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BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF GEORGIA

DOCKET NO. 42959

LIBERTY UTILITIES (PEACH STATE NATURAL GAS) CORP.'S PETITION TO ADD LOCAL GAS TRANSPORATION GAS SCHEDULE 870

ORDER ADOPTING TARIFF REVISIONS

I. BACKGROUND

This matter came to the Georgia Public Service Commission on Liberty Utilities (Peach State Natural Gas) Corp.'s ("Liberty" or the "Company") petition (the "Petition") to revise its current Tariff by adding a new Local Gas Transportation Schedule 870 and making other conforming changes to its existing Tariff.

II. THE PETITION

On July 17, 2023, Liberty petitioned the Commission to request authority to add a new Local Gas Transportation Service Schedule 870, and to make conforming changes to other sections of the Company's Tariff. The proposed Schedule 870 provides terms and conditions for intrastate transportation service for gas, including renewable natural gas ("RNG"), produced within Georgia. Currently, the proposed Tariff revisions also include a schedule for an application fee, monthly customer charge per meter, and a Volumetric Transportation Rate. The proposed Tariff 870 rate class, if approved, will be included in the Liberty GRAM as revenue, subject to true up.

The Petition also included a new Service Regulation No. 10 that will establish gas quality standards for any locally produced gas that will be injected into the Liberty Utilities gas distribution system. Gas quality will be monitored either continuously or periodically as required

by the proposed Service Regulation based on acceptable levels of constituents that will flow into Liberty's intrastate natural gas pipeline.

The Petition also proposes updates to language in Company Service Regulation No. 11, relating to customer resales of gas purchased from the Company, an updated Table of Contents, and an updated Summary Rate Sheet.

III. STAFF'S ANALYSIS AND RECOMMENDATION

Staff met with the Company several times regarding the proposal to modify its tariff to establish the need and usefulness of the proposed Tariff modifications. Staff assessed the merits of the proposed Tariff 870 based on the proposal to provide pipeline quality gas from locally produced sources, protect firm customers from costs incurred by system construction under Proposed Tariff 870, and ensure regulatory compliance. The gas quality standards intend to conform to pipeline natural gas quality standards on an acceptable level for each identified constituent of concern. As part of Staff's due diligence, these standards were discussed with a natural gas quality standards expert to assess the merits of the proposed Service Regulation No. 10. Staff was ultimately satisfied with the standards proposed along with their monitoring frequencies. Furthermore, the Proposed Tariff 870 provides that any gas introduced into the distribution system must meet either (a) the gas quality standards specified in the new Service Regulation No. 10 *or* (b) the pipeline gas quality standards for the interstate natural gas pipeline serving the Company nearest the Special Gas Transportation Service receipt point, whichever is more stringent.

Staff compared language in the proposed Tariff Schedule 870 with language in Tariff Schedule 860, which provides for the use of Pool Managers by one or more customers to nominate and supply gas on their behalf and therefore, will be subject to a Transportation Service agreement between the Transportation Customer and the Company. Staff confirmed that proposed Tariff 870 will provide for comparable transportation-only service, for receipt and delivery points that are within the State of Georgia. In addition, Customers engaging in service under proposed Tariff 870 may be required to execute a facilities construction contract with Liberty to pay for some or all costs of additional facilities.

As part of its due diligence related to Service Regulation No. 10, Staff met with a chemical engineer with experience and expertise in the RNG industry to discuss the process of converting raw waste gas from renewable sources such as landfills and stockyards into usable, safe, effective natural gas from producer to consumer. There are multiple parties included in the process of converting RNG into useable processed biogas that have their own compelling incentives. The RNG source (landfill, stockyard, etc.) owner will enter into an agreement with a developer to gather and refine raw methane from the site into pipeline quality gas and deliver the product to a metered receipt point on Liberty's system. The developer will earn an environmental attribute (EA) for refining raw methane product into pipeline quality gas. Once earned, the developer may then choose to monetize the EA through existing out-of-state markets. The processed biogas from the RNG becomes fully interchangeable with the natural gas delivered by interstate pipelines and can then be introduced to Liberty's distribution system. Once introduced, a Pool Manager (or a

customer acting as their own Pool Manager) can use the gas to meet customers' needs. From receipt to delivery, Liberty will continue to manage the pipeline service and delivery points, along with all other applicable facilities to be used in service.

Staff completed its due diligence on August 14, 2023, and after careful consideration, recommended the approval of the modifications as requested by Liberty in its Petition.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Commission finds and concludes that the requested modifications and additions to the Company's Tariff are a fair and reasonable approach to providing local gas transportation on Liberty Utilities' system in Georgia. Therefore, the Commission approves and adopts the proposed additions and modification as being appropriate and in the public interest.

****

WHEREFORE IT IS ORDERED, that all findings, conclusions, and statements made by the Commission and contained in the foregoing sections of this Order are hereby adopted as findings of fact, conclusions of law, and statements of regulatory policy of this Commission.

ORDERED FURTHER, that the Commission adopts the proposed Tariff additions and modifications as a fair and reasonable resolution of the issues in the Petition, subject to the terms and conditions herein.

ORDERED FURTHER, that the Commission hereby approves the Petition and Staff's recommendation under the terms and conditions herein. The Proposed Tariff additions and modification are to be effective immediately without additional notice and without suspension.

ORDERED FURTHER, that Liberty Utilities (Peach State Natural Gas) Corp. shall abide by the terms and conditions as set forth herein.

ORDERED FURTHER, that a motion for reconsideration, rehearing, or oral argument or any other motion shall not stay the effective date of this Order, unless otherwise ordered by the Commission.

ORDERED FURTHER, that jurisdiction over this matter is expressly retained for the purpose on entering such further Order or Orders as to this Commission may deem just and proper.

The above by action of the Commission during its Special Administrative Session on the 31st day of August 2023.

Sallie Tanner
Executive Secretary

8-31-23
Date

Jason Shaw
Chairman

8-31-23
Date

DN 42959: Tariff Modification Petition - Exhibit 1

LOCAL GAS TRANSPORTATION SERVICE – CONFORMING GAS

SCHEDULE 870: ALL SERVICE AREAS

1. Availability

Service under this Tariff is available to any party who contracts with the Company to provide intrastate Transportation Service of Local Gas that meets the eligibility and Local Gas Quality criteria of this schedule, under the conditions provided herein.

2. Character of Service

The Company shall transport Local Gas on a Firm basis from a Transportation Service Receipt Point to a Transportation Service Delivery Point, or facilitate the Sale for Resale of Local Gas at a Transportation Service Receipt Point.

3. Rate

The Rate shall consist of an Application Fee, a Monthly Customer Charge per meter (regardless of the usage of gas) and a Volumetric Transportation Rate (per Ccf) as set forth more fully in the Summary Rate Sheet in effect from time to time.

Additionally, bills for service are subject to charges for Franchise Tax Recovery charge (if the revenues are included in the applicable franchise tax calculation) and the Margin Loss Recovery Rider. The GRAM adjustments apply
to service provided under this Rate Schedule. The minimum net monthly bill shall be the customer charge.

4. Definitions

In addition to other Definitions contained in the Company's Tariff, the following Definitions shall apply to the Company's Local Gas Transportation Service (Schedule 870):

(a) Transportation Customer: A Person who owns Local Gas or acts on behalf of a Person who owns Local Gas and who signs a Transportation Service Agreement with the Company to transport Local Gas on the Company's facilities.

(b) Sale for Resale Customer: A Person who owns Local Gas or acts on behalf of a Person who owns Local Gas and who seeks to sell Local Gas to a Pool Manager delivered at a Transportation Service Receipt Point.

(c) Transportation Service Receipt Point: As determined by the Company at its sole discretion, the location on the Company's system where the Transportation Customer delivers Local Gas to be transported by the Company to a Transportation Service Delivery Point or where the Transportation Customer delivers Gas that is sold for resale to a Pool Manager within the state of Georgia.

(d) Transportation Service Delivery Point: The location on the Company's system where the Company's distribution system interconnects with an interstate pipeline company.

(e) Sale for Resale: Unless otherwise specified in a service agreement or Transportation Service Agreement, a Sale for Resale Customer may cause Local Gas to be delivered to a Transportation Service Receipt Point where it will be sold to a Marketer Manager to serve customers in Georgia.

(f) Local Gas: Local Gas shall be either (1) Gas produced in Georgia from a landfill, livestock operation, wastewater treatment, or other Gas production site, or produced from natural underground strata containing natural gas; or, (2) liquefied natural gas that is vaporized in Georgia to Gas; or, (3) other forms of Gas produced or that may be produced in Georgia; provided that all Local Gas shall conform to the Company's Gas Quality specifications.

(g) Local Gas Quality: Local Gas Quality shall have the same meaning as under the Company's Tariff General Terms and Conditions for Gas Quality.

(h) Non-conforming Local Gas: Any Gas which does not conform to the more stringent of: (i) the Company's Gas Quality or Local Gas Quality specifications, or (ii) the pipeline gas quality standards for the interstate natural gas pipeline serving the Company nearest to the Special Gas Transportation Service Receipt Point.

5. Billing

The Company shall issue a bill to the Transportation Customer monthly, which shall be due and payable upon receipt.

6. Minimum Monthly Bill

The minimum monthly bill shall be the amount of the Monthly Customer Charge, plus applicable taxes, during the term of the Transportation Service Agreement.

7. Other Terms and Conditions

(a) Service is subject to all applicable laws and orders, and to the Company's Tariff.

(b) All transportation service under this Schedule shall require the execution of a Transportation Service Agreement by the Transportation Customer and the Company.

(c) An application for Transportation Service shall be made by a written request which shall be accompanied by the appropriate Application Fee as set forth in the Summary Rate Sheet. No Application Fee shall be required for the extension or renewal of an existing Transportation Service Agreement, but shall be required upon application to substantial amended an existing agreement.

(d) The Company shall not be required, at its own expense, to install any facilities of any kind to serve a Transportation Customer or a Sale for Resale Customer. In the event that any new or altered facilities are required to serve a Transportation Customer or Sale for Resale customer, said Customer shall execute a facilities construction contract, that may be part of the service agreement or Transportation Service Agreement required herein, and shall pay for all costs of additional facilities, including without limitation storage, distribution, and metering facilities.

(e) Lost and Unaccounted For Gas Adjustment

a. The Company shall transport Local Gas received from the Transportation Customer at designated Transportation Service Receipt Points, reduce metered volumes by a quantity of Local Gas equal to the Company's Lost and Unaccounted For percentage allocated to interruptible customers, and deliver the remaining quantities of Local Gas at the designated Transportation Service Delivery Points on a per Therm basis. Such reduction in Gas quantity delivered shall be deemed to reflect Gas consumed or lost in providing service hereunder.

b. Metered volumes of Local Gas sold to a Marketer Manager at a Transportation Services Receipt Point shall not be adjusted for Lost and Unaccounted for Gas.

(f) The Transportation Customer shall balance the quantity of Local Gas delivered for Transportation Service with the quantity of Local Gas scheduled for delivery. Failure to balance may result in penalties, incentive fees and other charges which shall be applied in accordance with the Company's Tariff covering balancing.

(g) A deposit may be required to be paid by a Transportation Customer at the time the Transportation Service Agreement is executed equal to the total estimated charges for the first two (2) full months of Transportation Service. The terms of the deposit arrangements shall be included in the Transportation Service Agreement.

(h) The Transportation Customer and the Sale for Resale Customer must warrant that: (i) all Local Gas transported under this Schedule will be consumed within the State of Georgia, and (ii) neither the Transportation Customer nor the Sale for Resale Customer will engage in activity that could be deemed to be circumventing the Federal Energy Regulatory Commission's jurisdiction over interstate transportation of natural gas.

8. Additional Terms and Provisions

Service under this schedule is subject to the Tariff, including the Terms of Service and Rules and Regulations of the Company, as filed with and approved by the Commission from time to time, as well as all current and future Riders and tariff provisions made applicable to service under this schedule by the Commission from time to time.

DN 42959: Tariff Modification Petition - Exhibit 2

SERVICE REGULATION NO. 10

LOCAL GAS QUALITY STANDARDS

10.0 All conforming local gas delivered to the Company in accordance with Rate Schedule 870 shall meet the more stringent specific gas quality standard of (a) the Interstate Natural Gas Pipeline serving the portion of the Company's distribution system wherein the local gas is delivered to the Company, or (b) the Gas Quality standards as follows:

10.1 Application and Purpose

These standards apply to all local gas injected into the Liberty Utilities gas distribution system. These specifications ensure that RNG to be injected into the system is within expected operating parameters and interchangeable with natural gas, without regard to local gas sources.

10.2 Specifications

Local gas composition must meet the specifications outlined in Table 1. The values shown in Table 1 represent maximum levels, unless a range of values is indicated. Minimum and maximum pressures will be set for each local gas production facility on a case-by-case basis.

In summary, in order to be injected into the Liberty Utilities gas distribution system, RNG must:

- Not contain any contaminants, particles, or other impurities at a concentration that are known as a threat to the integrity of the system, human health, or the environment.
- Have an energy content no lower than 970 btu/scf and no higher than 1110 btu/scf.
- Have a Wobbe Index during normal operation no lower than 1270 and no higher than 1400 btu/scf.
- Not contain more than 2% by volume of carbon dioxide.
- Not contain more than 0.4% by volume of oxygen.
- Not contain more than 4% by volume of total inerts.
- Not contain more than 7lbs / million scf of water content.
- Not contain more than 0.3% by volume of hydrogen.
- Not contain more than .25 grains / 100scf (4.125 ppm) of hydrogen sulfide.
- Not contain more than 1 grain / 100scf (16.5 ppm) of total sulfur.
- Not contain more than 10ppm of ammonia.
- Not contain more than 0.5ppm of total siloxanes (depending on molecular weight).
- Not contain more than 1-2ppm of halocarbons and organochlorinated compounds (depending on molecular weight).

- Be technically free of volatile organic compound, bacteria, particles, and dust.
- Not form liquid hydrocarbons at temperatures of 15°F or higher at the delivery pressure.
- Be delivered at a maximum temperature of 86°F.

Table 1: Renewable Natural Gas – Pipeline Gas Quality Specifications

		Value	Unit	Monitoring Frequency*	Recommended Test
Heating Value	HV	970 - 1110	BTU/scf	Continuous	D1945 / D7164
Wobbe Index	WN	1270 – 1400	BTU/scf	Continuous	D1945 / D7164
Carbon Dioxide	CO_2	2	% vol	Continuous	D1945
Oxygen	O_2	0.1 - 0.4	% vol	Continuous	D1945
Total Inerts		4	% vol	Continuous	D1945
Water Content	H_2O	7	Lbs/Mscf	Continuous	D1142 / D5454 / D3588
Hydrogen	H_2	0.1 – 0.3	% vol	Periodic	D1945
Hydrogen Sulfide	H_2S	4.125	ppm	Continuous	D4084 / D6228 / D4468 / D5504 / D7166
Total Sulfur	S	16.5	ppm	Periodic	D4084 / D6228 / D4468 / D5504 / D7166
Ammonia	NH_3	10	ppm	Periodic	D1945
Siloxanes	Si	0.5	ppm	Periodic	E.g., Gas Chromatography (ELCD, AED, MS)
Halocarbons and organochlorinated compounds		1 - 2	ppm	Periodic	E.g., Gas Chromatography / Electrolytic Conductivity Detector
Volatile organic compound	VOCs	Technically free of		Periodic	E.g., Gas Chromatography / Mass Spectrometry (GC/MS)
Bacteria		Technically free of		Periodic	E.g., Most Probable Number Determination of Total Live Bacteria (MPN), others
Particles, dust, etc.		Technically free of		Continuous	E.g., Environmental recommendations 0.1µm filters
Hydrocarbon Dew Point		15 / -9	°F / C°	Continuous	D5504 / D1142
Delivery Temperature (plastic pipe)		86 / 30	°F / C°	Continuous	

** In this document, continuous monitoring means real-time or near-real time. Periodic monitoring could be seasonal, semi-annually, or annually. Final monitoring frequency will be defined for each RNG facility*

DN 42959: Tariff Modification Petition - Exhibit 3

SERVICE REGULATION NO. 11

GENERAL CONDITIONS OF SERVICE

11.1 Limitations of Supply

Company shall endeavor to furnish continuous service to the Customer but does not guarantee uninterrupted service. Company shall not be liable for loss or damage resulting from interruptions or deficiencies in service occasioned by any cause except willful default or neglect on its part.

11.2 Resale Prohibited

Gas purchased from the Company shall be used by the Customer at one location and shall not be resold, unless specifically authorized by the Company in writing.

11.3 Appliances and Equipment

All appliances and equipment furnished at the expense of the Company shall remain the property of the Company, and may be removed by it upon the termination of Customer's service agreement, or discontinuance of service, or any time thereafter.

11.4 Delivery Pressure

Company shall deliver gas at the pressure available from its distribution system, but not in excess of seven inches of water column, unless a different pressure is expressly set forth in Customer's service agreement. Company may, at its option, contract to deliver gas at a higher pressure to a Customer provided that such delivery pressure may be reduced at any time following at least 90 days written notice to such Customer.

DN 42959: Tariff Modification Petition - Exhibit 4

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DN 42959: Tariff Modification Petition - Exhibit 5

SUMMARY RATE SHEET

Applicable to Customers for Whom a Transitional Rate Does Not Apply

Rate Schedule	Service	Monthly Customer Charge Per Meter	Volumetric Charge Per Ccf
810	Residential Gas Service	$29.77	0.5660
820	General Gas Service - Commercial	$60.61	$0.3418
820	General Gas Service – Industrial	$193.26	$0.3418
822	Residential and Small Commercial Heating and Cooling Service	$29.77	$0.2653
830	Large Volume Service	$180.40	$0.2560
830T	Large Volume Service Transportation	$871.16	$0.2053
840	Large Volume Service for Compressed Natural Gas Service Providers	$180.40	$0.2560
880	Economic Development Gas Service	See Rate Schedule	
891	Negotiated Gas Service	See Rate Schedule	
892	Cogeneration, Compressed Natural Gas, Fuel Cell Service	$871.16*	$0.3403
893	Large Tonnage Air Conditioning Gas Service	$871.16*	$0.2682
894	Emergency Service	See Rate Schedule	

Rate Schedule	Service	Monthly Customer Charge per Meter	Monthly Demand Charge for Each Contracted Ccf	Volumetric Rate Applied to the 1st 20,000 Ccf per month	Volumetric Rate Applied the Next 80,000 Ccf per month	Volumetric Rate Applied to all amounts over 100,000 Ccf per month
850	Optional Gas Service	$871.16	$0.8183	$0.2053	$0.1730	$0.1442
860	Transportation Service	$871.16	$0.8183	$0.2053	$0.1730	$0.1442

Rate Schedule	Service	Monthly Customer Charge Per Meter	Application Fee	Volumetric Rate Applied to all Ccf per month
870	Local Gas Transportation (Conforming Gas)	$871.16	$5,285.00	$0.0850

* For these specific Rate Schedules (892 and 893), the Customer Charge for existing adjacent connected load will not be duplicated; the existing Customer Charge will continue at the customer's regular rate schedule Customer Charge.

Issued by: **Adam Bigknife – Mgr., Rates and Regulatory Affairs**
Date Issued: **August 27, 2023**

Effective Date: September 1, 2023