

BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

IN RE: APPLICATION OF FIRESIDE)
NATURAL GAS, LLC)
FOR A NATURAL GAS)
MARKETER CERTIFICATE)
OF AUTHORITY)

DOCKET NO. 25471

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FIRESIDE NATURAL GAS, LLC'S RESPONSE TO STAFF'S
ELEVENTH SET OF DATA REQUESTS

2nd Quarter 2021 (APRIL - JUNE)

Section-A: FINANCIAL CAPABILITY DATA

STF-11-1 Yes or no, does the marketer continue to meet all financial capability requirements provided in Commission Rule 515-7-3-.07(7) and OCGA §46-4-153(f)?

YES.

STF-11-2 Cumulatively, for each month of the 2nd Q 2021 for the Georgia natural gas market, please provide a detailed income statement. Please total all the major categories such as revenues, costs, operating expenses, and net income. Please include all Firm and Interruptible activity that lists at a minimum the following as an Excel spreadsheet with live and unlocked formulas on a **CD or JUMP DRIVE only**:

- a. Revenues broken out by customer class and other revenues
- b. Cost of Sales Breakout
- c. Lower Cost or Market (LCM) Activity
- d. Hedging Financial Activities as an offset or addition to Cost of Sales
- e. AGLC Base Charges
- f. Operating Expenses
 - i. General and Administrative
 - ii. Marketing Expense
 - iii. Interest Expense
 - iv. Bad Debt Allowance
 - v. Taxes
- g. Net Income

When it comes to income statement categories, the marketer should not make major changes from quarter to quarter, and if a major change has taken place, it should be discussed how the new account categories fit with the previously filed information Please break out each month separately.

**TRADE SECRET RESPONSE - See Excel Attachment : PSC Staff DR-Eleventh Data Request
Docket 25471_2ndQ2021.xls**

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STF-11-3 Cumulatively, for each month 2nd Q 2021 for the Georgia natural gas market, please provide a detailed balance sheet with Firm and Interruptible activity that lists the minimum of the following as an Excel spreadsheet with live and unlocked formulas on a **CD only**. Please include a breakout of current assets and current liabilities:

- a. Cash on Hand
- b. Cash Equivalents
- c. Receivables
- d. Inventories
- e. **Detailed Current Assets Breakdown**
- f. Total Assets
- g. **Detailed Current Liabilities Breakdown**
- h. Accounts Payable
- i. Short Term
- j. Long Term Debt
- k. Total Liabilities
- l. Equity Information

When it comes to balance sheet categories, the marketer should not make major changes from quarter to quarter, and if a major change has taken place, it should be discussed how the new account categories fit with the previously filed information. Please break out each month separately.

TRADE SECRET RESPONSE - See Excel Attachment : PSC Staff DR-Eleventh Data Request Docket 25471_2ndQ2021.xls

STF-11-4 Please provide the fiscal year dates used by the marketer and provide the most recent audit financials.

FireSide's fiscal year runs APRIL-Dec.

TRADE SECRET RESPONSE - See PDF Attachment : 2020 Audited Fireside FS

STF-11-5 Cumulatively, for each month of the 2nd Q 2021 Georgia operations, beginning with the first day and ending with the last day of each month, please provide the number of customers billed for each customer class – residential, commercial, industrial and interruptible – separately for each month within the period of April – June 2021. Beginning with the first day and ending with the last day of each month, please provide the number of therms billed for each customer class – residential, commercial, industrial and interruptible,-- separately for each month within the period of April – June 2021. Please list this information as therms not dekatherms.

Please provide the responses in the format below as an Excel spreadsheet with live and unlocked formulas on a **CD or JUMP DRIVE only**:

TRADE SECRET RESPONSE - See Excel Attachment : PSC Staff DR-Eleventh Data Request Docket 25471_2ndQ2021.xls

STF-11-6 If the Company has operations in other states, please list the states and the type of business activity.

NOT APPLICABLE

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STF-11-7 Please provide the most recent audited financials for the Georgia marketer (Georgia Only).

TRADE SECRET RESPONSE - See PDF Attachment : 2020 Audited Fireside FS

STF-11-8 Cumulatively, for each month of the 2nd Q 2021 if the Company has operations in other states, for APRIL to JUNE 2021 as an electronic Excel spreadsheet with live and unlocked formulas on a **CD or JUMP DRIVE only**, please provide an income statement and balance sheet of total operations (COMBINED Georgia & Outside Georgia).

NOT APPLICABLE

STF-11-9 Please provide the most recent audited financials for the total company (Georgia & Outside Georgia).

NOT APPLICABLE

STF-11-10 Cumulatively, for each month of the 2nd Q 2021 for the parent company or total operations, please provide a detailed income statement with all business activities. Please total all the major categories such as revenues, costs, operating expenses, and net income. Please provide the filing as an Excel spreadsheet with live and unlocked formulas on a **CD only**:

- a. All Revenues
- b. Cost of Sales
- c. Hedging Financial Activities as an offset or addition to Cost of Sales
- d. AGLC Base Charges
- e. Operating Expenses
 - i. General and Administrative
 - ii. Marketing Expense
 - iii. Interest Expense
 - iv. Bad Debt Allowance
 - v. Taxes
- g. Net Income

When it comes to income statement categories, the marketer should not make major changes from quarter to quarter, and if a major change has taken place, it should be discussed how the new account categories fit with the previously filed information Please break out each month separately. Please break out each month separately.

*If the parent company is a publicly traded company or issuer, please state the response as "Publicly Traded" and provide an electronic web address or link where the Staff can review the appropriate 10Q.

NOT APPLICABLE

STF-11-11 Cumulatively, for each month of the 2nd Q 2021 for the parent company or total operations, please provide a detailed balance sheet with all business activity that lists at a minimum of the following as an Excel spreadsheet with live and unlocked formulas on a **CD or JUMP DRIVE only**. Please include a breakout of current assets and current liabilities:

- a. Cash on Hand
- b. Cash Equivalents

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- c. Receivables
- d. Inventories
- e. Detailed Current Assets Breakdown
- f. Total Assets
- g. Detailed Current Liabilities Breakdown
- h. Accounts Payable
- i. Short Term and Long Term Debt
- j. Total Liabilities
- k. Equity Information

When it comes to balance sheet categories, the marketer should not make major changes from quarter to quarter, and if a major change has taken place, it should be discussed how the new account categories fit with the previously filed information Please break out each month separately. Please break out each month separately.

*If the parent company is a publicly traded company or issuer, please state the response as "Publicly Traded" and provide an electronic web address or link where the Staff can review the appropriate 10Q.

NOT APPLICABLE

STF-11-12 Please answer the following concerning financial support.

- a. If the marketer has received any loans from its parent company, please provide the dollar amount of the loans.
- b. If the marketer has received any equity investment from the parent company, please provide the dollar amount.
- c. If the marketer has received any other financial support from the parent company, please describe the financial support, such as credit facilities, assets, debt relief, letters of credit, or money pool access.
- d. Has the marketer received any financial support from an affiliate company or subsidiary? If so, please state the entity and describe the support.

NOT APPLICABLE

STF-11-13 Currently, related to continuing as an ongoing concern, is the Georgia marketer, or its parent company, engaging in, or considering, a Chapter 7 or Chapter 11 proceeding, or other similar proceeding, in Georgia or other States? If yes, please provide a detailed explanation.

NO.

STF-11-14 Due to its continued financial performance or financial goals, does the marketer have concerns about continuing operations in Georgia? Please explain.

The company has no concerns about continuing operations in Georgia.

SECTION-II: TECHNICAL CAPABILITY DATA

STF-11-15 Yes or no, does the marketer continue to meet all technical capability requirements provided in Commission Rule 515-7-3-.07(7) and OCGA §46-4-153(f)?

YES

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STF-11-16 Regarding AGL's credit requirements, please answer the following:

a. What is the current credit requirement from AGL?

REDACTED – TRADE SECRET INFORMATION

b. What method is used to meet the AGL credit requirement and what financial institution is helping to meet the requirement?

REDACTED – TRADE SECRET INFORMATION

STF-11-17 Yes or no, does the marketer's gas operations staff continue internal training and proficiency with AGLC's GOS system and bringing natural gas to Georgia?

YES

STF-11-18 If the marketer has incurred any AGL penalties during the year please list the type of penalty, dollar amount of penalty, the month it was incurred, and when the funds were paid to AGL.

REDACTED – TRADE SECRET INFORMATION

All penalties were paid in full on the 20th of the month following the date they were incurred.

STF-11-19 Regarding the credit requirements of the major pipelines, please answer the following:

a. Does the marketer provide in-house natural gas operations? IF not, please provide the name of the third party vendor that provides natural gas operations on the marketers behalf.

FireSide provides its own in house natural gas operations.

b. Does the marketer directly provide credit requirement to the major pipelines? **YES.**

c. Does the marketer's parent company provide the credit requirement to the major pipelines? **FireSide does not have a parent company, and it provides its own credit.**

d. Does the marketer's third party gas operations vendor provide the credit requirement to the major pipelines? **NOT APPLICABLE.**

e. What is the current credit requirement of the major pipelines?

REDACTED – TRADE SECRET INFORMATION

f. What method is used to meet the AGL credit requirement and what financial institution is helping to meet the requirement?

REDACTED – TRADE SECRET INFORMATION

g. Does the marketer use a third party to meet the credit requirements such as an asset manager? **NO.**

h. If the marketer believes it doesn't have any credit requirements with the major pipelines, please explain how it can transport gas without posting credit. **N/A**

STF-11-20 During the past quarter and or currently, does the marketer have any problems with any of its natural gas contracts?

NO.

STF-11-21 During the past quarter and or currently, does the marketer have any problems with any of its storage contracts?

NO.

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STF-11-22 Due to its continued technical performance and ongoing credit requirements, does the marketer have concerns about continuing operations in Georgia? Please explain.

The company has no concerns regarding technical performance about continuing operations in Georgia.

SECTION-III: OTHER ITEMS

STF-11-23 Does the marketer have any ongoing legal issues? If so, please explain.

NO.

STF-11-24 If the marketer has operations in other states, please list the states and the type of business operations.

NONE.

STF-11-25 Regarding mergers and acquisitions, please answer the following.

- a. Currently does the Georgia marketer, or its parent company, have any plans for acquiring customers in a State other than Georgia and serving customers in that state? **NO.**
- b. Currently, is the Georgia marketer, or its parent company, engaged in any discussions with other Georgia marketer(s) about acquiring their customers and/or business? If yes, please explain. **NO.**
- c. Currently, is the marketer, or its parent company, engaged in any discussions with an entity that isn't a Georgia marketer about selling its customers to that entity? If yes, please explain. **NO.**
- d. Currently is the marketer, or its parent company, engaged in any discussions with another Georgia marketer(s) about selling its customers and/or business to another Georgia marketer? If yes, please explain. **NO.**

STF-11-26 Please provide a list of categories in the Georgia income statement and balance sheet that are based upon allocated numbers.

REDACTED – TRADE SECRET INFORMATION

Balance Sheet Account 1500- Prepaid Expense

Balance Sheet Account 3103-Accrued Expense

Income Statement Account 6021- Depreciation

STF-11-27 Regarding O.C.G.A. 46-4-164(b), it states the following:

(b) Notwithstanding any provision of law to the contrary, including, without limitation, Article 4 of Chapter 3 of this title, an electric membership corporation may make and maintain investments in, lend funds to, and guarantee the debts and obligations of an EMC gas affiliate in total not to exceed 15 percent of such electric membership corporation's net utility plant, excluding electric generation and transmission assets as defined by the Federal Energy Regulatory Commission Uniform System

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of Accounts in effect at the time of such investment, loan, or guarantee, provided that any such investments or loans shall not reflect rates which are generally available through the use of any tax exempt financing and may not be tied to any loans from or guaranteed by the federal or state government; and an EMC gas affiliate of an electric membership corporation organized and operating pursuant to Article 4 of Chapter 3 of this title may apply for and be granted a certificate of authority to provide any service as authorized under this article. The creation, capitalization, or provision of management for:

(1) An EMC gas affiliate engaged in activities subject to the provisions of This article and the rules and regulations established by the commission; or

(2) Other persons providing customer services

Shall be deemed to be among the purposes of an electric membership corporation as specified in paragraphs (2) and (3) of Code Section 46-3-200. Nothing in this article shall be deemed to increase or decrease the authority and jurisdiction of the commission with respect to such electric membership corporation except as to gas activities undertaken by the electric membership corporation or its EMC gas affiliate as authorized under this chapter.

Regarding any EMC parent company support, please complete Table below that provides the calculation percentage of EMC parent company support to the EMC gas affiliate

NOT APPLICABLE.

- STF-11-28 Regarding bad debt, please answer the following.
- a. What is the marketer's current bad debt policy?
FireSide accrues 0.5% of commercial receivables toward bad debt expense monthly against revenue
 - b. Has there been changes to bad debt policy in year 2020 from 2019. If yes, please specify. **NO.**
 - c. At what point does the marketer write-off bad debt, 30 days, 60 days, 90 days after non-payment?
Bad debt is written off after 30 days past due.
 - d. Does the marketer use the Direct Write Off Method or the Provision Method to account for bad debt?
Provision Method.
 - e. How does the marketer engage in collections?
Bad debt is worked internally for 30 days beyond shut off, then the balance plus a collections fee is turned over to a 3rd party collections agent.
 - f. How is the marketer's allowance for bad debt calculated?

0.5% of commercial receivables, this number has held steady for the past 3 years and is based upon actual bad debt recording from prior years.

- g. Based on a customer's credit score, when does the marketer charge a deposit?
Fireside only serves Commercial and Interruptible customers. We do not check credit scores and we do not charge deposits.
- h. Based on a customer's credit score, when does a marketer deny service?
Not Applicable.
- i. During the 2nd Q 2021, what was the marketer's bad debt percentage? What was it for 2nd Q 2020?
REDACTED – TRADE SECRET INFORMATION
- j. During the 2nd Q 2021, how many customer accounts were written off? During the 2nd Q 2020 how many customer accounts were written off?
REDACTED – TRADE SECRET INFORMATION
- k. During the 2nd Q 2021 how many customers entered into payment arrangements? During the 2nd Q 2020, how many customers entered into payment arrangements?
REDACTED – TRADE SECRET INFORMATION