 2027. The Stipulated agreement limits any annual increase in Residential rates to no more than these dollar amounts.

As provided in the 2025 GRAM Stipulation in Section-7, the Company will file its 2026 and 2027 Annual GRAM Filings as compliance filings in accordance with this Stipulation. Staff will review the Company’s 2026 and 2027 Annual GRAM Filings to determine if such filings are in compliance with the Commission’s order approving this Stipulation. If Staff determines that such filings are not in compliance, Staff will provide AGL adequate opportunity to address any issues that Staff believes are not in compliance. Absent the Company filing an amendment or Staff having an objection, the 2026 and 2027 Annual GRAM Filings shall be deemed approved upon Staff filing a Statement of Confirmation and no further action by the Commission is required with no further action by the Commission necessary.

IV. 2026 GRAM Filing

On July 1, 2025, AGL filed its 2026 GRAM Filing. The filing included the 2026 GRAM model with 17 schedules and 47 workpapers. In support of the GRAM model, there were 20 supporting attachments.

The Staff conducted a thorough review by dividing the analysis into key areas: rate base calculation, operating income calculation, ROE calculation, revenue requirement calculation, and then the allocation of revenue requirements and the calculation of new rates using AGL’s approved rate design. In support of the review, the Staff issued the 50th, 51st, and 52nd Sets of data requests to gather additional information. Following the review of the 2026 GRAM filing and all related data request responses, the Staff prepared a discussion agenda for a meeting with AGL.

On October 2, 2025, at 10:00 a.m., the Staff and AGL had a meeting to address the items outlined in the Staff’s discussion agenda. The meeting resulted in the following outcomes and agreements:

1. The Staff wanted to know the dollar amount of the 2022 – 2024 SRR Plant that was included in the 2026 GRAM model. AGL provided this information.
2. When reviewing WP 2-7 and WP 2-7-1, Other Operating Expense, the Staff noted that a portion of the original formula was missing compared to the 2019 rate case. In response, AGL explained that the Pension and OPEB dollar amounts, which were in WP 5-3 during the 2019 rate case, are now located in WP 2-7-1. These dollar amounts are part of the formula found in WP 2-7-1, with the results reflected in WP 2-7.
3. In the GRAM model Schedule-4 Column-C Line-2, the Staff asked why the line is labeled “Revenues Excluding”. AGL responded that Column-C Line-2 is called “Revenues Excluding” because the total excludes the categories in Lines 3 – 8 . However, this label, “Revenue Excluding”, would also apply to all values in Line-2, Columns-D, G, and I, which do not exclude the items AGL indicated. Likewise, in Schedule-3, AGL refers this same dollar amount from Schedule-4 as “Operating Revenues”.
4. The Staff suggested renaming all dollar amounts in Schedule-4 Line-2 to “Operating Revenues”. AGL agreed to make this change.
5. Regarding STF-51-4 (a) – (d), the Staff asked AGL to make the following changes to the GRAM model’s WP 4, and the Company agreed.
 - a. AGL agrees to create a new Column-N called “FTY Projected Customer Charge Revenues” that will show the forecasted Customer Charge revenues.
 - b. AGL agrees to create a new Column-P called “FTY Projected DDDC Charge Revenues” to show the forecasted DDDC Charge revenues.
 - c. In a new Column-S, the current “FTY Projected Revenue Current Rates”, does AGL agrees to calculate the total revenue by adding the new Columns N and P.
 - d. Does AGL agree to create a new Column-T called “Customer Class # by Revenue Contribution”. This same column will be provided in Schedule-11b Column-O.
6. The Staff asked AGL to add the following to the GRAM model’s Schedule-11b.
 - a. New Line for “Total Distribution Revenues”
 - b. New Line for “Total Miscellaneous Revenues”
 - c. New Line for “Total Rate Base Revenues with Peaking”

AGL agreed to add the new categories.

7. Related to the GRAM model's WP 5-3, WP 5-3-1, and WP 5-3-2, AGL agreed to make changes as seen below and found in Staff Exhibit-1 provided as part of the October 2, 2025, meeting.
 - a. Health Historical moved from the Inputs Worksheet to WP 5-3-1. Header showing where the totals are used in WP 5-3.
 - b. Other Historic moved from the Inputs Worksheet to WP 5-3-1. Headers showing where the dollar amount is used in WP 5-3.
 - c. Pension Forecasted moved from the Inputs Worksheet to WP 5-3-2. Header showing where the dollar amount is used in WP 5-3.
 - d. OPEB Historic moved from the Inputs Worksheet to WP 5-3-2. Header showing where the dollar amount is used in WP 5-3.
 - e. In WP 5-3, Column-C dollar amounts linked to WP 5-3-2 & WP 5-3-2.
 - f. In WP 5-3, new Column-E provides the source of the dollar amounts in Column-C. See **Table-1** in the list of tables below.
8. Related to STF-51-25, the Staff suggested that AGL change its historic test year from 12-months ending July 31st to 12-months ending June 30th, and the Staff asked AGL to provide an outline of what it would need to do to move the historic test year ending June 30th for the 2027 GRAM filing. AGL stated that they are agreeable to analyze and consider shifting the ending Historic Test Year from 12-months ending July 31st to June 30th. In January 2026, the Company will meet internally to determine what needs to be changed in the GRAM model and tariff to facilitate this change. AGL did ask if both May and June could be budget estimates, and the Staff agreed. The Staff and AGL will discuss further early in 2026 to determine feasibility.

V. 2026 GRAM Revenue Requirements & New Rates

In **Table-2** in the list of tables below, below, this is Schedule-11a from the 2026 GRAM model. In Line-14, it shows that AGL requested a \$65.2 million revenue requirement adjustment. This dollar amount was transferred to Schedule-11b for allocation among the rate classes for the calculation of new rates. The new 2026 rates appear in comparison to current 2025 rates. The comparison shows that Residential rates increase by \$1.56 per customer for the Customer Charge, or \$18.72 annually, and \$0.65 per DDDC for the residential DDDC Charge, or \$10.21 annually. The 2026 GRAM Residential Customer charge rate will increase by 5.81%, and the DDDC Charge rate will increase by 6.70% over the current 2025 rates.

As required in the 2025 GRAM Stipulation in Section-2, any increase in Residential rates in 2026 cannot exceed \$2.99. Schedule-11e shows that AGL was in compliance with the Commission approved 2025 GRAM Stipulation. As provided in Section-3 of the 2025 GRAM Stipulation, restricting the rate increase to no more than \$2.99 for Residential customers helps to provide rate stability and helps to prevent rate shock. This is in line with the Commission’s long-time policy of gradualism when considering any increase in rates.

The Staff reviewed the 2026 Peaking Charge calculation found in Attachment-D, Peaking Service Rate model. The Staff found no issues with the model. The adjusted revenue requirement increase was \$7.2 million. As seen in **Table-3** below, the Peaking Charge will increase from \$1.72 per customer to \$1.97 per DDDC.

Regarding **Table-4** below, found in the list of tables, this provides Schedule-11e or the breakdown of 2026 rates. The new rates are effective January 1, 2026 through December 31, 2026. The proposed new 2026 rates can be found in Column-II.

VI. List of Tables

Table-1: WP 5-3

Atlanta Gas Light Company (AGLC)			
WP 5-3			
Health and Other Benefits & Retirement			
Line No.	Description (a)	Amount (b)	Source
Health			
1	Year ended July 31, 2025	\$ 18,324,027	WP 5-3-1 Q6
2	Year ended December 2026 (projected)	17,523,350	WP 5-3-1 O8
3	Average Expense	\$ 17,923,689	
Other			
4	Year ended July 31, 2025	\$ 7,760	WP 5-3-1 Q10
5	Year ended December 2026 (projected)	7,760	WP 5-3-1 O12
6	Average Expense	\$ 7,760	
Pension			
7	Year ended July 31, 2025	\$ (4,528,847)	WP 5-3-2 Q13
8	Year ended December 2026 (projected)	(3,081,818)	WP 5-3-2 O13
9	Average Expense	\$ (3,805,333)	
Other Post Retirement Benefits			
10	Year ended July 31, 2025	\$ (1,749,684)	WP 5-3-2 Q15
11	Year ended December 2026 (projected)	(2,144,255)	WP 5-3-2 O15
12	Average Expense	\$ (1,946,970)	

Note: For the ledger accounts for each O&M category, please see WP 5-8 "Account Index".

Table-2: 2026 GRAM Model Schedule-11a

Atlanta Gas Light Company (AGLC)		
Schedule 11a		
Calculation of Revenue Adjustment		
Twelve Months Ending December 31, 2026		
Line No.	Description (a)	Amount (b)
1	Calculated Return (Schedule 2)	7.36%
2	Adjustment ROE (band from 10.05% - 10.45%)	10.25%
3	Difference (Line 2 - Line 1)	2.89%
4	Equity portion of rate base (Schedule 2)	2,747,186,082
5	Operating Income Deficiency or (Sufficiency) (line 3 * line 4)	79,307,770
6	Tax Expansion Factor (Schedule 9)	133.15%
7	Proposed Revenue Adjustment (line 5 * line 6)	<u>\$ 105,599,802</u>
8	Refund of 2024 RTU	\$ (1,001,664)
9	2021 GRAM Carry Forward	\$ (693,022)
10	Adjusted Revenue Adjustment (excluding Peaking Rev. Req.)	<u>\$ 103,905,115</u>
11	Levelized Rate Adjustment	\$ -
12	Revenue Requirement Adjustment	\$ (36,650,000)
13	R&D Tax Credit Applied to R-1 Customers	\$ (1,975,000)
14	Proposed Revenue Adjustment (excluding Peaking Rev. Req.)	<u>\$ 65,280,115</u>
15	Peaking Revenue Adjustment (See Attachment D)	\$ 7,279,849
16	Total Proposed Revenue Adjustment	<u>\$ 72,559,964</u>

Table-3: Attachment-D: 2026 Peaking Service Rate Calculation

2026 GRAM Peaking Service Rate Calculation	
Description	2026
Plant in Service	\$567,776,895
Accumulated Depreciation	\$149,322,971
Accumulated & Excess Deferred Income Taxes (ADITs & EDITs)	\$84,297,086
CWIP	
Accumulated Customer Deposits	
Rate Base	\$334,156,838
% Common Equity	56.00%
Rate Base Attributed to Common Equity ("RBACE")	\$187,127,829
Current Peaking Rate: \$1.72	\$1.72
Projected Full Year Peaking DDDC	28,901,150
Operating Revenues	\$49,709,977
Interest	\$7,447,909.20
Property taxes	\$2,118,116.71
Depreciation Expense	\$11,780,825
Operations and Maintenance Expenses	\$10,103,639
Operating Expenses	\$31,450,490
Operating Income Before Income Taxes	\$18,259,488
Application of Composite Tax Rate (Schedule 9)	24.90%
Income Taxes	\$4,546,211.46
Net Operating Income Available for Equity (No Taxes)	\$13,713,276.26
Rate of Return on Common Equity	7.33%
Adjustment ROE (band from 10.05% - 10.45%)	10.25%
Difference (Line 20 - Line 18)	2.92%
Equity portion of rate base	187,127,829
Operating Income Deficiency or (Sufficiency) (line 3 * line 4)	5,467,326
Tax Expansion Factor - Schedule-9 Column-D Line-8	133.15%
Tax Expansion Factor (Schedule 9) - 1.33%	7,279,848.66
Total Peaking DDDC - WP 4-2 Billing Detail	28,901,150
Peaking Service Rate Per DDDC Increase or (Decrease)	\$0.25
Current Peaking Service Rate Per DDDC	\$1.72
New Peaking Service Rate Per DDDC for the 2026 GRAM Filing Schedule-11b	\$1.97

Table-4: 2026 GRAM Model Schedule-11e

Line	Atlanta Gas Light Company Tariff	Column-I	Column-II	Column-V	Column-VI	Column-VII	% Increase
		Current Rates	Proposed Rates	Rate Difference II - I	Monthly Increase or (Decrease) in Avg Customer Bill	Annual Increase or (Decrease) in Avg Customer Bill	
1	R-1 Residential						
2	Customer Charge	\$26.85	\$28.41	\$1.56	\$1.56	\$18.72	5.81%
3	DDDC Charge	\$9.70	\$10.35	\$0.65	\$0.85	\$10.21	6.70%
4	Total				\$2.41	\$28.93	
5							
6	G-10 Multi-Family						
7	Customer Charge	\$24.22	\$25.76	\$1.54	\$1.54	\$18.48	6.36%
8	DDDC Charge	\$7.27	\$7.78	\$0.51	\$0.12	\$1.44	7.02%
9	Total				\$1.66	\$19.92	
10							
11	G-11,12, and 13 Commercial & Industrial						
12	Customer Charge < 2.5	\$45.76	\$48.24	\$2.48	\$2.48	\$29.76	5.42%
13	Customer Charge 2.5 to 7.0	\$74.05	\$78.52	\$4.47	\$4.47	\$53.64	6.04%
14	Customer Charge 7.0 to 20	\$80.78	\$85.74	\$4.96	\$4.96	\$59.52	6.14%
15	Customer Charge 20 to 200	\$134.60	\$143.35	\$8.75	\$8.75	\$105.00	6.50%
16	Customer Charge 200 to 500	\$403.69	\$431.44	\$27.75	\$27.75	\$333.00	6.87%
17	Customer Charge 500 to 3000	\$672.79	\$719.53	\$46.74	\$46.74	\$560.88	6.95%
18	Customer Charge 3000 and above	\$1,345.54	\$1,436.34	\$90.80	\$90.80	\$1,089.60	6.75%
19	DDDC Charge	\$12.04	\$12.89	\$0.85	\$6.79	\$81.51	7.06%
20	Total				\$10.67	\$128.00	
21							
22	AG-1 Agricultural						
23	Customer Charge	\$60.56	\$64.80	\$4.24	\$4.24	\$50.88	7.00%
24	Summer Commodity Charge	\$1.31	\$1.40	\$0.09	\$4.49	\$53.90	6.87%
25	Winter Commodity Charge	\$2.95	\$3.16	\$0.21	\$24.82	\$297.84	7.12%
26	Total				\$33.55	\$402.63	
27							
28	S-51 Seasonal						
29	Customer Charge	\$53.65	\$57.37	\$3.72	\$3.72	\$44.64	6.93%
30	Volumetric Charge	\$1.95	\$2.09	\$0.14	\$51.78	\$621.35	7.18%
31	Total				\$55.50	\$665.99	
32							
33	Peaking						
34	DDDC Charge	\$1.72	\$1.97	\$0.25	\$0.25	\$3.00	14.53%
35							
36	TS-1 General Transportation Service						
37	TS-1 General Transportation Service						
38	Customer Charge						
39	Maximum Daily Use under 1,000 Dths	\$701.11	\$750.60	\$49.49	\$49.49	\$593.88	7.06%
40	Maximum Daily Use 1,000 to ,5000 Dths	\$1,402.25	\$1,501.23	\$98.98	\$98.98	\$1,187.76	7.06%
41	Maximum Daily Use 5,000 to 10,000 Dths	\$2,132.63	\$2,285.41	\$152.78	\$152.78	\$1,833.36	7.16%
42	Maximum Daily Use above 10,000 Dths	\$3,554.42	\$3,809.05	\$254.63	\$254.63	\$3,055.56	7.16%
43	Commodity Charge						
44	Intrastate Volume	\$0.16	\$0.17	\$0.01	\$23.77	\$285.24	6.25%
45	Interstate Volume	\$0.34	\$0.36	\$0.02	\$139.94	\$1,679.29	5.88%
46							
47	(LDTS) Liquefied Natural Gas Delivery to Tanker Service						
48	Customer Charge	\$67.28	\$72.03	\$4.75	\$4.75	\$57.00	7.06%
49	Commodity Charge	\$2.01	\$2.15	\$0.14	\$114.24	\$1,370.87	6.97%
50	Total				\$118.99	\$1,427.87	

Column-I of Table 4 reflects current rates effective during 2025. On January 1, 2026, the Synergy credit is reclassified into the proposed customer charge as reflected in Column-II.

VII. Statement of Confirmation

The Staff has reviewed AGL's 2026 GRAM Filing and found no material issues. As provided in the 2025 GRAM Stipulation Section-7 and AGL's Tariff Sheet 26.8, the new 2026 rates will be effective January 1, 2026.

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