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

FINAL ORDER APPROVING STIPULATION OF NATURAL GAS STAFF OF THE GEORGIA PUBLIC SERVICE COMMISSION AND LIBERTY UTILITIES (PEACH STATE NATURAL GAS) CORP. REGARDING THE 2025 ANNUAL GEORGIA RATE ADJUSTMENT MECHANISM FILING

This matter comes before the Georgia Public Service Commission ("Commission") as a result of a Stipulation between the Commission Staff ("Staff') and Liberty Utilities (Peach State Natural Gas) Corp. ("Liberty Utilities") concerning Liberty Utilities' 2025 Annual Georgia Rate Adjustment Mechanism ("GRAM") Filing. The Commission voted at its Special Administrative Session on February 27, 2025, to adopt the Stipulation (Attachment I).

I. Background

On December 27, 2011, the Commission approved a Stipulated Agreement between the Staff and Atmos Energy for an alternative form of ratemaking in accordance with O.C.G.A. 46-2-23.1. The process is called the Georgia Rate Adjustment Mechanism ("GRAM"). On February

26, 2013, Liberty Utilities purchased the Atmos Energy assets in Georgia and was ordered to continue to use the GRAM process. The asset purchase was final on April 1, 2013. On May 3, 2016, the Commission approved a new GRAM stipulated agreement between the Staff and Liberty Utilities that continued to incorporate the annual filing with a detailed revenue requirement and rate design model with eleven schedules and supporting workpapers. On July 30, 2020, the Commission approved a new GRAM Stipulated Agreement between Staff and Liberty Utilities for a continuation of GRAM as an alternative form of ratemaking in accordance with O.C.G.A. 46-2-23.1.

II. Staff Analysis

Staff started their review with Schedule-2 Rate Base and issued the 21st set of Data Request (DR). As a result of their review, many formulas and calculations were addressed in the DR. Liberty filed their responses on November 20, 2024.

The second part of Staff's review focused on Operating Income. Staff issued the 22nd and 23rd set of DRs that addressed follow up questions from the 21st Set related to Revenues and Operating Maintenance ("O&M"). Liberty filed their responses for the 22nd and 23rd sets on December 19 and December 23, 2024 respectively.

Staff also issued a 24th Set of DRs addressing the GRP budget and logistics of the project. Liberty filed their responses to the 24th set on January 9, 2025. On the same day, Liberty filed a supplemental response to the 23rd set of DRs.

Liberty and Staff met as follows:

- On October 3, 2024, to get a preview of the 2025 GRAM filing.
- On October 31, 2024, to discuss Schedule 4 and related Work Papers.

- On November 14, 2024, to discuss the Natural Gas Safe Harbor Act and how Liberty had complied, and it had affected the GRAM filing.
- On December 19, 2024, to discuss the GRP.
- On January 21 and 22, 2025 to discuss the agreed-on items and to reach agreement on outstanding issues.

III. 2025 GRAM Stipulation

After months of meetings and discussions, Staff and Liberty were able to reach agreements memorialized in a Stipulation. The parties agreed to include specific modifications to the Revised 2025 GRAM filing.

Liberty's total capital budget for the 2025 GRAM is approximately $43 million. This budget includes two distribution system reinforcement projects in the Gainesville area and portions of the Gainesville Transmission Line Replacement Project ("GRP"). Liberty has agreed to invest $20 million in the GRP for the 2025 GRAM, and to invest an estimated $6.2 million to complete the two Gainesville area distribution projects that are necessary to meet the needs of firm customers in the Gainesville area.

The Parties agreed to further discuss different methodologies for RTU allocation and current rate used in preparation for 2026 GRAM.

IV. Commission Decision

On February 27, 2025, the Commission voted at a Special Administrative Session to adopt the Stipulation between Staff and Liberty Utilities. A copy of that Stipulation and the Revised 2025 Annual GRAM Filing included as Attachment I and Attachment A.

* * * * *

WHEREFORE IT IS ORDERED, that the Stipulation (Attachment I) between Staff and Liberty Utilities regarding the Revised 2025 Annual GRAM Filing is approved, including the Attachments to the Stipulation (which are identified as Attachment A - Liberty Utilities' Revised 2025 Annual GRAM Filing).

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 directed by the Commission.

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

The above action of the Commission in Special Administrative Session on the 27th day of February, 2025.

Sallie Tanner
Executive Secretary

2-27-25
Date

Jason Shaw
Chairman

2-27-25
Date

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 2025 GRAM STIPULATION

WHEREAS, Liberty Utilities (Peach State Natural Gas) Corp. ("Liberty" or the "Company," and a "Party" to this 2025 GRAM Stipulation) filed its 2025 Annual GRAM[1] Filing on October 1, 2024 (the "Initial 2025 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 2025 GRAM Stipulation) has reviewed Liberty's Initial 2025 Annual GRAM Filing, issued data requests, reviewed Liberty' responses to Staff's data requests, and met with Liberty's representatives numerous times to refine the 2025 Annual GRAM Filing and ensure compliance with the previous orders of this Commission; 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 Liberty (the "Liberty GRAM") as being in the public interest and producing just and reasonable rates.

WHEREAS, during the discovery phase of this docket, Staff and Liberty agreed on certain modifications to the Initial 2025 Annual GRAM Filing, the specifics of which are address herein; and

WHEREAS, inasmuch as the 2025 GRAM filing included updated or more detailed information for certain topics than had been available at the time of the GRAM Quarterly filings, Staff and Liberty agreed that Liberty would refile certain GRAM Quarterly filings to be consistent with the information presented in the 2025 GRAM. These updates to the Quarterly filings do not substantively or materially impact the 2025 GRAM calculations, but rather provide information within the Quarterly filings more like the information contained within the Initial and Revised 2025 Annual GRAM Filings. These Quarterly filing updates include the following:

1. Liberty agreed to refile Q1 and Q2 balance sheets that will separately account for the types of main included within the subaccounts of FERC Account 376. In future GRAM report filings, Liberty will break out the subaccounts.
2. Liberty also agreed to include a Billed Revenue worksheet to Quarterly Reports to allow Staff to track actual revenues to compare to the RTU tracking revenues approved in the annual GRAM final orders; and

WHEREAS, Liberty's 2025 Annual GRAM Filing (both the Initial and the Revised versions) includes revenue requirements associated with incremental multiple-year system reinforcement and enhancement projects, for which the Parties agree that additional reporting by Liberty to facilitate enhanced regulatory monitoring and oversight is appropriate; and

WHEREAS, the Parties agree that the Commission's approval of this 2025 GRAM Stipulation will fully resolve all issues in the Liberty Utilities 2025 Annual GRAM Filing proceeding in Docket No. 42959, with the exception of the items listed in Section V below.

THEREFORE, Staff and Liberty further agree as follows:

I. General Provisions

1. This 2025 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 (referenced in this Stipulation as the "Revised 2025 Annual GRAM Filing") should be approved as Liberty's 2025 Annual GRAM Filing, except as otherwise provided for herein, and the resulting rates shall become effective for bills rendered on and after March 1, 2025.

3. Except as specifically provided for within this 2025 GRAM Stipulation and within the provisions regarding the specific topics noted in the footnotes below regarding the 2022- and 2024- GRAM Stipulations,[2] the Parties reaffirm the provisions of the 2020 GRAM

[2] In the 2022 GRAM Stipulation, the Parties agreed to a new group asset life to be used to calculate annual depreciation expenses for certain assets and agreed to a modification to the 2020 GRAM Stipulation regarding how 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. In the 2024 GRAM Stipulation, the Parties agreed to revised dates, the effect of which are as follows:

a) Liberty's Quarterly GRAM Report for Quarter 1 ending March 31 shall be due on June 15th.
b) Liberty's Quarterly GRAM Report for Quarter 2 ending June 30 shall be due on September 15th.
c) Liberty's Quarterly GRAM Report for Quarter 3 ending on September 30 shall be due on Dec 15th.
d) Liberty's Quarterly GRAM Report for Quarter 4 ending on December 31 shall be due on March 30th.

Also in the 2024 Annual GRAM Stipulation, Staff and Liberty agreed that Liberty would file its Annual GRAM Filings on a revised schedule, the Parties now confirm their agreement that Liberty shall file its 2026 Annual GRAM Filings on October 1, 2025. Staff will have 150 days to review the 2026 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 use the twelve-month period ending June 30, 2025 (the HTY for the 2026 Annual GRAM Filing) as a basis for its 2026 Annual GRAM Filing. The period for which adjustments, if any, are determined shall be for the 12-month period of March 2026

Stipulation and agree to the same as if the text of the 2020 GRAM Stipulation were set forth herein.

II. Specific Agreed-to Modifications

4. The agreed-to modifications are included in the Revised 2025 Annual GRAM Filing attached hereto as Attachment A and are summarized as follows, except as specifically provided:

A. Regarding Work Paper ("WP") 2-7-2 Federal Tax Basis, Liberty agreed that Rows 167 and 170, which were presented in the Initial 2025 Annual GRAM Filing, will be eliminated from the Revised 2025 Annual GRAM Filing. This change from the Initial 2025 Annual GRAM Filing to the Revised 2025 Annual GRAM Filing does not affect the revenue deficiency.[3]

B. In WP 5, Line 61, the Initial 2025 Annual GRAM Filing shows FERC Account 9223 A&G-Administrative expense transferred- Credit. On the Q2 2024, the same FERC Account Administrative Exp Transferred appears on line 92 under 9220. In both the Annual and Quarterly GRAM, these lines reflect a summary balance of all subaccounts that are itemized on the Income Statement associated with primary FERC Account 922. To clarify that this is a summary of FERC Account 922, the Revised 2025 Annual GRAM has been updated to report the summary at the primary

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through February 2027 (the "Rate Effective Period, which is the same as the FTY for the 2026 Annual GRAM Filling). If the operation of the Annual GRAM Filing results in an adjustment as provided herein to Liberty's rates, Liberty shall file with the Commission the resulting rate adjustments by the last day of February so that such rates will go into effect on March 1, 2026.

[3] *See* DN 42959, Liberty Response to STF-21-33.

account number 9220. This change from the Initial 2025 Annual GRAM Filing to the Revised 2025 Annual GRAM Filing does not affect the revenue deficiency.[4]

C. On WP 5 E116 and WP 5-1-2 Rows 6 – 181 of the Revised 2025 Annual GRAM Filing, Liberty agreed to insert a subtotal on the income statement for HO Allocations, a separate subtotal for HO Allocations Capitalized, and a new line item listed as HO Allocations Adjusted for Capitalizations. This change from the Initial 2025 Annual GRAM Filing to the Revised 2025 Annual GRAM Filing does not affect the revenue deficiency.[5]

D. On the income statement of the Revised 2025 Annual GRAM Filing, Liberty agreed to separate Allocations from Outside Services on the income statement. This change from the Initial 2025 Annual GRAM Filing to the Revised 2025 Annual GRAM Filing does not affect the revenue deficiency.[6]

E. In WP 5 and WP 5-1-2, Liberty agreed to call O&M allocated capitalized cost accounts collectively "HO Allocations Capitalized." This change from the Initial 2025 Annual GRAM Filing to the Revised 2025 Annual GRAM Filing does not affect the revenue deficiency.[7]

F. The Company agreed to correct the formula in WP 2-1-1 Plant detail Column AC to include Column CF and DG. The net effect of this correction reduces the revenue deficiency by $138.00.[8]

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[4] *See* DN 42959, Liberty Response to STF-22-10.

[5] *See* DN 42959, Liberty Response to STF-23-1.

[6] *See* DN 42959, Liberty Response to STF-23-2a.

[7] *See* DN 42959, Liberty Response to STF-23-2a.

[8] *See* DN 42959, Liberty Response to STF-21-2.

G. Liberty agreed to correct the information reported on WP 2-1-1 to transfer $1,285,464.76 from the meters account to the meters installation account.[9] The net effect of this correction increases the revenue deficiency by $3,737. This change in the revenue deficiency occurs because there are different depreciation rates for these two accounts, thus different revenue requirements.

H. The Company agreed to correct the formula on WP 2-2-1 Reserve Detail of the Initial 2025 Annual GRAM Filing, so that cell BG66 of WP 2-2-1 of the Revised 2025 Annual GRAM Filing spans Columns AU through BF.[10] The net effect of this correction increases the revenue deficiency by $64,183, which affects Schedules 2, 3 and 6.

I. Liberty agreed to correct a formula error in the Initial 2025 Annual GRAM Filing WP 2-3 Reserve to cause cell D17 to link to WP 2-1-2 F100 instead of E100.[11] Updating the formula in WP 2-3 CWIP cell D17 results in a revised 13-month average CWIP balance in WP 2-3 CWIP cell F38, which affects all schedules and work papers in the GRAM that are dependent on the Rate Base calculation found on Schedule 2. Some of these include Schedule 1, Schedule 2, Schedule 11, WP 4-3, and WP 4-4.[12] The net effect of this correction increases the revenue deficiency by $232,444.

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[9] *See* DN 42959, Liberty Response to STF-21-9a.

[10] *See* DN 42959, Liberty Response to STF-21-24.

[11] *See* DN 42959, Liberty Response to STF-21-25.

[12] *See* DN 42959, Liberty Response to STF-22-25.

J. The Company agreed to correct the formula on WP 2-6-3, Current Inc Tax within the Initial 2025 Annual GRAM Filing, so that in the Revised 2025 Annual GRAM Filing, it spans Columns EP through FA.[13] The net effect of this correction increases the revenue deficiency by $15.00.

K. Liberty agreed that the as-filed balance in Account 36100 for 2025 related to forecasted additions were mistakenly filed as part of Account 36100 in the Initial 2025 Annual GRAM Filing. Instead, $1,759,250 of the additions should have been included in FERC Account 37600 - Mains and $99,440 of the additions should have been included in FERC Account 37800 – Measuring and regulating station equipment. The approved deprecation rate for account 36100 is 2%; whereas the rate for 37600 is 1.60%, and the rate for account 37800 is 1.85%.[14] The net effect of this revision decreases the revenue deficiency by $22,884.

L. The number of bills filed in the Initial 2025 Annual GRAM Filing on WP 4 Rev, Line 9 included 12 bills more than should have been included. The correct number of bills for the Historic Test Year ("HTY") is 309 bills (as reported in the Q2 2024 report). The Company made this correction to WP 4 Rev in the Revised 2025 Annual GRAM Filing, which increases the revenue deficiency by $2,198. Liberty agreed to refile its 2024 2Q Report to include the 47 Industrial customer bills that were omitted in are reflected on the annual GRAM 860 Transport Commercial and Industrial.[15]

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[13] *See* DN 42959, Liberty Response to STF-21-30.

[14] *See* DN 42959, Liberty Responses to STF-21-1a & STF-22-15

[15] *See* DN 42959, Liberty Response to STF 22-2.

M. In the Initial 2025 Annual GRAM Filing, the Company included an incorrect formula in G34, causing an incorrect adjustment to the Total Projected Bills. Liberty corrected this error in the Revised 2025 Annual GRAM Filing, which reduces the revenue deficiency by $47,754.

N. In WP 4-1-3 D11 and D13 of the Initial 2025 Annual GRAM Filing, Liberty reflected the number of months between the end of the HTY and the end of the Future Test Year ("FTY") as 19 months. Staff and Liberty agreed that inasmuch as the 2025 Annual GRAM Filing timeline was adjusted by the Stipulation in the 2024 Annual GRAM Filing, the Company should have used 20 months. The Company made a revision to the formula within the Revised 2025 Annual GRAM Filing to include the extra month.[16] This revision increases the revenue deficiency by $6,249.

O. In WP 5 O&M, on Line 48, Sales – Miscellaneous of the Initial 2025 Annual GRAM Filing, the Company included $67,000 of offsetting charges associated with builder incentive payments reported in August of 2023 that had been incorrectly booked to FERC Account 9120 instead of FERC account 9160. The booking error was corrected in September 2024 when a transfer entry of $67,000 was made between Account 9120 and 9160. Since the offsetting transfer was booked outside of the HTY, Liberty included an adjustment to the Revised 2025 Annual GRAM Filing to remove $67,000 from FERC 9120 and add it to FERC 9160.[17] This adjustment

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[16] *See* DN 42959, Liberty Response to STF-22-4.

[17] *See* DN 42959, Liberty Response to STF-22-8a

increases the HTY amounts in FERC 9160 from $144,372 to $211,372 and decreases the revenue deficiency by $69,617.[18]

P. Staff indicated to Liberty during the course of Staff's review that certain headings were used inconsistently between Quarterly reports and annual GRAM filings. The Company agreed to (and the Revised 2025 Annual GRAM Filing reflects) revisions to address the identified headings. Additionally, Liberty further clarifies that the balances in FERC Accounts 922x, include HO capitalized expenses relative to both direct and indirect (allocated) HO expense amounts. This change from the Initial 2025 Annual GRAM Filing to the Revised 2025 Annual GRAM Filing does not affect the revenue deficiency;

Q. During informal discovery, Liberty agreed to update the calculations on "WP 4-5 Feb 2025 RTU" to include a fixed and volumetric component when determining the Feb 2025 revenue loss. Specifically, in reviewing WP 4-5, Staff noted that Liberty's process to determine a dollar amount for February 2025 only included a volumetric approach for assigning dollar amounts for each month. Staff took the positions that there should be a Volumetric and Customer Charge approach, since both are used. The as-filed value before adding in the fixed charge was $349,856 in the Initial 2025 Annual GRAM Filing and the updated calculation in the Revised 2025 Annual GRAM Filing, including a fixed charge and the updated revenue requirement, is $315,333 for an RTU decrease of $34,523; and

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[18] The deficiency impact is not exactly $67,000 due to an adjustment for inflation being applied to FERC Account 9120 where the charges were unknowingly booked when the GRAM was filed. By removing $67,000 from FERC Account 9120 before inflation, both the principal and the inflation are being eliminated.

R. Also, during informal discovery, Liberty agreed to add to WP 4, a new Column K called "FTY Customer Charge Revenues" (for a breakout of the customer charge revenues), a new Column L called "FTY Volumetric Charge Revenues" (for breakout of the volumetric revenues), and a new Column N "WP 4 Class % Revenue Contribution" (for the WP 4 class percentage revenue contribution).

III. Liberty's Commitment for GRAM 2025 Capital Investments (GRP and Other)

5. Liberty's capital budget for the 2025 GRAM is approximately $43 million. Liberty included within its forecasted 2025 GRAM capital budget investments for two distribution system reinforcement projects in the Gainesville area[19] and portions of the Gainesville Transmission Line Replacement Project ("GRP").[20] Liberty states that these three projects, in addition to the other planned capital investments within the 2025 GRAM are necessary to meet current and future customer needs in the Gainesville area.

With respect to the increased revenue requirements associated with the incremental, multiple-year system reinforcement and enhancement GRP, the Parties agree as follows:

A. *Scope of the 2025 GRAM.* This 2025 Annual GRAM addresses only the revenue requirements associated with the 2025 Rate-Effective Period. The Revenue Requirements associated with subsequent years of multiple-year system reinforcement and enhancement projects (for phases of the projects included within this Annual GRAM

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[19] The Company included an estimate of $3.2 million for the Gainesville Distribution Project 1 and an estimate of $3.0 million for the Gainesville Distribution Project 2 for the 2025 GRAM.

[20] The Company included an estimate of $20 million for the 2025 GRAM toward completion of the Gainesville Transmission Line Replacement Project ("GRP"), which is the approximately 30-mile intrastate pipeline replacement and expansion project between the Transco interconnection in Bogart and the TBS1 point of Liberty's distribution system in Gainesville.

or for projects to be undertaken in subsequent years) shall be addressed in GRAMs that determine revenue requirements and authorize rates in such subsequent periods;

B. *Estimates.* This 2025 GRAM Stipulation only addresses the revenue requirements for the 2025 GRAM, Liberty, in which Liberty firmly commits to spending $20 million on the GRP during the term of the 2025 GRAM. In formal and informal discovery, Liberty disclosed a three-year $58.9 million estimate for the entire GRP based upon numerous assumptions and data points, including engineering estimates, the Company's recent actual engineering and construction experiences, and revised cost data from venders regarding known pricing information for materials and labor. It is very likely that the final multiple-year project cost will be something different. Nevertheless, the Company prepared a three-year estimate so that the Commission can understand the scope and scale of the GRP, the types of expenses anticipated, and likely contingencies. Liberty did not seek approval of a three-year plan for the GRP. Nonetheless, the portion of the GRP included within the GRAM, is part of a multi-year project.

C. *C. Revised estimates.* The forecasted capital investment estimates for the GRP will become significantly more refined in the coming months as the project design is completed and contracts are executed following Liberty's on-going request for proposal processes. Liberty will promptly file a report and provide Staff updates if the Company determines that the Base Estimate[21] for the GRP increases or decreases by more than 15

[21] The term "Base Estimate" refers to the GRP engineering estimate without any contingency increases, which is approximately $53.6 million. For the 2024 Annual GRAM Filing, Liberty included a 10% contingency for the GRP, consistent with its internal budgeting process for the GRP, estimating a three-year capital investment of approximately $58.9 million (including the 10% contingency

percent, of which 10 percent of the 15 percent has already been included in the $58.9 million estimate.

D. *Reporting actual investments during the 2025 GRAM.* No more than 75 days after the end of each quarter, Liberty will file with the Commission a GRP construction status report in addition to GRAM quarterly reporting. The GRP construction status report shall include the following:

a. A detailed written narrative discussion of the quarterly construction activities and other significant events.

b. An electronic Excel spreadsheet comparing the estimated capital budget categories to the actual capital dollar amounts spent during each quarter, summed for year-to-date totals. The report shall include sufficient explanations (with calculations as appropriate) to explain the factors that cause the majority of the total positive and negative variances.

c. The status of project completion accomplished through the end of the quarter stated as a percentage of the 2025 Annual GRAM GRP plan. The basis for the percentage completion calculation will be separately reported for each of the following categories: (a) Design and engineering; (b) procurement; (c) construction; and (d) RFPs for and award of sub-contracts.

E. *Liberty's commitment to 2025 GRAM investment levels.* Liberty also commits to invest sufficient capital (currently estimated to be $6.2 million) to complete the two Gainesville area distribution projects that are necessary to meet the needs of firm customers in the Gainesville area. In the event the two distribution projects' actual costs exceed an aggregated $6.2 million by more than $1 million, Liberty will notify Staff of the

increased costs and the factors that caused such increases. Liberty also commits to invest $20 million in the GRP for the 2025 GRAM. To the extent that Liberty's management determines, after considering Liberty's other operational, safety, and compliance priorities, that unspent funds from other capital budget categories can be applied to the GRP, Liberty may augment the GRP investments within the 2025 GRAM, Liberty will report such redirected funds as a separate line item in the report provided for in this Paragraph E.

IV. Audit Authority; Expenses for Travel, Training Development

6. 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 or Staff's representatives should have to incur travel expenses to Liberty's offices, Liberty shall reimburse 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 up to $20,000 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 following the execution of, and 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.

V. Issues to be Discussed Following an Order Regarding this 2025 GRAM Stipulation

7. The Parties discussed, but did not resolve how certain issues should be resolved within this 2025 GRAM Stipulation. Previous Commission-approved GRAM Stipulations between Staff and Liberty provide a mechanism that will allow the Parties to continue to seek agreed-to resolutions to these remaining issues. Specifically, previous stipulations provided that in the event there are new issues, adjustments, or ratemaking topics that would affect the governance document or changes to the GRAM model going forward (collectively, "New Matters") that would affect an Annual GRAM Filing for which there is no prior determination regarding Liberty by the Commission, Staff and Liberty 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, prior to the filing of the 2026 GRAM Filing. In this 2025 GRAM Stipulation, the Parties have not yet reached agreement regarding:

A. How RTU adjustments (positive or negative) would be allocated in the public interest within the ratemaking process for each annual GRAM filing. The Revised 2025 Annual GRAM Filing (Attachment A hereto) uses the methodology that the Commission has approved in previous annual GRAM filings for Liberty;

What, if any, modifications to the 2020 GRAM Stipulation, the 2022 GRAM Stipulation, and the 2024 GRAM Stipulation should be included within a new GRAM Governance Document;

B. The changes requested by Staff during the discovery phase of this 2025 Annual GRAM Filing to W4 and WP 4-3, specifically to include how to calculate new rates and how revenue adjustments, including the RTU, (positive or negative) are to be allocated among customer classes going forward; and

C. Specifically, to include the determination of what is a "Current Rate" as used in WP 4 Column-I and J.

Staff and Liberty will endeavor to conclude such collaborative meetings prior to June 1, 2025, so that if a New Matter requires a submission to the Commission, the Parties can submit such New Matter(s) in time for the Commission to consider and issue order, if the Commission deems appropriate, prior to Liberty filing its 2026 Annual GRAM Filing on October 1, 2025. The Parties agree that if one or more New Matters are agreed to or otherwise become effective prior to the Company's 2026 GRAM, the dates and formats agreed to in this Stipulation may be superseded. Likewise, changes to the filing formats, reports, and GRAM model may be appropriate to comply with the resolution of the New Matters.

VI. Mutual Commitment

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

[Signatures appear on the following page.]

Agreed to this 21st day of February, 2025.

Staff of the Georgia

Public Service Commission

Nancy Tyer

Name: Nancy Tyer

Director, Natural Gas Unit

Title: Director, Natural Gas Unit

Liberty Utilities

(Peach State Natural Gas) Corp.

Carolyn Bermudez

Name: Carolyn Bermudez

President

Title: President

Attachment A

Revised 2025 Annual GRAM Filing