



January 26, 2022

Mr. Sallie Tanner
Executive Secretary
Georgia Public Service Commission
244 Washington Street, SW
Atlanta, GA 30334

Re: Docket No. 42959

Dear Ms. Tanner:

Liberty Utilities (Peach State Natural Gas) Corp. ("Company") is submitting the Company's Revised 2022 Annual Georgia Rate Adjustment Mechanism ("GRAM") filing, a Stipulation between the Georgia Public Service Commission Gas Staff and the Company, and a proposed Order in the above-referenced docket. This is a comprehensive Stipulation which, if accepted by the Commission, will resolve all pending issues in the Company's 2022 Annual GRAM filing.

If you have any questions, please contact me at 678-707-5226.

Sincerely,

A handwritten signature in blue ink that reads "Peter Bouxsein". The signature is written in a cursive, flowing style.

Peter Bouxsein
Manager, Regulatory and Financial Reporting

STATE OF GEORGIA
BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

IN RE:

LIBERTY UTILITIES (PEACH STATE NATURAL GAS) CORP.) DOCKET 42959
GEORGIA RATE ADJUSTMENT MECHANISM)

CERTIFICATE OF SERVICE

I, Peter Bouxsein, on behalf of Liberty Utilities (Peach State Natural Gas) Corp, hereby certify this date furnished a copy of the Company's documents regarding the Revised 2022 Annual Georgia Rate Adjustment Mechanism filing, a Stipulation between the Georgia Public Service Commission Staff and the Company, and a proposed Order in the above-referenced docket, by email, by depositing a copy of same in United States mail with adequate postage affixed thereto, or by a prepaid overnight delivery service addressed to the following:


Sallie Tanner *
Executive Secretary
Georgia Public Service Commission
244 Washington Street, SW
Atlanta, Georgia 30334-5701

Nancy Tyer *
Georgia Public Service Commission
244 Washington Street, SW
Atlanta, Georgia 30334-5701

Jack Branch, Attorney *
Georgia Public Service Commission
244 Washington Street, SW
Atlanta, Georgia 30334-5701

This 26th day of January, 2022.

1766 Cleveland Highway
Gainesville, GA 30501
Voice: 678-707-5226
Fax: 678-971-5704
peter.bouxsein@libertyutilities.com

By: 
Peter Bouxsein
Manager, Regulatory and Financial Reporting
Liberty Utilities (Peach State Natural Gas) Corp.

* By Email
** By US Mail
*** By Overnight Delivery Service

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

IN RE:)
)
LIBERTY UTILITIES (PEACH STATE) DOCKET NO. 42959
NATURAL GAS) CORP. GEORGIA)
RATE ADJUSTMENT MECHANISM)

GEORGIA PUBLIC SERVICE COMMISSION NATURAL GAS STAFF AND LIBERTY UTILITIES (PEACH STATE NATURAL GAS) CORP.'s 2022 GRAM STIPULATION

WHEREAS, Liberty Utilities (Peach State Natural Gas) Corp. (“PSNG” and a “Party” to this 2022 GRAM Stipulation) filed its 2022 Annual GRAM¹ Filing on October 1, 2021 in accordance with the order of the Georgia Public Service Commission (the “Commission”) dated July 30, 2020, in this Docket; and

WHEREAS, the Georgia Public Service Commission Natural Gas Staff (“Staff” and the only other “Party” to this 2022 GRAM Stipulation) has reviewed PSNG’s 2022 Annual GRAM filing, issued data requests, reviewed PSNG’s responses to Staff’s data requests, and met with PSNG’s representatives numerous times to refine the 2022 Annual GRAM Filing and ensure compliance with the previous orders of this Commission; and

WHEREAS, Staff and PSNG have agreed on certain modifications to the initial 2022 Annual GRAM Filing, which are included in the Revised 2022 Annual GRAM Filing attached hereto as Attachment A; and

¹ The Georgia Rate Adjustment Mechanism (“GRAM”) is an alternative form of ratemaking authorized by O.C.G.A. § 46-2-23.1, which this Commission has previously approved for PSNG (the “PSNG GRAM”) as being in the public interest and producing just and reasonable rates.

WHEREAS, the Parties have also agreed to a method of estimating the Future Test Year revenues as discussed herein, as reflected in the Revised 2022 Annual GRAM Filing attached hereto as Attachment A, and as described in the Attachment B hereto; and

WHEREAS, the Parties have also agreed to a new group asset life to be used to calculate annual depreciation expenses for certain assets as discussed herein and as reflected in the Revised 2022 Annual GRAM Filing attached hereto as Attachment A; and

WHEREAS, the Parties agree that the Commission's approval of this 2022 GRAM Stipulation will fully resolve all issues in the PSNG 2022 Annual GRAM Filing proceeding in Docket No. 42959, and

THEREFORE, Staff and Liberty agree as follows:

1. This 2022 GRAM Stipulation is contingent upon the Commission approving this Stipulation as filed, or with modifications that are acceptable to the Parties.
2. Attachment A to this Stipulation should be approved as Liberty's 2022 Annual GRAM Filing and the resulting rates shall become effective for bills rendered on and after February 1, 2022.
3. Following PSNG's last comprehensive rate proceeding,² the Liberty corporate family of companies have undertaken a significant initiative across the corporate affiliate companies to replace a number of legacy systems that are rapidly becoming obsolete. PSNG refers to this comprehensive modernization effort as Customer First, which will have an allocation to PSNG of Customer First assets that will become part of PSNG's plant in service for ratemaking

² PSNG's 2020 Rate Case was resolved by a Stipulation in this docket approved by the Commission in an order dated July 30, 2020.

purposes.³ When PSNG's most recent comprehensive depreciation study was approved, PSNG did not have a technology asset group with an expected life longer than ten years for depreciation purposes. Consequently, PSNG's initial 2022 Annual GRAM Filing showed a ten-year depreciation life for allocated Customer First investments, but indicated to Staff that most of the allocated Customer First assets should have a longer expected life. Previous GRAM Stipulations between Staff and PSNG provided that in the event there are new issues, adjustments, or ratemaking topics (collectively, "New Matters") that would affect an Annual GRAM Filing for which there is no prior determination regarding PSNG by the Commission, Staff and PSNG would negotiate to resolve such matters; in the event a mutual resolution is not reached, the New Matters will be submitted to the Commission for resolution. Staff and PSNG treated the longer asset life issue as a New Matter, and agreed that certain allocated Customer First assets would be assigned a fifteen-year life for depreciation purposes, and the balance of the allocated Customer First assets would be assigned a seven-year life for depreciation purposes, as reflected in the Revised 2022 Annual GRAM Filing attached hereto as Attachment A.

4. Until otherwise agreed to by the Parties and approved by the Commission (or until the Commission otherwise orders), WP 4-1-1 Customer Growth Adjustment, WP 4-1-3 Usage, and WP 4-1-3-1 Usage Factor shall be calculated and presented in subsequent GRAM Filings as reflected in the Revised 2022 Annual GRAM Filing attached hereto as Attachment A.

5. Attached hereto as Attachment B is a narrative description of WP 4-1-1 Customer Growth Adjustment. In the unlikely event of a conflict between the 2022 Revised Annual GRAM

³ The assets will be held by the corporate services provider, and the allocated portion of the plant will be pushed down to all operating companies, including Liberty Utilities (Peach State Natural Gas) Corp., for ratemaking purposes.

(Attachment A) and the narrative description (Attachment B), the 2022 Revised Annual GRAM will control.

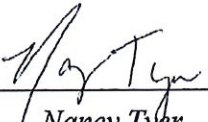
6. Except as specifically provided for within this Stipulation, the Parties reaffirm the provisions of the 2020 GRAM Stipulation and agree to the same as if the text of the 2020 GRAM Stipulation were set forth herein.

7. Staff and Liberty will use their best efforts to obtain approval of, and to implement, this Stipulation.

[SIGNATURES APPEAR ON THE NEXT PAGE]

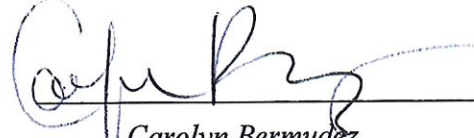
Agreed to this the 25th day of January, 2022.

**Public Interest Advocacy Staff
Georgia Public Service Commission**



Name: Nancy Tyer
Title: Director, Natural Gas Unit

**Liberty Utilities
(Peach State Natural Gas) Corp.**



Name: Carolyn Bermudez
Title: President

Attachment A

Revised 2022 Annual GRAM Filing

Attachment B

Narrative Description of

WP 4-1-1 Customer Growth Adjustment,

Liberty Utilities (Peach State Natural Gas) Corp.
Docket No. 42959: 2022 GRAM Stipulation
Attachment B: Narrative Description of WP 4-1-1 Customer Growth Adjustment,
WP 4-1-3 Usage, and WP 4-1-3-1 Usage Factor

I. WP 4-1-1 Customer Growth Adjustment Methodology

Annual GRAM WP 4-1-1 Customer Growth Adjustment will use the methodology below related to (a) 810 Residential customers and (b) a combination of 820 and 830 Commercial customers. The Revised 2022 Annual GRAM Filing attached to the 2022 GRAM Stipulation is an example of this method.

Residential

The Column-I "Fiscal Year" dates will be the historic test year ending June 30th for the current GRAM filing year, and the five previous years ending June 30th.

The Column-II "Customer Numbers" will be provided from WP 4-1-6 and are to be consistent with the Quarterly GRAM Filings for Residential customers.

Column-III will provide five years of Residential customer gains and/or losses.

A "Residential Customer Compound Growth Rate" will be calculated with the following formula: $(\text{Year-6 Historic Test Year RES Customer Count} / \text{Year-1 Historic Test Year RES Customer Count})^{(1/5)} - 1$.

"Months from Historic Period to End of Test Period" will be the period from July 1st of the current GRAM filing year to the end of the next Rate Effective Period, January 30th (typically this will be a 19-month period).

"Residential Historical Bills Excluding Senior/Low-Income" will be obtained from WP 4 Rev Column-C for 810 Residential.

"Monthly Adjustment to Residential Customers" will be calculated with the following formula: $(\text{Compound Growth Rate} \times \text{Months from Historic Period to End of Test Period} / 12\text{-months} \times \text{Historic Bills Excluding Senior/Low-Income} / 12\text{-months})$. This number is then used for WP 4-1 Column-C for 810 customers and multiplied by 12 (12 Months).

"Residential Annual Usage per Customer" number will be equal to the "Trended Normal Usage Per Customer" column found in WP 4-1-3-1 in the "Residential Usage Adjustment" columns for the current and prior GRAM filing year.

"Residential Adjustment to Volumes" will be equal to the formula: "Monthly Adjustment to Residential Customers" x "Residential Annual Usage per Customer." This number will be used for WP 4-1 worksheet Column-F 810 Residential customers.

Commercial

Column-I "Fiscal Year" dates will be the historic test year ending June 30th for the current GRAM filing year, and the five previous years ending June 30th.

Column-II "Customer Numbers" will be provided from WP 4-1-6 and will be consistent with the Quarterly GRAM Filings for the total of 820 and 830 Commercial customers.

Column-III will provide five years of combined 820 and 830 Commercial customer gains and/or losses.

"Commercial Compound Growth Rate" will be calculated with the following formula: $(\text{Year-6 Historic Test Year Customer Count} / \text{Year-1 Historic Test Year Customer Count})^{(1/5)} - 1$.

"Months from Historic Period to End of Test Period" will be the period from the July 1st of the current GRAM filing year to the end of the next Rate Effective Period, January 30th (typically this will be a 19-month period).

"Commercial Historical Bills" will be equal to WP 4 Rev Column-C for 820 Commercial and 830 Commercial.

"Monthly Adjustment to Commercial Customers" will be the following formula: $(\text{Compound Growth Rate} \times \text{Months from Historic Period to End of Test Period} / 12\text{-months} \times \text{Historic Bills} / 12\text{-months})$. This number is then used for WP 4-1 Column-C for 820 customers and multiplied by 12 (12 Months).

"Commercial Annual Usage Adjustment per Customer" number will be equal to the "Trended Normal Usage Per Customer" column found in WP 4-1-3-1 in the "Commercial Usage Adjustment" columns for the current and prior GRAM filing year.

"Commercial Adjustment to Volumes will be equal to the formula: "Monthly Adjustment to Commercial Customers" x "Commercial Annual Usage per Customer". This number will be used for WP 4-1 worksheet Column-F 820 Commercial customers.

II. WP 4-1-6

The historic test year-end Customer Numbers in WP 4-1-1 will be equal to the values in WP 4-1-6. The Customer Numbers in WP 4-1-6 will be equal to the corresponding Customer Numbers as provided in the quarterly GRAM reports. Additionally, the Commercial Customer Numbers used in WP 4-1-6 will be the total of 820 and 830 Commercial customers.