BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION
ATLANTA, GEORGIA

IN RE:	)	
	)	
LIBERTY UTILITIES (PEACH STATE NATURAL GAS) CORP.	)	**DOCKET NO. 56178**
	)	
2025– 2026 GAS SUPPLY PLAN	)	

PRE-FILED TESTIMONY OF MARTIN DEBRUIN
ON BEHALF OF LIBERTY UTILITIES (PEACH STATE NATURAL GAS) CORP.

Q. Please state your name and business address.

A. My name is Martin DeBruin. My business address is 15 Buttrick Road, Londonderry, NH 03053.

Q. Have you previously testified before the Georgia Public Service Commission ("Commission") or other regulatory bodies?

A. Yes, this is my second opportunity to submit testimony before the Georgia Public Service Commission. I have also provided testimony before the Massachusetts Public Service Commission. Please see Attachment A, which provides my curriculum vitae.

Q. For whom are you appearing in this docket?

A. I am appearing on behalf of the Applicant, Liberty Utilities (Peach State Natural Gas) Corp. ("Liberty" or the "Company").

Q. What is your position at Liberty?

A. I am the Manager, Gas Supply Planning, for Liberty Utilities (Midstates Natural Gas) Corp. ("Midstates"). In this capacity I am responsible for the planning and purchasing for Midstates.

Q. Please describe your educational background and professional experience.

A. I hold a Bachelors in Accounting from the University of Lowell and a Masters in Finance from Bentley College. I have been employed by Liberty or its predecessor since November of 2011.

Q. What are your responsibilities as Manager, Gas Supply Planning?

A. My primary responsibilities include ensuring that adequate and timely natural gas supplies and upstream interstate transportation and storage services are acquired to maintain the integrity of various local intrastate natural gas distribution systems served by Midstates. I am also responsible for gas portfolio management functions including procurement, planning and hedging as well as modeling for our Massachusetts and New Hampshire gas companies. Because of personnel changes within our Department, I have reviewed, am knowledgeable of, and am sponsoring the 2025-2026 Georgia Gas Supply Plan ("GSP" or "Plan") for Liberty.

Q. What is the scope of your pre-filed direct testimony in this docket?

A. My testimony discusses and supports the Company's proposed GSP which includes the actual data for the 2024 - 2025 gas supply Plan Year, the supply, transportation

and storage contracts associated with the GSP, and the Company's gas supply hedging plan. I am sponsoring Exhibits I through VI. I also sponsor the Statement of Compliance with Minimum Filing Requirements ("MFRs") that is included as part of the Company's July 1st filing. Exhibits I through VI and the Statement of Compliance with MFRs, which I have reviewed, are true and correct to the best of my knowledge and belief. Additionally, I address the functions of gas supply planning, how the GSP was prepared, and Liberty's compliance with certain stipulated requirements from Docket No. 55650.

I. SUMMARY OF THE GAS SUPPLY PLAN

Q. Please provide a summary of the Company's 2025 – 2026 Gas Supply Plan.

A. As stated in the Petition accompanying my testimony, the Company's GSP is being filed pursuant to O.C.G.A. § 46-2-26.5. A gas utility in Georgia that is not an Electing Distribution Company is required to file on or before August 1 its gas supply plan for the upcoming recovery year (October 1 - September 30). The procedural schedule in this docket provides that the Company shall file its gas supply plan on or before July 1st. In most years, the Company files its plan on or before July 1st, but provides the forecasts that support the plan earlier, typically on or about June 1st for the gas supply plan year that is to begin on October 1st of the same year. The Company agreed to file the 2025 – 2026 forecasts on June 2, 2025, which we did, and its actual 2025 – 2026 Plan on July 1, 2025, which my testimony is supporting.

This GSP describes the particular array of available gas supply, storage, and transportation options selected by Liberty to supply the requirements of our firm customers during the 2025-2026 Plan Year (October 1 through September 30). As part of the Plan, the Company sets forth: (1) the projected design day forecast along with the annual requirements to serve customers in both Gainesville and Columbus (as well as the communities surrounding these larger cities); (2) the portfolio of supply and capacity assets that will be utilized to serve those requirements; and (3) the adjustment factors the Company proposes for recovering its purchased gas costs during the recovery year, together with the calculations that produced such factors.

Liberty's GSPis described in the filing cover letter, Petition, testimony, forecasts, exhibits, and supporting materials filed in this docket. The Company serves two distinct geographic areas in Georgia – (1) Gainesville and its surrounding certificated areas, and (2) Columbus and its surrounding certificated areas – with portions of the GSP specific to each of these two major service areas. Liberty's GSP for the Gainesville areas utilizes its contracted supply from its asset manager and subscribes to a combination of capacity and storage services on Transcontinental Gas Pipeline ("Transco") to meet the base load requirements and peak day needs of firm customers in and around Gainesville. The specific services are more fully described in Exhibits II and III. Liberty's GSP for the Columbus area utilizes its contracted supply from its asset manager and subscribes to a combination of capacity and storage services on Southern Natural Gas ("Sonat" or "SNG") to meet the firm base load requirements and peak day needs in and around Columbus. Citygate peaking services will once again be part of the array of assets

required to serve customers in the Columbus and Gainesville service areas. Again, the specific services are more fully described in Exhibits II and III.

Exhibit III of the GSP filing includes forecasted sales volumes and gas purchase volumes of approximately 5.2 million dekatherms ("Dth") annually, gas prices, pipeline rates, capacity release information, and related gas supply information. The filings for this Plan follow the Minimum Filing Requirements (Georgia Public Service Commission Order Adopting Proposed Rule in Docket No. 5599-U) as well as the Procedural and Scheduling Order issued by the Commission in this docket on April 15, 2025.

Q. The Minimum Filing Requirements ask for a summary of the impact of any Integrated Resource Plan ("IRP") on the Gas Supply Plan. Please address this requirement.

A. As in previous years, the Company does not have an IRP filed in Georgia.

Q. What is the basis for the 2025 – 2026 Gas Supply Plan filed by Liberty?

A. The Company's GSPis based on the forecast of design day requirements. The goal of this planning process is to ensure that Liberty understands and accurately forecasts the amount of capacity and supply that will be required to meet the needs of its firm customers on every day of the Plan Year. Our responsibility to our customers includes having adequate resources available to meet their gas needs in a safe, reliable and cost-effective manner. Consequently, one of the most critical components of every gas supply plan is the forecast of design day demand, which

Exhibit II provides. Inadequate forecasting would put the Company's customers at risk of being without sufficient gas service on the most critical need days of the winter season. Without adequate capacity and/or supply, firm customers could be without natural gas service on the coldest days (and the days or weeks that follow) of the year.

Q. Please describe the Company's supply contracts.

A. Consistent with previous gas supply plans, gas supply will be provided pursuant to the Commission-authorized Asset Management Agreements ("AMAs"). The Company's current AMAs for the Columbus service areas and the Gainesville service areas were originally effective through the end of the 2024 – 2025 Gas Supply Plan Year ending September 30, 2025. The Company recently extended the AMAs for two (2) years with the same supplier and on the same terms and conditions except that the Company was able to attain additional Maximum Daily Quantity ("MDQ") in its peaking agreements.

Under the current and extended AMAs, suppliers are responsible for the full firm requirements of the Company up to the maximum of the Company's pipeline capacity. A numbering system has been used within the Plan Exhibits to differentiate between the types of supply. "Supply 1" is used to identify base load purchases, and "Supply 2" is used to identify storage purchases for each of the service areas. I have also included Supply 3 on page 4 of this Exhibit to include Local Conforming Natural Gas ("LCNG") as a placeholder recognizing we may start to receive LCNG in 2026 in order to test how receipt and use of such gas may

work, but for supply purposes we are not counting on utilizing any LCNG in this Plan. Exhibit II, Pages 2 and 5, provide the Summary of Final Delivery Capacity for the Gainesville and Columbus service areas under this GSP.

Q. How will the Company meet its sales requirements?

A. Exhibit III, Page 4 outlines the Company's gross projected purchase volumes, including volumes purchased for injection into storage, grossed up for pipeline fuel requirements. Sales requirements will be met through monthly purchases of "flowing gas" and storage withdrawals. This exhibit page lists the Company's supply types to meet the projected purchase requirements. Supply 1 identifies projected base load purchases for delivery to citygates for the Gainesville areas and Columbus areas. Supply 2 identifies the projected base load storage purchases for injections into contract storage that can be accessed from Transco and Sonat.

Q. If most of the Company's sales are weather sensitive, how does the Company manage the fluctuations in usage on a daily basis?

A. On both Transco and Sonat, interstate storage assets act as balancing mechanisms. On the Sonat system, the needs of customers in the Columbus areas caused by weather variations are met through a combination of: (1) the Company's Contract Storage Service ("CSS"), (2) the Firm Transportation Service – No Notice ("FT-NN") contract, and (3) citygate bundled peaking service. Collectively, these assets provide a high level of flexibility for base load and daily swing purchases. On Transco's system, the Company achieves flexibility for Gainesville area customers'

base loads and daily swing purchases on their Firm Transportation Service (FT) contracts through the (1) Washington Storage Service ("WSS"), (2) General Storage Service ("GSS"), (3) Eminence Storage Service ("ESS") contracts, and (4) the citygate bundled peaking service referenced above, all of which provide for flexibility on a daily basis for fluctuations in demand. The Company maintains frequent communication with its Asset Managers to ensure the storage contracts are balancing the system as intended. In addition, the AMA contracts allow for daily incremental purchases or sell backs as needed to keep in line with the GSP.

Q. Have you projected the Company's total gas costs for the 2025 - 2026 Plan Year?

A. Yes. Please refer to Page 6 of Exhibit III, which outlines the projected unit costs for each supply. This information is combined with projected usage to determine the total projected costs, which are summarized on Page 8 of Exhibit III.

Q. Have you estimated the commodity cost of each supply purchase?

A. Yes. The New York Mercantile Exchange ("NYMEX") reports future monthly prices for natural gas that is publicly traded. Exhibit III page 6 shows the NYMEX natural gas futures settlement prices as of June 20, 2025, and these prices are the starting point of the Company's price projection. An *Inside FERC* first-of-the-month index was estimated using NYMEX futures and the basis differential for each supply pricing scenario, for each month. Both Columbus areas and Gainesville areas supply estimates use *Inside FERC* index-based pricing for all base

load supply. A basis differential (the differential between the delivery point of the gas and the NYMEX Henry Hub) was also calculated for the summer and winter months and is presented on Exhibit III, page 7. To the extent that actual index prices are different than the estimated prices in Exhibit III page 6, the Company's actual costs will differ from these projections. The actual prices will be reflected in the periodic Purchased Gas Adjustment ("PGA") filings made throughout the Plan Year, which the Company is required to file at least quarterly, but which the Company typically files each month.

Q. Are firm transportation and storage contracts summarized in the Gas Supply Plan?

A. Yes. Page 9 of Exhibit III is the Pipeline Contract Summary that outlines each contract's MDQ, term, and a description of the services provided. Billing units for these contracts are shown on Page 10 of Exhibit III, demand and commodity charges for these contracts can be found on Page 12 of Exhibit III, and total transportation and storage costs are shown by contract on Page 13 of Exhibit III.

Q. For each storage contract, please discuss how the gas is transported to and from storage.

A. The Company uses firm transportation contracts on Transco to move gas into and out of the WSS storage as well as the ESS storage. The Transco GSS storage service includes transportation from the citygate to storage for injections and from storage to the citygate for withdrawals. On Sonat, the Company can use either the

FT or FT-NN contract. Injections and withdrawals can also be made on a no-notice basis to the extent that there is space available on the FT-NN contract.

Q. Do Liberty's firm customers require peaking services?

A. Yes. In addition to interstate pipeline and storage capacity and gas supply as previously described, peaking service is required to meet the design day requirements of firm customers in the Gainesville and Columbus service areas. To meet this need, in the 2024 – 2025 Gas Supply Plan (Docket No. 55650,) the Commission authorized the Company to enter into citygate peaking service agreements for not less than five days during the winter of 2024 – 2025.

Q. What changes from the approved array of assets for the Gas Supply Plan for 2024 - 2025 do you propose to become effective during the 2025 – 2026 Plan Year?

A. Pursuant to the authority authorized in the 2024-2025 Gas Supply Plan, under the extended AMAs the Company has contracted for and included within the Array of Assets for this Capacity Supply Plan 4,500 Dth per day of bundled peaking services for the Gainesville areas, which is part of a larger contract, the balance of which is not included in the Gas Supply Plan. Also, the Company has contracted for and included within the Array of Assets for this Capacity Supply Plan 4,900 Dth per day of bundled peaking services for the Columbus area, which is part of a larger contract, the balance of which is not included in the Gas Supply Plan. Indeed, the reason that I filed the revisions to this pre-filed testimony was to make clear that

Liberty has not included the all of the contracted-for citygate bundled services, but rather only the portion required to achieve a 5% reserve margin. Likewise, I want to be clear that the Company is not requesting an increase to the historical 5% reserve margin criteria for its Gas Supply Plan.

Q. Does the resulting array of assets for the 2025-2026 Plan year produce a reserve margin percentage greater than that which was approved in the 2024-2025 plan year.

A. No. The array produces a reserve margin of 5%, which is consistent with prior approved plans.

Q. Given the present authority, does Liberty require any other authorizations from the Commission for the 2025 – 2026 Gas Supply Plan?

A. No, not at this time.

Q. Please further address how the Company will include Local Conforming Natural Gas ("LCNG") as a gas supply option in the future.

A. The Company has supported the development of LCNG in Georgia, and we continue to believe that LCNG options should be available to our customers because of its local production availability and the potential to inject it into our system without any interstate transportation. Liberty is not proposing to own LCNG facilities and related environmental attributes. Consequently, when LCNG becomes available to us, Liberty will treat LCNG produced within Georgia as "local

conforming natural gas" as that term is defined in Liberty's Commission-approved tariff. More specifically, LCNG projects will be eligible for service pursuant to Liberty's Local Gas Transportation Service – Conforming Gas rate schedule, which allows the Company to receive local gas and transport it to end-use customers on Liberty's Georgia distribution system.

Liberty is actively working with several developers on LCNG projects. The availability of LCNG has not occurred as previously anticipated due to permitting and various other issues. Based upon our current work with several projects, we believe that one project in the Columbus area may be in a position to begin adding LCNG to Liberty's supply portfolio as soon as the second quarter of 2026, but at this time we are not relying upon this to meet our firm customers' needs. As that LCNG begins to flow, we will evaluate the reliability, quality, and quantity of the gas so we can assess whether and how we can include such gas in our future supply plans, and we will update the Commission as appropriate when we have such sufficient information.

Q. Does Liberty seek authority to revise contracts for interstate transportation and storage contracts at this time?

A. No. The Company is not proposing any interstate transportation modifications at this time due to the lack of available interstate transportation capacity in the marketplace for the 2025-2026 Plan Year. The Company continues to consider whether incremental pipeline capacity additions or reductions may be appropriate, and Liberty is experiencing growth that may provide challenges to serve in future

Gas Supply Plans given the current capacity-scarce market, which I will describe later in this pre-filed direct testimony.

In the event that existing or new firm customers' demand should change significantly, or the quality or quantity of contracted Sonat or Transco services change so that the operation of this Plan is materially affected, the Company will notify this Commission and Staff and seek Plan amendments, if appropriate.

Q. Has the Company forecasted capacity release revenues for the 2025 - 2026 Plan Year?

A. Yes. Forecasted capacity release revenues are found on Page 15 of Exhibit III. These forecasted capacity credits are also considered in the calculation of total transportation costs on Page 13 of Exhibit III and total gas costs on Page 8 of Exhibit III. As with forecasted commodity costs, forecasted capacity release revenue is merely an estimate and may not reflect what is actually received by the Company for released capacity. The forecast within this Plan is based on the capacity release terms of the extended AMAs and the associated contractual capacity utilization credits provided by the Asset Managers associated with the assets under management. All actual capacity release credits, which may be different than the forecasted credits, will be reflected in PGA filings made throughout the Plan Year.

Q. Has the Company provided actual sales, cost and capacity release information for the 2024 – 2025 Plan Year?

A. Yes, Exhibit IV shows the actual firm and interruptible sales and transportation volumes by customer class for the period October 2024 through April 2025 (April was the most recent information available at the time of the required filing). Also shown are actual invoice costs by pipeline service for the same period, as well as capacity release information. Updated information for the remainder of the 2024 - 2025 Plan Year will be provided through the monthly informational filings, as the data becomes available.

II. FINANCIAL HEDGING

Q. You mentioned that one of the authorizations the Company is requesting is an extension of the hedging program. What is the purpose of a hedging program?

A. As part of a larger gas procurement strategy, the reason to hedge a portion of the forecasted gas supply quantity is to achieve improved price stability from the natural gas commodity market. Price volatility in the natural gas market may vary significantly over time. Financial hedging is used to introduce an element of price stability for a portion of our customers' requirements, and to insulate consumers from some of the volatility that characterizes natural gas commodity markets.

Q. What is your role in the Company's hedging program?

A. My responsibilities include executing hedges pursuant to gas supply plan approved and in effect by the Georgia Public Commission, working with Treasury to establish counterparties and counterparty credit thresholds, working with the third-party

consultant, and reviewing all internal and external reports regarding financial hedging. Josh Tilbury, who testified on behalf of Liberty in prior proceedings, and to whom I report, is also very involved in the hedging program.

Q. What is the Company's proposal regarding hedging?

The Company is seeking Commission approval to continue a hedging program that is consistent with the hedging practices approved by the Commission in the last ten gas supply plans. Liberty has been using a rolling hedging implementation period that is layered ratably, unless extraordinary events warrant a suspension or acceleration of planned hedging volumes. In the 2024 – 2025 Gas Supply Plan, the Company and Staff agreed that Liberty should, and the Commission granted authority for Liberty to, continue to utilize both swaps and options, hedging up to 30% of purchase requirements net of storage transactions for the months of November 2024 through March 2025 and the months of November 2025 through March 2026. The Company is seeking authority to continue the existing program for an additional year.

In the 2019 – 2020 Gas Supply Plan filing (Docket No. 42316), Liberty requested authority for an expansion of the hedging program, in light of the very low gas prices that were dominating the market at that time. At the Company's request, the Commission extended the hedging program so that as much as 10% of expected winter volumes could be eligible for hedging 22 to 30 months prior to the beginning of a winter period. That expansion of the hedging program was again authorized in the four most recent Gas Supply Plans (Docket Nos. 42811, 44392,

45083 and 55650) as well. In each year, the 10% was not in addition to the existing 30% of expected winter volumes, but rather it was for up to one-third of the then-currently authorized 30% of expected winter volumes that have traditionally been eligible for hedging. Liberty believes that market conditions may once again justify entering into hedging for the authorized 10% three winters in advance. In short, having the authority to enter into longer term hedge arrangements, if the right pricing scenario is available, continues to be in the best interests of natural gas customers.

Q. Based on current market conditions, is Liberty requesting that the Commission continue the authority for the expanded hedging as authorized in the most recent three gas supply plans?

A. Yes. Liberty is requesting an extension of the previously granted authority, so that in the event natural gas prices for transactions three years out are attractive and market conditions otherwise suggest that customers would once again benefit from the expanded hedging program, the Company will be in position to enter into such hedges. If the right market conditions do not materialize, the Company will simply not use the granted authority.

Q. Does the Company have other proposals related to the hedging program?

A. Yes, consistent with the Commission's Orders in previous gas supply plans, the Company proposes to continue the current reporting practices, and the Company

requests continued authority to recover costs associated with the hedging plan through the PGA.

Q. Has the Company complied with the hedging provisions outlined in Paragraph 6 from the approved Stipulation in Docket No. 55650, regarding the hedging program?

A. Yes, the Company continues to comply with Paragraph 6 from the approved stipulation in Docket No. 55650.

Q. Can you summarize the Company's Gas Supply Hedging Plan that is included within the proposed 2025 - 2026 Gas Supply Plan for Georgia?

A. The fundamental components of the hedging plan are:

- As provided in Subparagraph 6(a) of the Stipulation approved by the Commission in Docket No. 55650, Liberty proposes to continue to use a rolling implementation of anticipated winter season purchases using a disciplined layered, ratable approach for a majority of the hedged volumes;
- Consistent with established practices, Liberty proposes to continue to hedge up to 30% of expected winter purchases (net of storage withdrawals) using an overall mix of futures, swaps and deferred premium call options determined by the Company;
- 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 the 2025 – 2026 winter, is approximately 177,000 Dth) for as much as three

winters in advance (these three-winter-ahead hedges may be done in fewer transactions, based on the Company's assessment of market conditions); and

- Consistent with Subparagraph 6(c) of that approved Stipulation, Liberty proposes to continue the record keeping and reporting practices.

Q. Please describe the utilization of a rolling implementation of anticipated winter season purchases.

A. A two-season horizon provides exposure to market pricing, which helps to limit the effects of short-term market movements. Traditionally, the financial market provided enough liquidity 18 months out to allow transactions to be implemented. The financial market during the 2025 – 2026 Plan Year may provide liquidity well beyond 18 months.

Q. What, if any, other change is the Company proposing to the previously authorized hedging program?

A. The Company is not seeking to make any other changes to its hedging program from what was approved in in the most recent Liberty Gas Supply Plan docket. This would mean that we would extend the dates to finish hedging for winter 2026-2027, begin the hedging for the winter of 2027-2028 and have the option to hedge 10% of normal expected purchases for the winter of 2028-2029 in the event-short term market conditions present favorable pricing.

Q. Is the Company still receiving guidance regarding hedging?

A. Yes. The Company's third-party consultant, Gelber & Associates ("Gelber"), is continuously monitoring market conditions. In Georgia, Gelber provides guidance concerning hedging strategy and implementation regarding three key issues:

- The overall mix between swaps and options;
- Whether extreme market conditions exist, and a suspension or acceleration of planned volumes is warranted; and
- Intra-month timing of ratable hedging transactions.

Q. Please describe the utilization of a disciplined layered, ratable approach.

A. The primary purpose of hedging prices for gas utility customers is to achieve improved price stability; therefore, hedging will not necessarily result in the lowest possible price. A disciplined layered, ratable approach allows for movements in the market to be averaged out over time, thus possibly not delivering the lowest price, but ensuring that the customers' exposure to price volatility is reduced. Consequently, Liberty proposes that we continue this layered, ratable approach during the existing timeline for the remaining expected winter volumes to be hedged. If extraordinary market conditions occur, Liberty proposes that it may, after considering the recommendation of the third-party consultant, exercise judgment and temporarily suspend or accelerate transactions.

III. COMPLIANCE WITH STIPULATIONS IN DOCKET NO. 55650

Q. Did Liberty comply with Paragraph 1 from the approved Stipulation in Docket No. 55650, requiring a modification to the proposed Purchase Gas Adjustment Factor effective October 1, 2024, to include an imbalance adjustment for the projected over/under recovery for the 2023 – 2024 recovery year pursuant to Official Code of Georgia (O.C.G.A.) § 46-2-26.5(e)?

A. Yes, Liberty filed a balancing adjustment for the over recovery from the 2023 - 2024 recovery year.

Q. Did Liberty comply with Paragraph 2 from the approved Stipulation in Docket No. 55650 requiring 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?

A. Yes. Liberty made the required filings during the 2024 – 2025 Plan Year. The following is a summary listing the dates of the filings and what was included:

- October 11, 2024
  Revised Forecast
  November 2024 PGA
  September 2024 Actuals
  Balancing Adjustment
  (Over)/Under Recoveries
- November 15, 2024
  Revised Forecast
  December 2024 PGA
  October 2024 Actuals
  Balancing Adjustment
  (Over)/Under Recoveries
- December 16, 2024
  Revised Forecast
  January 2025 PGA
  November 2024 Actuals
  Balancing Adjustment
  (Over)/Under Recoveries

- January 15, 2025 — Revised Forecast
February 2025 PGA
December 2024 Actuals
Balancing Adjustments
(Over)/Under Recoveries

- February 17, 2025 — Revised Forecast
March 2025 PGA
January 2025 Actuals
Balancing Adjustment
(Over)/Under Recoveries

- March 17, 2025 — Revised Forecast
April 2025 PGA
February 2025 Actuals
Balancing Adjustment
(Over)/Under Recoveries

- April 15, 2025 — Revised Forecast
May 2025 PGA
March 2025 Actuals
Balancing Adjustment
(Over)/Under Recoveries

- May 15, 2025 — Revised Forecast
June 2025 PGA
April 2025 Actuals
Balancing Adjustment
(Over)/Under Recoveries

- June 16, 2025 — Revised Forecast
July 2025 PGA
May 2025 Actuals
Balancing Adjustment
(Over)/Under Recoveries

Q. Does the Company foresee any Over/Under Recovery balance in the current Plan Year?

A. Yes. The Company anticipates an Over/Under Recovery balance of some amount every year. The balances are, however, within a range of reasonable differences given the way these costs are incurred and how these costs are recovered, both prescribed and authorized by GPSC rules and Orders, and the Company's tariff. Through the current gas supply plan and the PGA recovery factors, the Company is working to bring the month-to-month cumulative Over/Under Recovery balance to as close to zero as practical.

Q. From a policy perspective, why is it important that the cumulative balance be as close to zero as practical?

A. As a matter of policy, having the costs of gas during a plan year paid for by the customers that are on the system during that plan year helps to ensure that each customer pays the costs incurred on behalf of that customer. A significant over- or under-recovery will affect gas costs in the following gas supply plan year.

Q. Does the Company have a proposal to address the challenge of significant cost increases after the PGA rates have been filed with the Commission?

A. Yes. As I stated before, while I am not an attorney and am not providing a legal interpretation, the plain language of Georgia's purchased gas adjustment factor code section appears to offer a potential way to mitigate over- or under-collections during these price volatile times. O.C.G.A. § 46-2-26.5(i) provides:

> (i) At least every three calendar months, the gas utility shall file proposed revisions to the adjustment factors based on actual unrecovered purchased gas costs in order that the revenues to be recovered pursuant to such rate during the remainder of the current recovery year shall equal, as nearly as possible, the gas utility's unrecovered purchased gas costs through the end of such recovery year. The revisions to the adjustment factors, if any, shall be made to the nearest 0.01¢ per therm. *Unless the commission directs otherwise*, such revised adjustment factors shall become effective on the first day of the first calendar month that begins at least 15 days after the date of such filing. *(Emphasis added.)*

Liberty's request of the Commission is the same as requested by Liberty and approved by the Commission last year. First-of-the-month commodity prices are not established until a few days prior to the beginning of each month. Consequently, Liberty is asking that it continue to be allowed to file new PGA rates as late as two days prior to the first of the month in which the new rates are to be effective. We believe that this flexibility may significantly mitigate over/under-collections until energy prices become more stable.

Q. Is the Company proposing a new PGA as part of this 2025 – 2026 Gas Supply Plan, based on the filed forecast?

A. Yes, the Company is filing a proposed PGA recovery factor (set forth in Exhibit V) to become effective October 1, 2025. Additionally, projected PGAs to become effective periodically during the 2025 – 2026 Plan Year are provided. The initial PGA recovery factor will, of course, be revised prior to October 1, 2025, to reflect any modifications ordered by the Commission and to reflect revised cost projections. Each PGA factor will be similarly revised.

Q. Did the Company file its Design Day Forecast with the Commission for the 2025 – 2026 Plan year by June 2, 2025, as required by Paragraph 3 of the Commission-approved Stipulation in Docket No. 55650

A. Yes. The Design Day Forecast is included as pages 1 – 7 of Exhibit II in the Company's June 2, 2025, filing in this docket and subsequently refiled July 1, 2025, pursuant to the Commission's Procedural and Scheduling Order in this docket.

Q. **As provided for in Paragraph 4 of the Stipulation adopted by the Commission in Docket No. 55650, did the Company use the forecasting methodology agreed to by Staff and the Company for the 2025 – 2026 Gas Supply Plan?**

A. Yes. The Company used the agreed-to HDD forecasting methodology for this filing. The Company also submitted a second version of Exhibit II for 2025 – 2026 Design Day based on an Effective Degree Day ("EDD") model. The Company has agreed to work with Staff on the difference and effectiveness between the two models which I will discuss more in my testimony below.

Q. Was the Quandt-Andrews Break Point test used by Liberty in this docket?

A. Yes. The Company continued to use the Quandt-Andrews Break Point Test to confirm data stability. The results are included within the forecasts provided as a Trade Secret version of Exhibit II to this Testimony.

Q. Have you provided information concerning the methodology used by the Company to develop the 2025 – 2026 design day forecast?

A. Yes. Liberty provided detailed information on the Company's forecasting methodology in Exhibit II, Pages 8-10.

Q. Please briefly describe the process the Company followed to forecast the design day numbers reflected in the 2025 – 2026 Gas Supply Plan.

A. The process is described in some detail in Exhibit II. Selecting an appropriate Heating Degree Day ("HDD") is the first step in the forecasting process to determine the appropriate level of assets to include within the Gas Supply Plan. The Company continues to maintain that an appropriate HDD for our customers is represented by our coldest day since 1984. This allows for the Company to plan an adequate supply to our firm customers for every day of the Plan Year. The Company prefers to use the HDDs associated with the coldest known actual day for planning purposes.

The second major step is to determine the amount of resources that will be required to serve the Company's firm customers if the design day temperatures were to be experienced during the Plan Year. The Company calculates the

forecasted amount of energy (measured Dth) that would be required to meet our firm customers' needs on a Design Day using a multi-linear regression model discussed previously, this model calculates customer demand based on a stepped HDD approach which captures customer demand at two different HDD levels. This approach has been demonstrated to provide superior results in previous Georgia gas supply plan dockets.

The third major step is to correct the resulting calculation for a known margin of error. In this step of the forecasting process, Liberty continues to increase its design day forecast by not more than a five percent (5%) reserve margin, in lieu of making an adjustment for a known margin of error.

Once a design day forecast is calculated, a portfolio must be prepared to meet the design conditions by setting the appropriate capacity levels for each service area.

Q. Has the Company experienced the need to include customer growth forecasts in modeling assumptions before.

A. Yes, in last year's plan, the Company included larger sales volume growth assumptions than in past years. In this forecast, the Company once again included additional sales volume growth assumptions, driven by new customers, but the additions were not as large as last year since the base line for this year included the larger numbers for last year.

Q. Is there a need to incorporate customer growth forecasts in the 2025 – 2026 Gas Supply Plan?

A. Yes, the Company is continuing to experience increased growth in both the Gainesville and Columbus service areas. This includes multiple moderate-sized residential developments in which some homes are currently starting to be occupied, and more homes are in the process of being built. Residential neighborhood growth is planned to continue for the next several years. In addition, one industrial customer on the Gainesville system has also added production which will increase its gas supply needs. The Company therefore incorporated an out of model adjustment for this expected increase in demand in natural gas. This growth adjustment is included in both the Design Days provided in Exhibit II of my testimony as well as the normal expected purchases provided in Exhibit III. Including this adjustment for incremental growth in the Gas Supply Plan will ensure the Company has adequate capacity to serve all customers, both existing and new customers, in a Design Day scenario as well as the customers' day-to-day gas needs.

Q. Describe the process the Company followed to forecast new customer growth in the 2025 – 2026 Gas Supply Plan.

A. Liberty engaged with developers of both residential and non-residential properties to better understand the timing and sales volumes forecasted to come into the Liberty system during the 2025 – 2026 Gas Supply Planning horizon. These meetings resulted in modest adjustments being included for sales volumes and supplies by month until September of 2029 in Exhibit I and Exhibit III, as well as

Design Day volumes in in Exhibit II. Specific customer usage profiles were used for non-residential customers when known and seasonal typical usage profiles were used for residential growth.

Q. What is an Effective Degree Day ("EDD")?

A. An EDD is like an HDD in that it considers the temperature of a given day, however an EDD also takes into consideration wind as an element to better reflect the impact of weather elements on heating usage of a given day.

Q. What changes, if any, need to be made to improve the design day methodology approved in previous Gas Supply Plans for Liberty?

A. As mentioned earlier in my testimony, the Company has been in discussion with Staff on a potential improvement to the current Design Day methodology. The current approved methodology uses HDD as the basis for weather at specific system requirements. As part of the Company's short-term and long-term planning, EDDs are used in place of HDDs in an alternate forecasting model. Using EDDs has proven to be effective in the day-to-day operations of forecasting the Columbus and Gainesville's properties. The Company proposes continuing to work with Staff to determine which model more accurately projects customers' needs and thus should be used as the forecasting model in future Gas Supply Plans.

Q. Did the Company comply with the provisions of Paragraph 5 from the approved Stipulation in Docket No. 55650 regarding AMAs and peaking or incremental capacity service?

A. Yes. The Company contracted for the levels of peaking services detailed in Paragraph 5 of the Stipulation approved by this Commission in that docket.

Q. Has the Company complied with Paragraph 6 from the approved Stipulation in Docket No. 55650 requiring the Company to maintain records of all hedging transactions and submit a report to the Commission at the end of each quarter detailing these transactions?

A. Yes. The Company has continued its approved hedging program, as I have discussed in this testimony. Additionally, Liberty has reflected its costs of the hedging program in the PGA filings and submitted quarterly reports to the Commission on its hedging activity.

Q. Has the Company complied with Paragraph 7 from the approved Stipulation in Docket No. 55650 requiring the Company to (a) continue the PBR program under the current terms and conditions beginning October 1, 2024, through September 30, 2025, and (b) continue the monthly PBR filings?

A. Yes. The Company also requests that the PBR program be extended for another year, including the monthly PBR filing requirements.

Q. Paragraph 8 from the approved Stipulation in Docket No. 55650 summarized the status of Supply and Asset Management Agreements. What authority is the Company requesting as part of this Gas Supply Plan regarding Supply and Asset Management Agreements?

A. No additional authority is being requested. The Company has extended the current AMA for two (2) years under the same terms and conditions except that the Company was able to attain additional MDQ in its Peaking Agreements.

IV. TARIFF REVISIONS

Q. Did Liberty file tariff revisions, in this docket, on July 1st, 2025?

A. Yes, Liberty filed revisions to the Optional Gas Service Rate Schedule 850 and the Transportation Service Rate Schedule 860. The revisions include requirements for requesting service in these non-firm service rates, requirements for returning to firm service rates if needed, and effective dates for rate status changes.

Q. Why are the proposed tariff revisions necessary?

A. Existing tariff language does not prohibit customer rate changes during winter peak periods, which could result in a mismatch between the amount of forecasted firm Design Day customer gas needs and those which could occur during a winter peak. It is fairly common to have such requirements for transportation customers, and given some of the extreme cold temperatures we have seen in recent years, this is a prudent change to help protect our existing firm customers.

Q. Can you provide an example of how customer tariff participation impacts the Design Day Forecast?

A. Yes. An industrial customer currently participating in the 830 Large Volume Service rate schedule is included in firm historical usage data utilized in the Design Day Modeling process, which produces forecasted firm customer Design Day gas needs for the Gas Supply Plan period. If the customer opts to switch from a firm service rate to a non-firm rate offering, after the Design Day forecast is prepared, the actual firm interstate transportation and gas sales needed for the planned period may be lower than those originally forecasted. In this scenario, customers remaining on firm service rates would absorb the costs of any interstate transportation, gas supply, or bundled peaking services secured for the plan period to meet the needs of the transitioning customer, who would no longer be part of the rates established to recover firm service costs.

Q. Do the current tariff provisions prohibiting existing non-firm customers from switching to a firm rate offering and creating the potential for capacity shortages if a Design Day were to occur.

A. Yes, the availability clauses of firm rates specify they are only available where Liberty has gas delivery capacity. However, no specific provisions inform customers when or if there is an appropriate time to transition to firm service. It would be helpful to inform customers whether Liberty could accommodate their

request, instead of merely denying their request for firm service due to the lack of planned delivery capacity.

Q. What tariff revisions did Liberty propose to address these concerns?

A. Liberty proposed customers provide written notice of their intent to enroll or unenroll in the Optional Gas Service Rate Schedule 850 and the Transportation Service Rate Schedule 860 by April 1st of each year, where enrollment elections will become effective on June 1st of each year.

Q. Why did Liberty choose the proposed enrollment election date of April 1st each year?

A. Preparations for Design Day Modeling begin in April each year. To meet the typical June Design Day filing compliance requirement, it is necessary to be aware of customer shifts between firm and non-firm service rates from the onset of planning so firm customer gas needs can be properly addressed in the upcoming Gas Supply Plan period.

Q. Why did Liberty choose the proposed rate change effective date of June 1st each year?

A. There are many steps involved in participating in a transportation-only service tariff, such as installing metering and identifying marketers which take time to occur once an election has been made. In addition, the typical date for the filing of Liberty's Gas Supply Plan is July 1st each year, so having a customer enrolled by

June 1st affords the opportunity to modify the Gas Supply Plan if unforeseen circumstances occur preventing the customer from taking part in the rate, as originally planned.

Q. What may happen if the Tariff revisions are not approved?

A. Customers could transition to non-firm rates after already having delivery capacity secured for them, resulting in unnecessary costs being borne by the customers who remain firm. On the other hand, customers seeking to move from non-firm service to firm service may be denied service due to capacity constraints, and without the timelines in the proposed tariff, the Company would be unable to time the customer's transition to coincide with delivery capacity planning.

V. CONCLUSION

Q. What does the Company request of the Commission in this Docket?

A. The Company requests that the Commission approve its proposed 2025 – 2026 Gas Supply Plan as filed, specifically including, but not limited to:

(1) The design day forecast utilizing the coldest day since 1984 along with the Company's annual requirements to serve customers in the Gainesville service areas and the Columbus service areas;

(2) The array of supply and capacity assets that the Company has proposed to serve those requirements specifically including, but not limited to:

(a) Interstate storage in the amounts specified in the Exhibits;

(b) Interstate transportation in the amounts specified in the Exhibits;

(c) Natural gas commodity to be provided pursuant to Asset Management Agreements;

(3) The adjustment factors the Company proposes for recovering its purchased gas costs during the recovery year, together with the calculations that produced such factors;

(4) An extension of the existing Hedging Plan through March 2028, including authority for the Company to hedge up to one-third of the Authorized Amounts (that is, up to 10% of the anticipated winter purchases for as much as three winters in advance (these three-winter-ahead hedges may be done in fewer transactions, based on the Company's assessment of market conditions) and, authorize the Company to recover costs associated with the hedging plan through the purchased gas cost adjustment (PGA) mechanism;

(5) An extension of the Performance Based Ratemaking Plan through September 30, 2026;

(6) Authority, continuing until the end of 2025-2026 Gas Supply Plan Year (September 30, 2026), for Liberty to shorten the 15 days between the PGA rate filing and the effective date of the newly filed PGA rates to two days;

(7) Approval of the tariff amendments to require written notice of a customer's intent to enroll or unenroll in the Optional Gas Service Rate Schedule 850 and the Transportation Service Rate Schedule 860 by April 1st of each year, with the enrollment elections to become effective on June 1st of each year; and

(8) Authority to do other things necessary to accomplish the goals, objectives and tasks as part of this 2025 – 2026 Gas Supply Plan.

Q. Does this conclude your testimony?

A. Yes, this concludes my pre-filed direct testimony at this time.

Attachment A: CURRICULUM VITAE OF MARTIN DEBRUIN

EXPERIENCE

Liberty Utilities – Manager, Gas Supply Planning **November 2011 – Present**

- Oversee the gas purchasing, storage planning, gas scheduling, forecasting, and asset management agreements for Liberty's operations in Missouri, Iowa and Illinois, providing natural gas to 25 service areas from eight interstate pipelines.
- Responsible for securing reliable and cost-effective gas for customers (either directly or through contracted asset managers) and assisting in calculating customers' cost of gas.
- Participate in each state's hedging program, determining volumes of gas to be hedged and working with the Company's hedging consultant on timing of hedges. Track hedges for market-to-market accounting and provide settlement reports.
- Manage pipeline capacity contracts to ensure adequate capacity is effectively secured for customers.
- Providing data to respond to data requests in all three jurisdictions and provide data for rate proceedings. Responsible for monitoring interstate pipeline rate cases.
- Responsible for staying current on regulatory requirements, market trends, and industry standards.

Transgas – Director of Customer Relations	**2004-October 2011**
Tractebel (Distrigas) - Manager of Sales	**2001-2004**
Bay State Gas – Gas Supply Manager	**1998-2001**
Colonial Gas – Manager of Gas Supply	**1990-1998**

EDUCATION

University of Lowell, Lowell, MA Bachelor's in Accounting, Graduated Cum Laude

Bentley College, Waltham, MA, Master's in Finance

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION
ATLANTA, GEORGIA

IN RE:	)	
	)	
LIBERTY UTILITIES (PEACH STATE NATURAL GAS) CORP.	)	**DOCKET NO. 56178**
	)	
2025 – 202 GAS SUPPLY PLAN	)	

AFFIDAVIT

COUNTY OF ROCKINGHAM)
STATE OF NEW HAMPSHIRE)

Martin DeBruin, first being duly sworn, deposes and says that he is Martin DeBruin, whose prepared revsied Direct Testimony, filed July 17, 2025, on behalf of the Applicant in the above-entitled proceeding accompanies this affidavit.

Martin DeBruin further states that, to the best of his knowledge and belief, his answers to the questions contained in such testimony are true and accurate and that he adopts those answers as his sworn testimony in this proceeding.

Martin DeBruin
Manager, Gas Supply Planning

SUBSCRIBED AND SWORN TO before me, the

Undersigned Notary Public, this _17th___ day of July, 2025.

My Commission Expires: Feb. 23, 2029

Notary Public

SEAL

KRUTI SHAH
Notary Public
Commonwealth of Massachus
My Commission Expires
February 23, 2029