BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

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

GEORGIA PUBLIC SERVICE COMMISSION NATURAL GAS STAFF AND LIBERTY UTILITIES (PEACH STATE NATURAL GAS) CORP.'s 2024 GRAM STIPULATION

WHEREAS, Liberty Utilities (Peach State Natural Gas) Corp. ("Liberty Utilities" and a "Party" to this 2024 GRAM Stipulation) filed its 2024 Annual GRAM[1] Filing on October 2, 2023 (the "Initial 2024 Annual GRAM Filing") 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 2024 GRAM Stipulation) has reviewed Liberty Utilities' Initial 2024 Annual GRAM filing, issued data requests, reviewed Liberty Utilities' responses to Staff's data requests, and met with Liberty Utilities' representatives numerous times to refine the 2024 Annual GRAM Filing and ensure compliance with the previous orders of this Commission; and

WHEREAS, Staff and Liberty Utilities have agreed on certain modifications to the Initial 2024 Annual GRAM Filing. The agreed-to modifications are included in the Revised 2024 Annual GRAM Filing attached hereto as Attachment A and are summarized as follows:

[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 Liberty Utilities (the "Liberty Utilities GRAM") as being in the public interest and producing just and reasonable rates.

1. Staff and Liberty Utilities identified a plant addition issue on WP 2-1-1 where additions to plant account 39700 – Communication Equipment were misassigned and should have been assigned to plant account 37900 – Meas. & Reg- City Gate. Correcting the addition reduces the 2024 GRAM deficiency by $71,290. This correction is reflected in the Revised 2024 Annual GRAM Filing attached hereto as Attachment A; and

2. The Pension Expense on WP 2-6 CWC reflected a negative balance where overheads associated with OPEB Expense were inaccurately booked in Pension Expense. Correct assignment of OPEB overheads to OPEB Expense instead of Pension Expense did not change the combined total balance of the accounts but did reduce the 2024 GRAM deficiency by $3,609, due to variance in Expense Lag Rates. This correction is reflected in the Revised 2024 Annual GRAM Filing attached hereto as Attachment A; and

3. Account 903 – Customer Records and Collections Expense on WP 5 O&M included $63,367 of non-recurring labor expense associated with enterprise software implementation. Removal of this expense reduces the 2024 GRAM deficiency by $63,367. This correction is reflected in the Revised 2024 Annual GRAM Filing attached hereto as Attachment A; and

4. WP 2-1-1 includes plant additions to account 3902 – Improvements but was intended for 39000 – Structures & Improvements. Correcting this plant addition results in a $0 impact to the 2024 GRAM deficiency, since both accounts carry the same deprecation rate. This correction is reflected in the Revised 2024 Annual GRAM Filing attached hereto as Attachment A; and

5. Historical Income Statement and Balance Sheets were included on the Index tab and have been removed in alignment with prior GRAM models.

WHEREAS, the Parties agreed to include clarifying footnotes to Schedule 10 reflective of debt cost updates and agree to include additional footnotes when debt cost changes occur in the future. These footnotes add context to future GRAM filings regarding debt cost trends and are included in the Revised 2024 Annual GRAM Filing attached hereto as Attachment A; and

WHEREAS, the Parties agree that Liberty shall continue to file Annual GRAM filings no later than October 1st of each year. Following each annual GRAM filing, the Staff will have 150 days to review the annual GRAM filing and submit a recommendation to the Commission in order for the Commission to issue an order on Staff's recommendation with the same 150-day period. Liberty shall continue to use the twelve-month period ending June 30 (the "Historic Test Year") as a basis for each Annual GRAM Filing. The period for which adjustments, if any, are determined shall be for the 12-month period of March through February (the "Rate Effective Period, which is the same as the "Forward-looking Test Year"). If the operation of the Annual GRAM Filing results in an adjustment as provided herein to Liberty's rates, Staff shall present a recommendation on the resulting rate adjustment before the Commission by the last day of February regarding any adjustment of rate that will go into effect on March 1st; and

WHEREAS, the Parties agree shifting the Rate Effective Period from the twelve-month period of January through February to March through February for the 2025 Annual GRAM filing could result in revenue loss for the rate effective month of February 2025 and a one-time Revenue True-Up is appropriate. The February 2025 revenue true-up will be determined based on the final rates approved for the 2025 Annual GRAM and will be detailed within WP 4-5 Feb 2025 RTU in the 2025 Annual GRAM filing. Any revenue loss identified in WP 4-5 Feb 2025 RTU will be included for recovery on WP 4-3-1 RTU Rate Calc as part of the 2023 RTU recovery; and

WHEREAS, the Parties agree that going forward, Liberty's filing of Quarterly GRAM Reports shall be filed as follows:

- Liberty's Quarterly GRAM Report for each Quarter 1 ending March 31 shall be due on June 15th.
- Liberty's Quarterly GRAM Report for each Quarter 2 ending June 30 shall be due on September 15th.
- Liberty's Quarterly GRAM Report for each Quarter 3 ending on September 30 shall be due on Dec 15th.
- Liberty's Quarterly GRAM Report for each Quarter 4 ending on December 31 shall be due on March 30th; and

WHEREAS, the Parties agree that the Commission's approval of this 2024 GRAM Stipulation will fully resolve all issues in the Liberty Utilities 2024 Annual GRAM Filing proceeding in Docket No. 42959, and

THEREFORE, Staff and Liberty Utilities agree as follows:

1. This 2024 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 Utilities' 2024 Annual GRAM Filing and the resulting rates shall become effective for bills rendered on and after February 1, 2024.

3. 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.

4. Staff has the authority to audit Liberty's books and records to verify the quarterly financial reports, the Annual GRAM Filing, or any financial data provided in support of a requested rate adjustment. Liberty will provide data requested by Staff in performance of its audit. If Staff should have to incur travel expenses to Liberty's offices, Liberty shall pay such expenses as necessary costs of providing service, and Liberty may promptly recover the full amount of all such costs paid by Liberty. In addition, for Staff development and training purposes, the Parties have agreed to provide $30,000 annually. The amounts paid by the Company for these expenses shall be deemed a necessary cost of providing service, and Liberty shall be entitled to recover the full amount of any cost charges to the utility pursuant to O.C.G.A. 46-2-33. Payments by Liberty shall be made pursuant to a Memorandum of Understanding mutually acceptable to Staff and Liberty, which is to be executed by the Parties subsequent to an Order, if any, from this Commission approving this Stipulation.

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

Agreed to this 29th day of January, 2024.

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 2024 Annual GRAM Filing