INVIZION
Unified Data. Actionable Insights.

GEORGIA · GAS UTILITIES · CAPITAL BRIEFING

# In Georgia, marketers sell the gas. Atlanta Gas Light owns the pipe — and the capital plan.

Georgia's deregulated retail market splits the gas business in two: competitive marketers sell the molecules, while Atlanta Gas Light owns and modernizes the distribution system and recovers that investment through the Georgia Rate Adjustment Mechanism. Aging main replacement, winter design-day supply, and long-run electrification pressure all compete for the same regulated capital. Invizion helps gas utilities re-sequence a capital portfolio in a click — and defend every decision.

| ~2.0M[1] | 1.73M[2] | 84[3] | $20.42[4] |
|---|---|---|---|
| Natural gas customers served across Georgia — about 1.9 million of them residential. | Atlanta Gas Light distribution customers — the pipes-only LDC that owns Georgia's largest gas system. | City-owned municipal gas systems operating outside PSC price regulation. | Average Georgia residential gas price per Mcf in 2025 — up more than 12% from 2024. |

Last updated September 2026 · 12 sourced references

THE GEORGIA LANDSCAPE

# Four forces are moving your project list at once

Georgia's split retail model changes who carries which risk — but it doesn't change the fact that the pipe owner has to keep replacing, reinforcing, and paying for a system that has to perform every winter.

SAFETY — AGING PIPE & INTEGRITY

## A large distribution system that never stops needing replacement

Atlanta Gas Light's parent, Southern Company Gas, operates roughly 77,900 miles of distribution pipe and 14 storage facilities across four states, with Atlanta Gas Light its largest utility[2] Keeping that system safe means continuously retiring the cast-iron and bare-steel mains PHMSA flags as the industry's highest-risk pipe — still about 1% of U.S. distribution mains at the end of 2025.[5]

Atlanta Gas Light recovers this work through its Integrated Capacity and Delivery (iCND) pipeline program and the Georgia Rate Adjustment Mechanism; roughly $0.3 billion of Southern Company Gas's 2026 capital plan is earmarked for gas-pipeline investment alone.[2]

DEMAND — DECARBONIZATION PRESSURE

## No gas ban — but declining-throughput risk is real

Georgia has moved the opposite way from 'future of gas' states: House Bill 150 (2021, Act 254) prohibits local governments from restricting utility connections by fuel type, blocking municipal gas bans.[6]

Yet natural gas is already Georgia's primary electricity fuel — the state generated about 140 million MWh in 2024[7] — so long-run electrification and efficiency still threaten per-customer throughput. Because Atlanta Gas Light owns the pipe while marketers sell the gas,[2] that stranded-asset and declining-use risk lands squarely on the regulated capital plan.

SUPPLY — PRICE & RELIABILITY

## Deregulation passes price spikes straight to the bill

In Georgia's competitive retail market, marketers pass wholesale gas costs directly to customers, so winter price spikes hit bills fast: the average residential price reached $20.42 per Mcf in 2025, up more than 12% from $18.19 in 2024[4]

Reliability on the coldest days rests on storage and peaking — Southern Company Gas operates 14 storage facilities totaling 157 Bcf,[2] and Atlanta Gas Light maintains LNG peaking supply fed from the Elba Island terminal.[8] Georgia burned through roughly 755 Bcf of gas in 2025, more than half of it for power generation, so winter heating demand stacks on top of an already gas-heavy grid.[9]

CAPITAL — RECOVERY & RATES

## A recovery mechanism unlike any other state's

The Georgia PSC regulates Atlanta Gas Light's distribution rates, and the utility recovers capital — including pipeline replacement — through the Georgia Rate Adjustment Mechanism (GRAM) rather than frequent full rate cases[2]

The structure is genuinely unusual: Atlanta Gas Light earns from fixed monthly charges set by the PSC while about a dozen certified marketers compete to sell the commodity.[8][3] Rising bills sharpen the affordability tension around every dollar of surcharge-recovered investment.

WHO RUNS GEORGIA'S GAS SYSTEM

# One dominant pipes-only LDC, a small regulated IOU, and many municipals

Southern Company Gas — Atlanta Gas Light's parent — is the largest natural gas distributor in the Southeast, serving about 4.4 million customers across four states.102 In Georgia the pipe is concentrated in Atlanta Gas Light, while dozens of city-owned systems run their own distribution.

### Investor-owned LDCs & the retail market

Distribution regulated by the Georgia PSC

| | |
|---|---|
| **Atlanta Gas Light** | ~1.73M customers · pipes-only LDC, a Southern Company Gas utility[2] |
| **Liberty Utilities (Georgia)** | Columbus & Gainesville · the state's only fully-regulated bundled IOU[1][3] |
| **Certified gas marketers** | ~a dozen retailers sell the commodity; Georgia Natural Gas is the largest[3] |

Atlanta Gas Light owns the pipe and recovers capital through GRAM; marketers carry the commodity and its price risk[2]

### Municipal & public gas systems

Rates set by city councils and boards, not the PSC

| | |
|---|---|
| **Municipal Gas Authority of Georgia (MGAG)** | 85 members in 5 states · 270,000+ customers · largest non-profit gas joint-action agency in the U.S.[1][2] |
| **City-owned municipal gas systems** | ~84 systems statewide, outside PSC price regulation[3] |
| **Self-governed rate-setting** | Councils and boards set rates and capital budgets locally[3] |

MGAG provides economical wholesale supply and joint financing so small municipals can fund system growth and replacement[1][2]

## Every capital dollar still has to be defensible

Georgia's model separates the molecule from the pipe, but the regulated pipe owner — and every municipal board — still has to justify why this project, why now, why at this cost.

**Georgia Public Service Commission (PSC)** regulates Atlanta Gas Light's distribution rates and Liberty Utilities' bundled service, and certifies the retail gas marketers.[3]

**Georgia Rate Adjustment Mechanism (GRAM)** lets Atlanta Gas Light adjust rates annually to recover capital — including pipeline replacement — in place of frequent full rate cases[2]

**Natural Gas Competition and Deregulation Act of 1997** made Atlanta Gas Light a 'pipes-only' company in 1998; about a dozen marketers now sell the commodity while the PSC sets distribution charges.[3][8]

**Municipal & MGAG systems** set their own rates and capital budgets outside PSC price regulation, coordinating supply through the Municipal Gas Authority of Georgia.[3][12]

## Where the pipeline capital actually comes from

Georgia has little dedicated federal gas money; the real engine is surcharge-based recovery, balanced against what customers can absorb.

**GRAM-recovered capital:** Southern Company Gas's 2026 capital plan is about $2.2 billion, including roughly $0.3 billion for gas-pipeline investment recovered largely through mechanisms like GRAM.[2]

**PHMSA NGDISM grants:** the federal Natural Gas Distribution Infrastructure Safety & Modernization program funds replacement of the cast-iron and bare-steel mains PHMSA flags as highest-risk, prioritizing municipal and community-owned systems — a fit for Georgia's many city gas utilities.[5]

**Affordability ceiling:** the average residential gas price rose to $20.42 per Mcf in 2025 from $18.19 in 2024, limiting how quickly surcharge recovery can climb.[4]

**MGAG financing:** the Municipal Gas Authority of Georgia gives 270,000+ member customers access to economical wholesale supply and joint financing for system replacement[12]

GEORGIA'S GAS SECTOR, IN BRIEF

# Questions Georgia gas leaders are asking

Short, sourced answers — the same facts we work through with utilities planning their capital programs.

### Who actually owns Georgia's natural gas pipes?

Atlanta Gas Light, a Southern Company Gas utility, owns and operates the state's largest distribution system as a 'pipes-only' company with about 1.73 million customers; competitive marketers, not the utility, sell the gas itself[2][8]

### Why is Georgia's gas market different from other states?

The Natural Gas Competition and Deregulation Act of 1997 unbundled the market in 1998. Atlanta Gas Light earns fixed distribution charges set by the PSC, while about a dozen certified marketers compete to sell the commodity[3][8]

### How does Atlanta Gas Light recover pipeline-replacement costs?

Primarily through the Georgia Rate Adjustment Mechanism (GRAM), an annual adjustment that recovers capital — including its iCND pipeline program — without frequent full rate cases. Southern Company Gas's 2026 plan includes about $0.3 billion of gas-pipeline investment[1][2]

### Are Georgia cities banning natural gas?

No. House Bill 150 (2021) prohibits local governments from restricting utility connections by fuel type, which blocks municipal gas bans[5][6]

### Who regulates the municipal gas systems?

Georgia's roughly 84 city-owned gas systems set their own rates outside PSC price regulation and coordinate supply through the Municipal Gas Authority of Georgia, which serves more than 270,000 customers[3][12]

### How does Invizion help Georgia gas utilities plan capital?

Invizion is scenario-based capital portfolio optimization for utilities. It lets a gas utility model how a GRAM filing, an accelerated main-replacement program, a winter design-day change, or a shift in throughput reshuffles the whole project list — re-sequence the portfolio automatically, and keep a defensible record of every trade-off for the PSC, a city council, or an MGAG board.

REFERENCES

# Sources

Every figure in this briefing is tied to a primary or authoritative source.

1. U.S. Energy Information Administration — Georgia number of natural gas consumers by sector (residential 1,915,244; commercial 130,937; industrial 2,433; total ~2,048,614), 2024. www.eia.gov
2. The Southern Company 2025 Form 10-K (filed Feb 19, 2026) — Southern Company Gas ~4.4M customers and ~77,900 miles of pipe with 14 storage facilities (157 Bcf); Atlanta Gas Light ~1,733,000 customers, deregulated 'Marketers' model, Georgia Rate Adjustment Mechanism (GRAM), ~$2.2B 2026 capital plan incl. ~$0.3B gas-pipeline investment. SEC EDGAR. www.sec.gov
3. Georgia Public Service Commission — Natural Gas: Atlanta Gas Light 'pipes-only' since 1998 under the Natural Gas Competition and Deregulation Act of 1997; Liberty Utilities the only fully-regulated LDC; 84 municipal gas systems outside PSC price regulation. psc.ga.gov
4. U.S. Energy Information Administration — Georgia price of natural gas delivered to residential consumers: $18.19/Mcf (2024), $20.42/Mcf (2025). www.eia.gov
5. PHMSA — Pipeline Replacement Background: cast iron and bare steel among the highest-risk distribution pipe; about 1% of U.S. natural gas distribution mains remained iron as of end-2025; describes the NGDISM grant program. www.phmsa.dot.gov
6. Georgia General Assembly / LegiScan — House Bill 150 (2021), Act 254 (signed May 6, 2021): prohibits governmental entities from restricting utility connection by type or source of energy or fuel. legiscan.com
7. U.S. Energy Information Administration — Georgia State Electricity Profile: natural gas is Georgia's primary electricity fuel; total net generation ~139.8 million MWh, 2024. www.eia.gov
8. Atlanta Gas Light — company overview: more than 1.6 million customers in 243 communities; pipes-only since 1998; Georgia Natural Gas the largest marketer; Elba Island-fed LNG backup supply; a Southern Company Gas subsidiary. en.wikipedia.org
9. U.S. Energy Information Administration — Georgia natural gas deliveries to consumers by sector, 2025: ~755 Bcf total delivered (residential ~140.5 Bcf, commercial ~59.7 Bcf, industrial ~152.3 Bcf, electric power ~401.3 Bcf). www.eia.gov
10. Southern Company Gas — company overview: largest natural gas distributor in the Southeast (Atlanta Gas Light); ~4.4–4.5 million utility customers across Georgia, Illinois, Virginia and Tennessee. en.wikipedia.org
11. Liberty Utilities — natural gas operations in Columbus and Gainesville, Georgia (acquired from Atmos Energy, 2013); a subsidiary of Algonquin Power & Utilities, regulated by the Georgia PSC. en.wikipedia.org
12. Municipal Gas Authority of Georgia — About: 85 members across Georgia, Alabama, Pennsylvania, Tennessee and Florida; more than 270,000 customers; the largest non-profit natural gas joint-action agency in the United States. www.gasauthority.com

ABOUT INVIZION

## Capital program optimization for utilities

Invizion is a purpose-built capital lifecycle management platform for utilities. It integrates budgeting, CIP, scenario analysis, and funding-source tracking in one system — so utilities can re-sequence a capital portfolio in a click and demonstrate audit-ready, defensible decisions to regulators, boards, and rating agencies.

**See how utilities keep capital plans current and defensible with Invizion.**

Explore Invizion →

© 2026 Invizion, Inc. · This briefing is generated on demand from Invizion's sourced data and refreshed as conditions change. Last updated September 2026.