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	)	

JOINT TESTIMONY OF

NIJAH JAMES
(ON BEHALF OF THE GEORGIA PUBLIC SERVICE COMMISSION STAFF)

and
MARTIN DEBRUIN
(ON BEHALF OF LIBERTY UTILITIES (PEACH STATE NATURAL GAS) CORP.)

REGARDING THE PROPOSED STIPULATION

The following questions are directed to Mr. DeBruin:

Q. Mr. DeBruin, please state your name, position, business address, and responsibilities.

A. My name is Martin DeBruin. My business address is 15 Buttrick Road, Londonderry, NH 03053. I am the Manager of Gas Supply Operations. In this capacity, I am responsible for gas supply planning and purchasing for Liberty Utilities' Midstates group of local gas distribution utilities.

Q. On whose behalf are you appearing?

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

Q. Did you pre-file direct testimony in this docket?

A. Yes. In addition to this joint pre-filed direct testimony with Ms. James regarding the Stipulation in this docket, I submitted pre-filed direct testimony in support of the Company's 2025 – 2026 Gas Supply Plan on July 1, 2025, and revised pre-filed direct testimonies on July 17, 2025, and July 22, 2025. The pre-filed direct testimony and other Gas Supply Plan documents (Exhibits I through V and the Statement of Compliance with the Minimum Filing Requirements) included all of the Minimum Filing Requirements for a Gas Supply Plan. On July 17, 2025, Liberty filed my revised pre-filed testimony and revised Exhibits II, III, IV, and V. On July 22, 2025, Liberty filed my revised pre-filed testimony and a revised petition.

Q. Does the testimony that you caused to be pre-filed on July 1, 2025, in this docket provide your educational background and work experience?

A. Yes. My education, relevant work experience, and prior experience as a witness in regulatory matters are discussed in the July 1 pre-filed testimony as well as in Attachment A thereto, which provides my curriculum vitae.

The following questions are directed to Ms. James:

Q. Ms. James, please state your name, title, and business address.

A. My name is Nijah James, and I am a Utilities Engineer in the Georgia Public Service Commission's Natural Gas Unit. My business address is 244 Washington Street SW, Atlanta, Georgia 30334.

Q. On whose behalf are you appearing?

A. I am appearing on behalf of the Georgia Public Service Commission Natural Gas Unit ("Staff").

Q. What is your educational background?

A. I hold a Bachelor of Science degree in Industrial Engineering with a concentration in supply chain engineering. I received my degree from the Georgia Institute of Technology. Throughout the pursuit of my degree, I completed several courses focused on statistical analysis, regression, and forecasting.

Q. What is your professional experience?

A. I have been employed by the Georgia Public Service Commission since February 2022 and serve as a Utility Engineer for the Natural Gas Unit. Since my employment began, I have been involved in numerous projects, specifically including Liberty's 2022-2023, 2023-2024, 2024-2025, and 2025-2026 Gas Supply Plans. In the fall of 2022, I spent time in Gainesville, Georgia to audit and thoroughly analyze the model and the revised Design Day forecast in Liberty's Gas 2022-2023 Supply Plan. I was also involved in reviewing and analyzing the design day forecasts in Atlanta Gas Light Company's 2022 – 2025 and

2025 – 2028 Capacity Supply Plan (Docket 44319 and Docket 56177). My background in regression and forecasting allows me to effectively review the regression analyses, understand the relationship between variables of interest, and provide my professional opinion to the Director of Natural Gas and the team.

Q. Have you attended or conducted continuing education seminars, conferences, and related training?

A. Yes. I completed a training regimen prepared by the Natural Gas Unit during which I learned natural gas terminology, relevant laws, rules, and how to analyze detailed financial models, capacity and gas supply plans, LNG construction, rate regulation, and the industry in general. In addition, I completed the Institute of Public Utilities' Fundamentals Course in the summer of 2022. In this course, I learned the foundational principles of regulation. I have attended field site visits to liquefied natural gas ("LNG") facilities in the state of Georgia. Also, I attended and completed the National Association of Regulatory Utility Commissioners ("NARUC") Rate School in the summer of 2023, which taught the fundamentals of ratemaking. In the curriculum, we covered topics such as rate design, financial statements, and performance-based ratemaking.

Q. Have you previously testified before this Commission?

A. Yes. I have previously testified before this Commission in Liberty's 2023-2024 Gas Supply Plan and 2024-2025 Gas Supply Plan (Docket 45083 and Docket 55650).

Q. What has been your involvement in this docket to date?

A. I have served as the project leader for Staff's review and analysis of Liberty's 2024 - 2025 and 2025 – 2026 Gas Supply Plan, working with the other Staff team members in every phase of this docket. My work has included: preparing for and participating in multiple meetings with Liberty in advance of the filings; thoroughly reviewing the complete filing, reviewing the Design Day forecasts and Gas Supply Plan; analyzing the petition, pre-filed testimony, exhibits, and Minimum Filing Requirements; developing and propounding discovery to the Company; and reviewing all responses. My involvement also included engaging in numerous conferences to explore the potential for a settlement and negotiating the stipulation that we are now asking the Commission to approve.

The following questions are directed to both witnesses:

Q. Were both of you involved in developing the current Stipulation?

A. Yes. We represent the Staff and the Company and were actively involved in the process.

Q. What is the purpose of your testimony?

A. The purpose of our testimony is to sponsor the proposed Stipulation reached by Liberty and the Staff and to recommend Commission approval. A copy of the Stipulation is attached hereto as Exhibit A (Exhibit A, Stip.-1) and is, to the best of our knowledge and belief, true and correct. This pre-filed joint testimony also discusses some of the fundamental elements of a Gas Supply Plan, how the planning process benefits customers in Georgia, and how the Company and the Staff are working together to monitor the

accuracy of the forecasting changes implemented in the 2022 – 2023 Gas Supply Plan (Docket No. 44392). The Commission approved the 2022 – 2023 Gas Supply plan (September 1, 2022), then later approved the design day forecast in the Addendum to the Stipulation (November 8, 2022).

I. Gas Supply Plans in Georgia

Q. What is a Gas Supply Plan?

A: In Georgia, a Gas Supply Plan is the particular array of available gas supply, storage, and transportation options selected by a natural gas local distribution company to supply the requirements of its **firm** customers. In 1994, the General Assembly passed legislation setting forth the requirements for Gas Supply Plans to be filed with the Georgia Public Service Commission. That legislation, which has been codified at O.C.G.A. § 46-2-26.5, also establishes the processes for reviewing each Plan and establishing purchased gas cost rates for recovery of the associated purchased gas costs.

Liberty's Gas Supply Plan includes, but is not limited to, a report on the previous year's peak day throughput, design day forecasts for the forward-looking Plan Year, the portfolio of supply and capacity assets to meet firm customers' needs, and proposed adjustment factors for recovering purchased gas costs. Each of these components are necessary to ensure that the Company has adequate resources available to meet the gas needs of its customers in the Columbus and Gainesville service areas in a safe, reliable, and cost-effective manner.

Q: What is the purpose of a Gas Supply Plan?

A: A Gas Supply Plan serves the purpose of ensuring that the Company 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, and that the Company acquires a sufficient array of interstate capacity and out-of-state storage rights to meet firm customers' design day requirements. Either an insufficient forecast or an insufficient available array of assets jeopardizes firm customers' safety and leaves them at risk of not having sufficient natural gas service during the coldest days of the year.

Q: Your previous answers have referred to both a "peak day" and a "design day." What is a peak day?

A: The peak day is the day within a Plan Year that experiences the highest throughput to customers. Because requirements for firm residential and firm business customers tend to be highly dependent upon weather, the peak day is typically the coldest day within the Plan Year. It is on this day that more gas flows to serve firm customers than on any other day in the Plan Year.

Q: What is a design day, and how is it different than a peak day?

A: A design day is a hypothetical day within the forward-looking Plan Year that serves as the basis for gas supply planning. For the design day, the forecast includes assumptions about weather and other circumstances that would impose the highest logical demand on the system to serve firm customers. As stipulated, Liberty's design day for its service areas

assumes a day with the coldest average actual daily temperatures since 1984. Based on that design day temperature, the forecast then predicts what will be required to meet Liberty's firm customers' gas requirements on such a day.

The difference between a peak day and a design day is that a peak day is what was actually experienced in each Plan Year. Whereas, a **design day** in gas supply plan is a forecast of a **24-hour period of demand** used as a basis for planning gas supply and capacity requirements. It is characterized by **anticipated colder-than-normal weather conditions** that may lead to increased gas demand. The design day forecast is a forecast of the combined estimated gas requirements of all firm sales. Every year has a peak day, but not every year has a design day.

Q: What is the design day forecast that you referenced previously and how is it determined?

A: The design day forecast estimates the quantity of gas necessary to provide natural gas services to firm customers on a design day. Design day means a 24-hour period of demand which is used as a basis for planning gas supply and capacity requirements. Heating Degree Days (HDDs) are a measure of how cold the temperature was on a given day or during a period of days. A high number of degree days generally results in higher levels of energy used for space heating. To achieve a design day forecast, the design day condition must be first determined. As stated previously, Liberty uses the coldest average actual daily temperature since 1984 to calculate its design day for its Georgia service areas. Next, the Company must determine the demand associated with the design day conditions.

Liberty uses a regression model that takes variables (i.e., HDDs, day-of-the-week variables, etc.) and outputs an estimate of gas usage based on those variables. Finally, a 5% reserve margin is added to the estimated supply requirements to adjust for the margin of error.

Q: What elements must be forecasted to develop a Gas Supply Plan?

A: The Company must forecast gas demand to determine the necessary gas supply and capacity assets. Gas demand is driven, in part, by the number and the type of customers that are forecasted to be on the system at the time of a design day event.

Q: Please describe the design day forecast model development process.

A: Models are developed from regression analyses. Regression analysis is a statistical method that shows the relationship between two or more independent variables. The Company uses regression to analyze historical data and predict its firm customers' gas usage behavior.

Q: Please describe the factors used to estimate gas demand.

A: The independent variables that are used to estimate gas demand are Heating Degree Day ("HDD"), HDD step factor, the previous day's HDD, gas consumption for the previous day, month variables, and day-of-the-week variables. The HDD step factor is a variable that accounts for the increased rate of consumption that occurs at higher HDDs. The inclusion of this variable mitigates under-forecasting as HDDs reach a certain threshold.

In the regression model, coefficients are given to each independent variable and combined with approximate gas usage.

Q: What are degree days regarding a Gas Supply Plan?

A: Degree days, historically expressed as HDDs in Gas Supply Plans, are standard measurements used to forecast energy demand for customers' heating. Degree days are based on the assumption that when the outside temperature is 65°F, customers do not need heating to be comfortable. Degree days are the difference between the daily temperature mean, (high temperature plus low temperature divided by two) and 65°F. If the temperature mean is below 65°F, we subtract it from 65, and the result is Heating Degree Days.

As an example, if the high temperature for a particular day were 33°F and the low temperature were 25°F, then the temperature mean for that day would be calculated as:

$$(33°F + 25°F) / 2 = 29°F.$$

Then, because the mean calculation is below 65°F, the Heating Degree Days would be calculated as:

$$65°F - 29°F = 36 \text{ Heating Degree Days (HDDs)}$$

Q: How are regression equations measured for validity and accuracy?

A: Liberty uses several statistical measurements to analyze the validity and stability of its model, including R-squared, Durbin-Watson (DW) Test, Quandt-Andrews Breakpoint Test, and Cumulative Sum for Recursive Errors (CUSUM). Each of these measurements can be summarized as follows:

- R-squared is an indicator of how well the dependent variable can explain variation in the independent variables. The R-squared coefficient should be high, because the higher the value the stronger the correlation with the variable.
- The Durbin-Watson (DW) statistic measures autocorrelation in the residuals of a regression analysis. Autocorrelation in regression violates the assumption that error terms are independent. The DW statistics should be close to or equal to two. A value of two indicates no evidence of autocorrelation (*e.g.,* that the pattern of usage is dependent on the variables (HDDs or Effective Degree Day, which are referred to as EDDs)).
- The Quandt-Andrews Breakpoint Test detects unknown structural changes (*i.e.*, breakpoints) and trims them from the data set.
- The Cumulative Sum for Recursive Errors (CUSUM) is a chart that traces the cumulative residuals of the model over the historical data sample range. A stable data sample will be centered on the chart. This chart works with the Quandt-Andrew test to make assumptions about trends in the historical data.

Q: Have prior sales and throughput forecasts proven to be accurate?

A: Yes, the forecasts have proven to accurately predict customer consumption.

Q. You previously explained HDDs. What is an EDD?

A. EDD refers to "Effective Degree Day." In all but one respect, EDDs are comparable to HDDs. The one exception is that EDDs also include an element to account for wind, in addition to temperature.

Q. How are forecasts based on HDDs and forecasts based on EDDs addressed in this Gas Supply Plan?

A. The Company continues to express its belief that although EDDs and HDDs often yield very similar forecasts, EDDs, in Liberty's view, more accurately predict customers' actual consumption. However, as stipulated, Liberty filed the 2025 - 2026 Plan Year design day forecasts (Pages 1-7 of Exhibit II) in two ways, one using HDDs, and the other using EDDs. Both Staff and Liberty want to use the most accurate forecasts available, and thus Staff and Liberty agreed to compare the models' accuracy over three gas supply plan years to determine the more accurate approach. Nonetheless, during the evaluation period, the design day requirements for each gas supply plan will continue to be established based on forecasts using HDDs.

Q: Has Liberty used EDDs as part of the forecast methodology in its other jurisdictions?

A: Yes. Empire District Gas has used EDDs in operational forecasts and design days since 2018. Midstates used EDDs in operational forecasts for some time and began using EDDs for design days more recently.

II. Description of the Proposed Stipulation

Q. What is the purpose of the Stipulation in this docket?

A. The purpose of the Stipulation is to seek approval of a Gas Supply Plan based on the Company's 2025 – 2026 Gas Supply Plan filing. The filing included the forecasts that were revised by the Company on July 17, 2025, and the updated petition was submitted on July 22, 2025. Approval of this Stipulation will authorize the Company to maintain its existing portfolio of interstate pipeline and out-of-state storage capacity for the 2025 – 2026 Plan Year for the benefit of the Company's firm customers in Georgia. The proposed array of assets also continues to include citygate peaking services for both the Gainesville service areas and the Columbus service areas. In addition, the Stipulation includes important Gas Supply Plan features, such as hedging, reporting, and PGA factor revisions, all of which are discussed in more detail within this pre-filed Joint Testimony.

Q. Please describe the Gas Supply Plan filed by the Company in this docket.

A. The Company's 2025 – 2026 Gas Supply Plan was filed pursuant to O.C.G.A. § 46-2-26.5 on July 1, 2025, and revised Exhibits II, III, IV, and V were filed on July 17, 2025. The Plan was described in greater detail in the pre-filed direct testimony of Witness DeBruin, but it generally incorporates the design day forecasts for two distinct geographic areas served in Georgia. Specifically, forecasts for the North Service Areas (the areas in and around Gainesville) and the South Service Areas (the areas in and around Columbus) were initially filed with the Commission in this Docket on June 2, 2025, and revised on July 17, 2025.

The 2025 – 2026 Gas Supply Plan describes the specific array of available gas supply, out-of-state storage, and transportation options initially selected by Liberty to supply the firm requirements of the Company's firm customers, as those requirements were determined using the forecasting model. As part of the filing, the Company sets forth: (1) the Company's projected design day forecast along with the Company's annual requirements to serve firm customers in both the North Georgia and South Georgia service areas; (2) the portfolio of supply and capacity assets that will 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. Should there be a difference between available capacity and supply assets and firm customers' forecasted design day needs, the difference will be mitigated through new citygate bundled peaking services.

In this manner, Liberty's 2025 – 2026 Gas Supply Plan for the Columbus and Gainesville service areas includes a combination of year-round and seasonal services, including firm transportation, storage, and peaking.

Q. What does this Stipulation do in presenting the results of the forecasting models and describing the array of assets proposed to meet firm customers' requirements?

A. This Stipulation preserves the existing array of interstate storage and firm transportation contracts that Liberty has entered on behalf of its Georgia customers. This feature is critical, inasmuch as both interstate pipelines serving the Company's service territories in Georgia are fully subscribed. Additionally, there are areas of the Gas Supply Plan besides

the design day forecasts, including but not limited to adjustments to the purchased gas adjustment ("PGA") factors, hedging, performance-based rate program, and reporting. For each of these other Gas Supply Plan areas, the Stipulation resolves those issues and are fully described later in this testimony.

III. Summary of the Proposed Stipulation's Components

Q. Will you please describe the first Section of the proposed Stipulation?

A. Yes. Section 1 of the proposed Stipulation requires the Company to modify its proposed Purchase Gas Adjustment ("PGA") Factor to be effective October 1, 2025, to include an imbalance adjustment for projected over- or under-recovery for the 2024 – 2025 recovery year. This adjustment is made at the beginning of each Plan Year to account for any over- or under-recovery balance from the preceding year. Although the Company seeks to minimize under- and over-collections, some level of over- or under-collection is inevitable. For reference, an imbalance adjustment is required by O.C.G.A. § 46-2-26.5(e).

Additionally, Section 1 addresses the timing of upcoming PGA factors. The Company's petition noted that, similar to what had been observed in the previous Plan Year, relatively large changes to the cost of natural gas sometimes occur between the filing of the PGA Factor in the middle of the month, and the effective date of those new PGA rates at the beginning of the following month. This had complicated the task of minimizing an over- or under-recovery of PGA costs during both the 2021 – 2022 and the 2022 – 2023 Plan Years. In the Stipulation, Staff and Liberty jointly request that the Commission

exercise its authority under O.C.G.A. § 46-2-26.5(i) to direct Liberty to file PGA Factors nearer to the date they will become effective, if needed. With the Commission's approval of this Stipulation, Liberty will continue to be authorized to file changes in PGA rates that will become effective in as few as two days following the PGA rate filing. This directive is requested to be made effective for the period beginning with the issuance of an Order in this docket through the end of the 2025 – 2026 Gas Supply Plan Year (September 30, 2026).

Q. Can you describe Sections 2 and 3 of the proposed Stipulation?

Section 2 of the proposed Stipulation requires the Company to continue making monthly and quarterly filings of gas costs and recovery positions for the 2025 – 2026 Plan Year, pursuant to O.C.G.A. § 46-2-26.5 and Commission Utility Rule 515-7-2.

Section 3 of the proposed Stipulation requires Liberty to file its Design Day Forecast with the Commission for the 2026 - 2027 Plan Year no later than June 1, 2026, along with documentation of its demand forecasting methodology. Section 3 also requires Liberty to file its 2026 - 2027 Gas Supply Plan no later than July 1, 2026.

Q. Please describe the design day forecast methodology provisions of Section 4 of the proposed Stipulation.

A. Section 4 addresses the design day forecasting model that we mentioned in the opening questions and answers of this pre-filed Joint Testimony. The Company and Staff previously agreed that it is appropriate to review the forecasting models using HDDs as

well as models using EDDs for three Plan Years. Unless the Parties agree or the Commission orders otherwise, the 2026 – 2027 Plan Year will include an array of assets appropriate to serve firm loads as calculated using HDDs, but both versions of the design day forecasts will be available to compare and contrast.

Q. Please describe the provisions of Section 5.

A. Section 5 of the proposed Stipulation addresses ~~P~~peaking ~~S~~services for the North Service areas, which include Gainesville and the surrounding areas, and ~~P~~peaking ~~S~~services for the South Service areas, which include Columbus and the surrounding areas.

The Asset Management Agreement for Gainesville includes 4,500 Dth per day of peaking services and the Asset Management Agreement for Columbus includes 4,900 Dth per day of peaking services.

Q. What are bundled citygate peaking services referred to above?

A. For Liberty, these peaking services are contracts that can be called upon to meet firm customers' needs during the periods of highest demand. In other words, they typically are the last assets to be deployed. Because extreme cold conditions in Georgia tend to be limited to relatively short durations, these peaking services typically are contracted to be available for anywhere from five (5) to ten (10) days during winter months. The term "bundled" refers to it being a packaged service, including both the natural gas commodity and the interstate transportation rights required to get the commodity delivered to Georgia. Similarly, the term "citygate" refers to the place where the service is delivered, which is

where an interstate pipeline connects with the local distribution company's system, also known as the "citygate." Thus, bundled citygate peaking services are contractual rights that allow a local distribution company ("LDC") to call for, and obligates the service provider to deliver, natural gas to the citygate when required to meet the needs of firm customers. Typically, the LDC will contract for such services to be available for at least five (5) (but usually not more than ten (10)) days between November to February or March. Liberty has not included within this year's Plan all of the contracted-for citygate bundled services it has available to it, but rather only the portion required to achieve a 5% reserve margin. Notwithstanding the additional contracted-for citygate bundled services, the Company is not seeking an increase to the historical 5% reserve margin criteria for its Gas Supply Plan.

Q. Please describe the provisions of the proposed Stipulation that govern hedging.

A. Section 6, which includes subsections 6(a) through (c), addresses the Company's Gas Supply Plan proposal for hedging. As approved in past Gas Supply Plans, subsection (a) continues the use of rolling 12 to 18-month hedging implementation periods, layered ratably, unless extraordinary events warrant a suspension or acceleration of planned hedging volumes. If the Company were to experience 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.

The Company's proposed 2025 – 2026 Gas Supply Plan includes the continuation of the ability to use both swaps and options. Similarly, the 2025 – 2026 Gas Supply Plan continues the current practice of hedging 30% of purchase requirements net of storage transactions for the months of November 2025 through March 2026 and the months of November 2026 through March 2027. An additional feature proposed by Liberty in each of the last four plans and approved by the Commission authorized Liberty to hedge as much as one-third of the authorized amounts to be hedged (the one-third is equal to 10% of the purchase requirements net of storage transactions for the months of November through March) for as much as three winters in advance. Unlike the remainder of the hedged volumes, this 10% may be done in fewer transactions, as opposed to a layered, ratable process. This addition to the approved hedging program was, and may continue to be, attractive in some years because of market opportunities. To the extent that new market conditions may continue to make hedges for a part of the overall supply portfolio attractive for as much as three winters in advance, the Company proposed that the provision approved for the last three years continue to be made available for the 2025 - 2026 Gas Supply Plan Year. Staff and Liberty have included a provision to continue that option within Subsection 6(a) of the Stipulation.

Additionally, as in the corresponding provisions from previous Stipulations and Commission Orders, Subsection (b) of this year's Stipulation permits the recovery of costs associated with the hedging program through the PGA factor.

Subsection 6(c) in the proposed Stipulation maintains the current record-keeping and reporting requirements.

Q. Does the hedging program reduce gas costs?

A. A good hedging program may, or may not, reduce overall gas costs. Although reduced gas costs may result from hedging practices in any given Plan Year, the purpose of hedging is not specifically to reduce costs, but rather to reduce price volatility. Natural gas has historically been one of the most volatile commodities traded. By undertaking a disciplined, ratable approach to hedging, consumers can be shielded from many of the extreme price swings that characterize natural gas prices in the North American markets. Liberty does not try to "beat the market" by hedging the authorized amounts. Liberty is not speculating in the natural gas wellhead pricing markets. Instead, by hedging a reasonable amount of the forecasted winter volumes, Liberty's hedging program seeks to provide a degree of price stability to firm customers in Georgia.

Q. How does the Proposed Stipulation address the performance-based rates program?

A. Section 7, which includes Subsections (a) and (b), provides for an extension of the current performance-based rate program, with the existing monthly reporting requirements, through September 30, 2026.

Q. What does Section 8 of the Proposed Stipulation address?

A. Section 8 of the proposed Stipulation addresses Asset Management Agreements ("AMAs") for both the South Service Areas (including Columbus and neighboring areas) and the North Service Areas (including Gainesville and neighboring areas). In the last Gas Supply

Plan, the then current AMAs for both the Gainesville service areas and the Columbus service areas, were scheduled to expire at the end of the Gas Supply Plan year on September 30, 2025. However, pursuant to the authority granted in the Order approving the 2024-2025 Gas Supply Plan, Liberty was authorized, in its sole discretion after consultation with Staff, to extend the existing AMA on no less favorable terms by amending the current AMA without issuing new Requests For Proposals ("RFPs") for up to three additional years. With consultation from the Staff, Liberty extended the current AMA for two (2) additional years under the same terms and conditions except that the Company was able to attain additional maximum daily quantities ("MDQs") in its Peaking Agreements. For this 2025-2026 Gas Supply Plan, no additional authority is needed or being requested.

Q. What is an asset manager and how do customers benefit from Liberty's use of asset managers?

A. An asset manager is a specialized service provider who undertakes the role of optimizing the interstate pipeline contract assets and the out-of-state storage contract assets that Liberty includes within its array of Gas Supply Plan assets each Plan Year to meet the design day requirements of its firm customers. Natural gas use is seasonal. Typically, winter heating loads stress the systems on very cold days. In summer, as well as in the shoulder periods (typically spring and fall), some levels of the contracted services are not required to meet firm customers' needs. When not needed to serve firm customers in Georgia, the same assets that are used to get gas to Georgians may be used to transport gas

and provide services to other areas in the nation. Asset managers typically operate nationally and can optimize assets when they are not being used to meet their primary purpose of serving firm customers in Georgia. Consider the number of days that the northeastern part of the country is experiencing extreme winter weather, while Georgians enjoy relatively mild weather conditions.

To have an opportunity to optimize the value of the assets Liberty acquired on behalf of its firm customers, an asset manager contracts with Liberty and agrees to pay a monthly amount (usually without regard to the number of opportunities the asset manager may or may not have to optimize those assets). Asset managers are actively engaged in multiple markets simultaneously; thus, they are typically better positioned than a utility to optimize the value of a local distribution company's contracted interstate assets.

As part of the asset management agreement, the asset manager also agrees to purchase gas on behalf of Liberty's firm customers at levels that complement the hedging and physical storage volumes. The Company still makes the decision on how much gas an asset manager will purchase and deliver to Liberty's citygates, as well as when to procure gas on behalf of customers. An asset manager determines from whom gas will be purchased. The price of the commodity delivered by an asset manager for first-of-month and daily quantities are based on indexes (for first-of-month) and published market prices (for daily purchases), plus or minus a contracted premium. All of the pricing terms and the delivery obligations of each asset manager are specified in asset management agreements that are entered into between Liberty and each asset manager, based on responses to requests for proposals competitively solicited by Liberty and authorized within each gas

supply plan presented to the Commission. The asset management agreements also specify other requirements, such as storage levels that must be achieved for supply security.

Customers benefit from Liberty's use of asset managers by: (1) receiving credits to interstate and out-of-state storage costs for released capacity; (2) being charged no more than market-based commodity prices (typically at prices that fluctuate similar to first-of-month prices and daily market prices); (3) receiving an optimized value for allowing an asset manager to use contracted interstate pipeline capacity and out-of-state storage capacity when not needed for Liberty's firm customers in Georgia; and, (4) receiving payments from asset managers associated with asset management agreements. In other words, customers generally receive the benefit of lower gas costs and a reliable gas supply.

Q. What does Section 9 of the Proposed Stipulation address?

A. Section 9 provides that certain Commission Staff education, training, travel, and related expenses up to $20,000.00 during the 2025 – 2026 Gas Supply Plan Year should be paid for by Liberty or reimbursed by Liberty. Consistent with prior Commission practices, such expenses will be treated as provided for in O.C.G.A. § 46-2-33, and Liberty will subsequently recover them in the 2026 Annual GRAM Filing.

IV. Request for Approval of the Proposed Stipulation

Q. What is your recommendation?

A. As set forth in Section 10 of the proposed Stipulation, the Company and Staff jointly request that the Commission approve Liberty's proposed 2025 – 2026 Gas Supply Plan as provided for in the proposed Stipulation attached hereto. This Plan, and the Commission's

approval of this Stipulation, will permit the Company to maintain an array of assets to serve customers in Georgia. The Commission's issuance of an order accepting this Stipulation resolves all issues in the case. A copy of the executed proposed Stipulation is attached hereto as Exhibit A (Stip-1).

Q. Does this conclude your pre-filed joint testimony?

A. Yes.