BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

IN RE:	)	
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LIBERTY UTILITIES (PEACH STATE NATURAL GAS) CORP. 2024 - 2025 GAS SUPPLY PLAN	)	**DOCKET NO. 55650**

STIPULATION

The Georgia Public Service Commission Natural Gas Staff (a "Party" to this Stipulation and hereinafter referred to within this Stipulation as "Staff"), and Liberty Utilities (Peach State Natural Gas) Corp. (a "Party" to this Stipulation and hereinafter referred to within this Stipulation as either "Liberty" or the "Company") agree to the following Stipulation as a resolution to the Company's 2024 – 2025 Gas Supply Plan. The parties request that the Commission approve the Company's 2024 – 2025 Gas Supply Plan subject to the following conditions:

1. **Adjustments to PGA Factor**

   Liberty shall modify its proposed PGA Factor to be effective October 1, 2024, to include an imbalance adjustment for the projected over/under recovery for the 2023 – 2024 recovery year as required by O.C.G.A § 46-2-26.5(e).

   In light of relatively large changes to the cost of natural gas that sometimes occur between (a) the usual time to file PGA Factors in the middle of each month, and (b) the effective date of those new PGA rates at the beginning of the following month, Staff and Liberty request that the Commission exercise its authority under O.C.G.A. § 46-2-26.5(i) to continue to authorize and direct Liberty to file PGA Factors near to the date they will become effective, if needed to more accurately set a PGA rate. A similar provision was included in last two Gas Supply Plans and was approved. With the Commission's approval of this Stipulation, Liberty will be authorized to continue to file changes in PGA rates that will become effective in as few as two days following the PGA rate filing. This directive for Docket 55650 shall be effective for the period beginning with the issuance of an Order in this docket through the end of the 2024 – 2025 Gas Supply Plan Year (September 30, 2025).

2. **Monthly and Quarterly Reports**

   Liberty shall continue to make monthly and quarterly filings of gas costs and recovery positions for the 2024 – 2025 Plan Year, pursuant to O.C.G.A. § 46-2-26.5 and Commission Utility Rule 515-7-2-.08. This information will continue to be filed as an Excel spreadsheet with live and unlocked formulas.

3. **2025 - 2026 Plan Year Design Day Forecast and 2025 – 2026 Gas Supply Plan**

   Liberty shall file its Design Day Forecast with the Commission for the 2025 – 2026 Plan Year no later than 4:00 p.m. on June 2, 2025, along with documentation regarding its demand forecasting methodology (in an Excel spreadsheet with enabled formulas intact), as further described below. Liberty shall file its 2025 – 2026 Gas Supply Plan no later than 4:00 p.m. on July 1, 2025.

4. Design Day Forecast Methodology.

a) Both Parties agree that it is important to forecast accurately the design day system requirements. For the 2024 – 2025 Plan Year, the Liberty Design Day Forecast is approved as filed on July 1, 2024 based on HDDs, which is the methodology approved by the Commission in the last Gas Supply Plan filings in Georgia (Docket No. 45083).

For the 2025 – 2026 Gas Supply Plan, Liberty will once again file two versions of the forecasts replicating that same methodology using (a) HDDs, and (b) EDDs. The Company and Staff have agreed that Liberty will file using HDDs and EDDs so that Staff and Liberty can study the merits and accuracy of each approach over three plans. Unless the Parties agree or the Commission orders otherwise, the array of assets based within the 2025 – 2026 Gas Supply Plan shall be sufficient to meet the forecast based on the HDDs methodology.

b) In the event that either Party to this Stipulation identifies other changes to the existing methodology that it determines will improve the forecasts, that Party may inform the other Party so that if the changes were to be agreed to, either party may propose such changes in future Gas Supply Plan filings, together with information and materials to support such changes, if any. If either Party seeks to propose a demand forecast methodology for Liberty's 2025 – 2026 Gas Supply Plan that is different from Liberty's demand forecast methodologies contained in the approved 2024 – 2025 Gas Supply Plan, the Company and Staff shall meet sufficiently prior to the June 2, 2025 demand forecast filing to discuss the specific proposed changes. Nonetheless, in addition to any other forecast that may be filed by the Company for the 2025 – 2026 Plan Year, Liberty shall include two versions of a Design Day Forecast (as provided in subsection (a) above) based on the methodology filed by the Company and approved by the Commission in this Gas Supply Plan filing, specifically including, but not limited to:

i. A heating degree day requirement (as well as an effective degree day requirement) based on the coldest day in Columbus and the coldest day in Gainesville since 1984;

ii. The regression methodology used by Liberty for this docket;

iii. The Quandt-Andrews Break Point Test;

iv. A report of the test results for the 2024 – 2025 Plan Year; and

v. The Design Day Requirement as calculated above shall further be adjusted not to exceed a five percent (5%) reserve margin, unless otherwise approved by the Commission.

This requirement to file (in addition to any other forecasts that Liberty may file for the 2025 – 2026 Plan Year) a forecast based on the methodology filed by Liberty for this docket and described within this paragraph is not intended to and shall not prejudge the appropriateness of a particular forecast methodology for the 2025 – 2026 Plan Year, but rather shall provide a basis for comparison of this current methodology to

modifications, if any, proposed by the Company in the 2025 – 2026 Gas Supply Plan filing.

5. Peaking Services for Gainesville Service Areas

For the 2023 – 2024 Plan Year, the optimal level of citygate bundled peaking services for the Gainesville areas was determined to be 3,600 Dth per day, and the optimal level of citygate bundled peaking services for the Columbus areas was determined to be 6,500 Dth per day. These levels for the 2023 – 2024 Plan Year provided for an overall array of available assets that included approximately a 5% reserve margins, consistent with prior Commission precedent. As authorized, the Company entered into citygate peaking service agreements for not less than five days during the winter to secure these optimal levels. A portion of the existing citygate bundled peaking services expired following the 2023 – 2024 winter heating season.

The current Asset Management Agreement includes delivered peaking services in the amount of 6,200 Dth per day for the Columbus territory and 1,500 Dth per day for the Gainesville territory, which continue to be available and are included in array of assets for the upcoming winter 2024 – 2025. The volume of 6,200 Dth per day provided pursuant to the existing Asset Management Agreement is adequate to serve Columbus's design day forecast. The Asset Management Agreement for Gainesville includes 1,500 Dth per day of peaking services, which is less than what is needed to serve customers in the Gainesville service areas. Therefore, the Company requested, as part of this Gas Supply Plan, authorization to issue an RFP for the remaining 2,750 Dth per day needed in delivered peaking services and to enter into a contract for such additional services.

For this new 2024 – 2025 Gas Supply Plan, the Company is authorized to obtain incremental peaking service contract(s) for 2,750 Dth per day for the Gainesville service areas. The Company shall keep the Staff informed of the then-current market conditions and the Request for Proposals (RFPs) that it undertakes to obtain the new Peaking Service. The duration for this incremental peaking service is to be for no less than five days during each winter and may be secured for one or two winter periods. The maximum daily quantity ("MDQ") for the available peaking service contracts (including this new incremental service for Gainesville) would achieve approximately a 5% margin above the forecasted firm design day requirement (the "optimal level"). Consistent with prior peaking service authorizations, Liberty is authorized to use a "best cost" acquisition strategy, if Liberty can obtain a higher level of service and/or a longer duration of service at a cost no greater than the optimal peaking services. (For purposes of illustration, if the optimal peaking service were to be 1,500 Dth/Day for five days, but Liberty could obtain a 1,700 Dth/Day seven-day service for the same price, Liberty is also authorized to acquire the longer duration and/or the higher delivery level service.)

6. Hedging.

a) Liberty may continue to utilize a rolling 12-18 month hedging implementation period that is layered ratably over the entire period, unless there are extraordinary events in any given month, for up to 30% of the anticipated winter purchases (the "Authorized

Amounts"), which for the 2024 – 2025 winter is approximately 525,000 DTH.[1] In the event of such an extraordinary event that warrants a suspension or acceleration of planned hedging volumes, the Company will file information with the Commission within thirty (30) days regarding the occurrence of any such extraordinary event. Additionally, the Company may hedge up to one-third of the Authorized Amounts (that is, up to 10% of the anticipated winter purchases, which for each of the 2024 – 2028 winter periods is approximately 175,000 DTH[2]) for as much as three winters in advance. These three-winter-ahead hedges may be done in fewer transactions than the other authorized hedging transactions (e.g., the 12-18 month hedging implementation period that is layered ratably over the entire period), based on the Company's assessment of market conditions.

b) The costs associated with the approved hedging program shall be recovered through the PGA factor pursuant to O.C.G.A § 46-2-26.5.[3]

c) Liberty shall continue to maintain records involving all hedging transactions on a monthly basis and submit a report to the Commission after the end of each calendar quarter. The report shall identify each hedging contract, the date of the transaction, the cost of the transaction, and the price reflected in the contract. These reports shall be filed no later than fifteen (15) days after the last day of each quarter.

7. The Performance-Based Rate ("PBR") program.

a) The Company shall continue the PBR program under the current terms and conditions beginning October 1, 2024, and continuing through September 30, 2025.

b) The Company shall also continue the monthly PBR filings.

8. Requests for Proposals (RFP) for Supply and Asset Management Agreements (AMAs).

The Company typically has contracted for its Georgia base load and storage supplies under one or more Commission-authorized Supply and Asset Management Agreements ("AMAs"). The current AMA for both the Gainesville service areas and the Columbus service areas, which became effective October 1, 2023, will expire at the end of the upcoming Gas Supply Plan year on September 30, 2025. Consequently, during this coming Plan Year, the Company will need to secure new Supply and Asset Management services to become effective on October 1 of 2025, to ensure that there will be no gap between the

[1] *See* Exhibit III, page 4 of the Company's Gas Supply Plan filing, sponsored by the pre-filed direct Testimony of Tatiania Earhart, filed July 1, 2024 in this docket.

[2] Id.

[3] The first five hedging programs for United Cities and Atmos Energy (following the acquisition of United Cities by Atmos Energy) were authorized pursuant to O.C.G.A § 46-2-20, in response to Applications filed by the United Cities and/or Atmos Energy requesting authority to engage in hedging in order to mitigate some of the price volatility of natural gas commodity (*See* Docket Numbers 14155, 14992, 16864, 18631, and 20115). In each of those dockets, the Company was authorized to book the difference in the hedged price and the benchmark price to Account 191 Deferred Gas Costs). Beginning with the 2006 - 2007 Gas Supply Plan Year (Docket No. 22874), Staff and Atmos Energy agreed, and the Commission approved, that the hedging programs should be included within the Gas Supply Plan filings. Hedges are transactions involving rights to buy and sell natural gas. As such, costs related to hedging are "purchased gas costs" as defined in O.C.G.A § 46-2-26.5(a)(7). Permitting recovery of hedging costs in this Stipulation is consistent with the well-established Commission precedent of including such costs as purchased gas costs when the hedging program is part of an approved gas supply plan (*See, e.g.,* Docket Numbers 45083, 44392, 43811, 42965, 42316, 41870, 41154, 39388, 38137, 36794, 35876, 34118, 31492, 29554, and 27168).

end of the current contracts and the beginning of the new contracts. The Company may, in its sole discretion after consultation with Staff, extend the existing AMA on no less favorable terms by amending the current AMA without issuing new RFPs. Alternatively, in the event that the Company and counterparty cannot, despite their commercially reasonable best efforts, agree to extend the existing AMA on as provided herein, the Company is authorized to issue, after consultation with Staff, RFPs for AMA services and to contract for asset management services that would become effective October 1, 2025. Also, the Company is authorized to contract for the new or renewed AMAs for one, two, or three Plan years (2025 – 2026, 2025 – 2027, or 2025 – 2028), depending on market conditions and the available service options. The new or extended AMAs may be either independent of or in connection with peaking service contracts for the same Plan years for the Gainesville Service Areas and the Columbus Service Areas.

9. Payment and/or Reimbursement of Certain Expenses.

In conjunction with Staff's ongoing review of the annual Gas Supply Plan, the Company shall pay for any approved Staff expenses, in an amount not to exceed $15,000. 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.

10. Request for Commission Approval.

The Parties request that the Commission approve the Company's 2024 – 2025 Gas Supply Plan as filed and as modified by the provisions set forth above. If this Stipulation is not accepted by the Commission in accordance with the provisions hereof, this Stipulation shall be void and of no further effect and shall not prejudice any position taken by either Party and shall not be admissible evidence in this or in any other proceeding.

Agreed to this 5th day of September, 2024.

Title: *Director, Natural Gas Unit*	Title*: President*
On behalf of	On behalf of
Georgia Public Service Commission Staff	Liberty Utilities (Peach State Natural Gas) Corp.