BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

In Re:	]	
SCANA Energy Marketing, LLC,	]	
Petitioner,	]	
v.	]	Docket No. 56177
	]	
Atlanta Gas Light Company,	]	
Respondent.	]	

EMC Natural Gas, Inc. And Texican Natural Gas Company's
Brief In Opposition To Atlanta Gas Light Company's Motion To Dismiss
SCANA's Complaint

COMES NOW, the EMC Natural Gas, Inc., dba True Natural Gas (hereafter "True Natural Gas" or "True") and Texican Natural Gas Company (hereafter "Texican"), pursuant to O.C.G.A. §§ 46-2-20, and 46-4-155 file their Brief in Opposition To Atlanta Gas Light Company's Motion To Dismiss SCANA's Complaint. In support hereof, True Natural Gas and Texican respectfully show as follows:

Summary of Arguments

I. SCANA'S Complaint against Atlanta Gas Light Company should not be dismissed because it clearly identifies serious operational and communication failures by Atlanta Gas Light Company that resulted in Transco imposing large Operational Flow Order ("OFO") imbalance penalties on Natural Gas Marketers who could have taken remedial action if they had known about the problem

A. Atlanta Gas Light Company's Motion To Dismiss never denies any of the facts alleged in SCANA's Complaint but tries to deflect and distract the serious charges made by SCANA

1. Pursuant to O.C.G.A. §46-2-54 the Commission should subpoena a Transco employee who can explain what happened on December 13, 2025

B. The Atlanta Gas Light Company's defense of focusing on FERC regulations is disingenuous and a desperate attempt to avoid responsibility for the operation of the gas system they manage and control

1. Somebody dropped the ball at AGL and they are trying to shift the blame to the Natural Gas Marketers

2. Atlanta Gas Light Company failed to advise the Natural Gas Marketers of the imbalance problem but they did advise their Asset Manager

II. Atlanta Gas Light Company owes a fiduciary duty to all the Natural Gas Marketers because it communicates, coordinates, and controls all interactions between the interstate pipelines and the Marketers

III. Reforms must be made to the operation of the Daily Supply Requirement process and Atlanta Gas Light Company needs to communicate with Marketers when they are aware there may be an operational issue that they cannot remedy on their own behind the interstate pipeline company

IV. Conclusion and Prayer for Relief

Argument And Citation of Authority

I. SCANA's Complaint against Atlanta Gas Light Company should not be dismissed because it clearly identifies serious operational and communication failures by Atlanta Gas Light Company that resulted in Transco imposing large Operational Flow Order ("OFO") imbalance penalties on Natural Gas Marketers who could have taken remedial action if they had known about the problem

AGL's failure to communicate with the natural gas marketers is the core of the problem underlying SCANA's complaint. This failure of communications resulted in an OFO imbalance penalty of approximately $2,000,000 being imposed on six (6) natural gas marketers[1] by Transco Interstate Pipeline Company, and it could happen again if action isn't taken by the Commission to correct the communications breakdown problem.

[1] SCANA Energy Marketing, LLC, EMC Natural Gas, Inc., Georgia Natural Gas, Gas South, Walton EMC Natural Gas, CENNAT Inc., d.b.a. Fuel GA, and Nextera

Transco assessed an operational flow order imbalance penalty on December 13, 2025, related to Transco Notice 16336705. The affected marketers paid the penalty under protest. They fully complied with AGL's 10:00 a.m. posted daily supply requirement ("DSR"). Failure to meet the DSR requirement would have subjected the affected marketers to a penalty of $30.00 per dekatherm under AGL's tariff.

AGL exercises exclusive operation authority over daily supply requirements and pipeline balancing. Marketers are instructed by AGL on the volume of natural gas to deliver for each pool group, but they are not provided with access to system-wide conditions, including whether specific pipelines are over or under supplied. Nor are marketers routinely directed on which interstate pipelines to use unless specifically instructed by AGL. As a result, gas marketers reasonably rely on AGL to manage system balancing and ensure alignment with interstate pipeline conditions. The alternative to unified system balancing would be to allow each marketer to make those decisions. On December 15th when natural gas marketers inquired about the penalty, Transco indicated that their concerns should be directed to Atlanta Gas Light Company as the responsible coordinating entity.

During the January 21, 2026, conference call involving all the affected marketers, the PSC Natural Gas Staff, and AGL representatives, AGL acknowledged it became aware of an oversupply condition on the Transco pipeline only after the Intraday 1 nomination cycle.[2] While AGL had multiple tools available to mitigate or eliminate the Transco penalties, it did not act in a timely or effective manner to prevent the imposition of the Transco imbalance penalties. AGL could have taken several actions by

[2] There are five (5) natural gas intraday nomination cycles in a gas day in which AGL, as the interstate pipeline point operator, advises and directs the natural gas marketers to increase or decrease the natural gas supplies brought to Georgia to supply their customers. Natural gas marketers can adjust supplies during every intraday nomination cycle.

(1) reducing the Daily Supply Requirement/Marketer Firm Obligation ("DSR/MFO") intraday to reflect actual system needs, (2) directing marketers to shift supply to a specific pipeline, (3) confirming reduced schedule volumes on Transco, (4) communicating system conditions and corrective actions to natural gas marketers, and (5) instructing marketers to redirect flows to alternative interconnected pipelines, such as Southern Natural Gas. AGL did none of these things, and as a result, marketers were deprived of any opportunity to mitigate or avoid the imbalance penalties.

A. Atlanta Gas Light Company's Motion To Dismiss never denies any of the facts alleged in SCANA's Complaint but tries to deflect and distract the serious charges made by SCANA

Atlanta Gas Light Company's Motion to Dismiss ignores the principal allegations in SCANA's Complaint and instead attempts to deflect and distract the Commission's attention by alleging exclusive FERC jurisdiction over the December 13th incident. Did AGL deny or address the allegation, "[d]uring the relevant period, AGL issued a supply-mismatch order for the OFO Event and exercised control over nomination into the Atlanta pool?" (SCANA Complaint, Par. 17) No. Did AGL deny or address the allegation it, ". . .did not designate a pipeline for deliveries into the Atlanta pool, . . ." (SCANA Complaint, Par. 19) No. Did AGL deny or address the allegation, "[t]hroughout the OFO Event, AGL retained authority to revise the Daily Supply Requirement, reduce nominations, or decline to confirm volumes," over five nomination cycles? (SCANA Complaint, Par. 21) No. Did AGL deny or address the allegation it, ". . . did not communicate operational constraints affecting its system to SCANA?" (SCANA Complaint, Par. 22) No. By failing to deny or address these critical allegations in SCANA's Complaint AGL has affirmed the factual basis for the Complaint.

AGL's arguments about FERC's jurisdiction are a distraction to the Commission to prevent it from focusing on the real issues regarding AGL's failure to fulfill its pipeline management obligations and communication responsibilities under its own tariff and within its control. AGL's Tariff provides it with clear authority and responsibility to: (1) designate interstate pipelines marketers/poolers must use for nominations (AGL Tariff §17.2), (2) adjust the daily supply requirement to align with physical system capabilities (AGL Tariff §19.4), (3) confirm or reduce nominated volumes during intraday cycles (AGL Tariff §19.4), and (4) redirect gas supplies between pipelines to maintain system balance (AGL Tariff §17.2). The Company did none of these things which could have prevented or mitigated the OFO imbalance penalties imposed on the gas marketers.

Texican and True, along with the other affected natural gas marketers have a long-standing record of operational compliance and reliability. Prior to this incident, True and Texican have never incurred an OFO imbalance penalty from Transco. This history underscores that the December 13th event was not the result of marketer misconduct, but rather a breakdown in system coordination and communications.

1. Pursuant to O.C.G.A. §46-2-54 the Commission should subpoena a Transco employee who can explain what happened on December 13, 2025

Pursuant to O.C.G.A. §46-2-54, the Commission should subpoena a Transco employee who has first-hand knowledge of the events surrounding the December 13, 2025, Operational Flow Order incident to testify about what happened. As a neutral third party who has no direct financial interest (they are not paying the imbalance penalties) in the outcome of an investigation Transco's testimony is critical. A Transco witness can explain how AGL's role as Point Operator works and how nominations are

made in their system by the Point Operator to match up with the Daily Requirements AGL issues the Marketers.

B. Atlanta Gas Light Company's defense of focusing on FERC regulations is disingenuous and a desperate attempt to avoid responsibility for the operation of the Gas System they manage and control

Rather than addressing the specific allegations contained in SCANA's Complaint AGL's defense strategy is to point to the FERC tariff that authorized the OFO imbalance penalties. The FERC tariff isn't the issue in this case but was applied because of AGL's failure to responsibly manage and control the natural gas system and timely communicate with the natural gas marketers vital information that could have prevented all or most of the approximately $2.0 million OFO imbalance penalties.

Atlanta Gas Light Company was the communication link and information gate keeper between Transco and the natural gas marketers. It was AGL's responsibility and duty to set the daily supply requirement for the natural gas marketers that would avoid operational issues. But they didn't which resulted in the Transco financial penalties.

1. Somebody dropped the ball at AGL and they are trying to shift the blame to the Natural Gas Marketers

Everybody makes mistakes. It happens, but when a mistake is made the party responsible needs to take responsibility for their actions or inactions rather than passing the blame on to innocent parties. AGL gas operations are not transparent to natural gas marketers so it is impossible for marketers to know what happened on December 13, but several marketers had to pay the price for that breakdown in communications between Transco and the marketers.

This Commission has the authority and responsibility to investigate what happened December 13, 2025, so it doesn't happen again if reasonable and prudent changes can be made.

2. Atlanta Gas Light Company failed to advise the Natural Gas Marketers of the imbalance problem but they did advise their Asset Manager

If AGL could advise their asset manager of the pipeline imbalance problem why didn't they advise the gas marketers? (SCANA Complaint, Par. 22) Why did this communications failure occur? Logic and reason point to an AGL internal operations problem that should be analyzed and corrected to prevent a reoccurrence of December 13.

II. AGL owes a fiduciary duty to all the Natural Gas Marketers because it communicates, coordinates, and controls all interactions between the interstate pipelines and the Marketers

Pursuant to the Natural Gas Competition and Deregulation Act, O.C.G.A. §§ 46-4-150 et seq., and its tariffs, AGL is the de facto Point Operator for all the gas marketers with the interstate pipeline companies.[3] AGL's Tariff affirms this relationship and authority the Company had over all the natural gas marketers. Marketers rely and depend upon AGL to advise them of their obligations to provide adequate gas supplies

[3] 17.1 Mismatch Orders – The Company may from time to time restrict Distribution Services to Poolers when it anticipates a Mismatch. On such occasions, the Poolers will be notified of the type of Mismatch by **a Mismatch Order and will be required to comply with any restrictions specified by the Company in the order**. (Emphasis supplied)
17.1.1 Demand Mismatch – When the Company, **in its sole judgment**, anticipates that a Demand Mismatch in a certain Primary Pool may present a threat to the integrity of the Company's operations or jeopardize Firm Distribution Service to Firm Retail Customers, the Company may designate a Demand Mismatch and post a Demand Mismatch Order on the EBB. (Emphasis supplied)
17.2 Pool Constraints – Because of operational constraints, the Company may from time to time in its discretion designate the interstate pipeline company or companies that a Pooler must use for nominating Gas supplies into a Pool.

to the Georgia gas system. Based on the information available to the Marketers they fully complied with their system obligations.

III. Reforms must be made to the operation of the Daily Supply Requirement Process and Atlanta Gas Light Company needs to communicate with Marketers when they are aware there may be an operational issue that they cannot remedy on their own behind the interstate pipeline company

After its investigation is concluded and a clear understanding of what transpired on December 13th is made, reforms, corrections, or tariff amendments need to be implemented by the Commission. The central issue is the lack of communications between AGL and the marketers which caused the pipeline imbalance. Other reforms and changes may be considered after a thorough review of the facts surrounding the December 13th incident is made by the Commission.

IV. Conclusion and Prayer for Relief

WHEREFORE, True and Texican respectfully request the Commission deny Atlanta Gas Light Company's Motion to Dismiss SCANA's Complaint and open an investigatory docket to determine what reforms and changes must be made between the interaction with natural gas marketers and Atlanta Gas Light Company to avoid unnecessary financial penalties being imposed because of problems with managing daily supply requirements, and consider other improvements and updates to natural gas management and operations.

Respectfully submitted this 4th day of June, 2026.

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing **EMC Natural Gas, Inc. and Texican Natural Gas Company's Brief In Opposition To Atlanta Gas Light Company's Motion To Dismiss SCANA's Complaint** was filed in Docket 56177 with the Georgia Public Service Commission's Executive Secretary by the Commission's eFile system. An electronic copy of same was served upon all parties listed below by electronic mail, unless otherwise indicated, and addressed as follows:

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This 4th day of June, 2026.

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