

Atlanta Gas Light

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CUSTOMER CARE J SAFETY INFORMATION & BUSINESS CUSTOMERS J. USE NATURALIGAS J. COMPANY INFORMATION & RATES & REGULATIONS

Exhibit No. Case No(s). 68-2006-6



Guide to Customer Charges

ALSO IN THIS SECTION

- Deregulation Overview
- Matural Gas Marketers
- ☑ Customer Charges

Your Base Rate

When you receive your gas bill each month from your marketer, a portion of the bill is a base charge from Atlanta Gas Light. This charge is regulated by the Georgia Public Service Commission. Base charges represent our cost of delivering gas to your home or business, pipeline maintenance, and meter reading. The charge will not vary should you choose another marketer.

Base rates are unique to each household or business and are calculated by how much gas is used during the coldest period of the prior year. This allows us to ensure we have enough pipe and storage capacity to meet every customer's need in cold weather. The base charge for each business varies according to the size of the home or facility and the types of gas appliances or equipment used. Interstate pipeline and transportation charges and the commodity cost of natural gas are not affected by the rate design.

How Do We Calculate Your Base Rate?

There are several factors, including:

Customer Charge: A fixed monthly fee for gas connection to your home or business.

Ancillary Service: Covers the cost of meter reading.

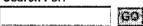
Dedicated Design Day Capacity (DDDC): A charge that recovers costs associated with delivering gas to your home or business. See more.

- Peaking Service: Covers the fixed cost of operating company-owned above ground storage facilities. This ensures an adequate supply of gas on the coldest day of the year. This service is only charged to customers in the Atlanta, Macon and Valdosta delivery groups.
- Social Responsibility Fee: Covers the cost of funding the Senior Citizens Discount Program for low-income customers.
- Environmental Recovery Fee (ERF): Recovers expenses related to cleanup of former manufactured gas plant sites.
- Pipeline Replacement: Covers the cost of replacing 2,300 miles of bare steel and cast iron gas pipelines in Georgia. See more.
- Franchise Recovery Fee (FRF): Recovers fees paid by Atlanta Gas Light Company to local governments for the use of public rights-of-way for its natural gas lines and other facilities.
- Customer Education Fee: Recovers the cost associated with providing non-biased consumer education pertaining to natural gas deregulation.

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Calculating Your Base Rate: Examples

This is an example of how base charges are calculated for a typical residential customer. Type in your DDDC factor and choose the month you would like to view to calculate your AGLC pass-through charge. Base Rate Example - Residential

For commercial customers, please use this example. Base Rate Example - Commercial

Tariff Provisions

The tariff is the company's schedule of approved rates and charges on file with the Georgia Public Service Commission.

<u>View tariff provisions for Atlanta Gas Light.</u> (7MB file - download time may vary)

DDDC - Dedicated Design Day Capacity Charge Questions and Answers What is this recent recalculation from Atlanta Gas Light and how does it affect you?

Read on for the answers:

What is a Dedicated Design Day Capacity Charge (DDDC)?

The DDDC covers the common costs of delivering gas based on a customer's demand on the system on the coldest day of the year. This method is the fairest way to allocate each customer's share of the total cost of the delivery system.

Why is the DDDC Being Recalculated?

A DDDC recalculation is required each year and approved by the Georgia PSC, in order to update usage patterns (summer and winter) for each customer for the most recent year.

How is DDDC Determined?

AGL uses information specific to the premises, such as past usage patterns or gas appliances, to determine a location's demand on the system.

When Does the Recalculation go into Effect?

The most recent recalculation went into effect on September 1, 2006 and is recalculated annually.

What do I do if I Think the New DDDC is Wrong?

You should contact your natural gas marketer if you feel your DDDC is incorrect.

Which Accounts are Being Recalculated?

Every customer's (residential and commercial) DDDC factor has been recalculated.

How Could the DDDC Change if the Customer was not There Last Year? The DDDC is recalculated per premise, not per customer, and thus changes in usage patterns and gas appliances might affect the DDDC.

How is the DDDC Calculated if the Customer is in a Newly Built Structure? Because AGL does not have 12 months of consumption history on a newly built structure, AGL gathers specific information to calculate the DDDC. For residential premises, the factor is based on the square footage of the structure, the type of structure (single family residence, apartment or mobile home) and the gas equipment used.

Are Commercial Customers Impacted by the DDDC Recalculation? Commercial and residential accounts are affected by the DDDC recalculation.

If the DDDC Recalculation Results in the DDDC Factor Being Less Than Before, Will the Customer Receive a Refund for the Previous DDDC Charges? There will be no refunds to customers whose DDDC factor decreased and there will there be no charges to customers whose DDDC factor increased. The new DDDC factor is the new capacity allocation for the new year only.

When will a Customer's Base Charges be Affected by the New DDDC Recalculation?

The new DDDC factor was effective September 1, 2006. All base charges calculated beginning September should reflect the new DDDC recalculation.

How Can AGL Change Rates Without a PSC Approval?

The DDDC recalculation is not a rate change. AGL is simply charging marketers for the capacity that their customers use. By doing an annual recalculation of each customer's DDDC, AGL can make sure all customers are fairly charged for how much of the system is "reserved" for your needs.

How Has the Weather of Last Winter Affected DDDC Factors?

AGL calculates DDDC factors based on peak demand. Therefore, weather volatility is taken out and the weather of last winter will not affect DDDC factors.

How do DDDC Rates Vary by Month?

In February 2001, Atlanta Gas Light implemented a seasonal rate plan for DDDC charges. Billing follows the traditional winter and summer usage patterns. The impact on consumers? The seasonal rate plan results in higher base charges in winter (more gas use), and lower base charges in summer (less gas use). Interstate pipeline and transportation charges and the commodity cost of natural gas are not affected by the rate design.

Seasonal Base Charges			
Month	Seasonal Percent	Rate	
January	18%	\$11.53	
February	19%	\$12.18	
March	15%	\$9.61	

April	8%	\$5.13
May	4%	\$2.57
June	3%	\$1.92
July	3%	\$1.92
August	3%	\$1.92
September	3%	\$1.92
October	3%	\$1.92
November	7%	\$4.49
December	14%	\$8.97
Total	100%	\$64.08

- Annual DDDC Charge is \$64.08 per Dt of DDDC.
 Rate represents Seasonal Percentage times Annual DDDC Charge.
 Program started at February 2001 billing cycle.
 Current rates started May 1, 2002.

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