Liberty Utilities (Peach State Natural Gas) Corp.
Georgia Public Service Commission
Docket No. DN 42959
Staff's Thirty-Third Set of Data Requests

STF-33-1 When reviewing the 2025 GRAM model in WP 4-3 filed on February 21, 2025, Liberty provided the following breakout of the 2025 GRAM tracking revenues seen in **Figure-A** below.

Figure-A: 2025 GRAM WP 4-3

Rate Revenue	$	54,974,356
Forfeited Discounts from WP 4	$	163,750
Miscellaneous Revenues from WP 4	$	40,980
Subtotal - Revenue subject to reconciliation in future GRAM	$	55,179,086
Special contracts from WP 4	$	363,330
Total Authorized Revenue	$	55,542,415

When reviewing RTU report filings prior to the 2024 GRAM RTU filing, Liberty included account:

4210	8862-2-0400-40-4460-4210	Misc - Non operating income

In the 2024 and 2025 GRAM report filings, this account was omitted. During 2024 this account activity had $6,243 in revenues. During year 2025, this account had $32,389 in revenues.

Why has Liberty not included this revenue account as part of the 2024 and 2025 GRAM RTU filings when miscellaneous revenues are included for RTU tracking?

Response: The Miscellaneous Revenues included in WP 4-3 and subject to reconciliation under the Georgia Rate Adjustment Mechanism ("GRAM") are limited to revenues that meet the definition of "actual billed non-gas-cost revenues" for services provided during the applicable rate effective period. Consistent with this definition, Liberty Utilities (Peach State Natural Gas) Corp. ("Liberty" or "Company") has included in WP 4-3 only those miscellaneous revenues associated with customer service activities—specifically, Reconnection Charges billed under Service Regulation No. 5 (Discontinuation and Restoration of Service)—that are applicable to customers receiving service under GRAM rates.

The account referenced by Staff, which appears on WP 2-1 of the Initial 2024 GRAM Revenue True Up ("RTU") filing submitted April 30, 2025, reflects amounts recorded as Miscellaneous Non-Operating Income. These amounts are

associated with an Intergovernmental Agreement tied to a limited group of customers in Meriwether County (these are the customers referred to in STF-33-14) that are not subject to the Company's GRAM rates. As such, these revenues do not meet the criteria for inclusion as "revenue subject to reconciliation" under the GRAM framework.

Liberty notes that, in prior filings, the Company included a broader set of income statement accounts within its workpapers to provide a transparent reconciliation back to the financial statements, and then removed non-qualifying items (such as Miscellaneous Non-Operating Income) as part of the RTU calculation process.

During the review of the 2024 GRAM RTU, Liberty and Staff aligned on refining this presentation approach to include only those revenues that meet the GRAM criteria in the first instance. Consistent with that alignment—and as reflected in the Revised 2024 GRAM RTU filed July 7, 2025—the Company excluded Miscellaneous Non-Operating Income from the revenue subject to reconciliation.

This treatment was carried forward into the 2025 GRAM RTU filing. Accordingly, the omission of this account from the 2024 and 2025 GRAM RTU filings reflects a consistent application of the GRAM definition of recoverable revenues and the agreed-upon approach with Staff, rather than a change in underlying treatment or methodology.

Submitted by: Adam Bigknife

Sr. Manager Rates and Regulatory Affairs

Liberty Utilities (Peach State Natural Gas) Corp.

STF-33-2 The Staff has provided an Excel spreadsheet attachment named **Staff-33rd-Set-1** that provides the following:

1a. RTU Rev Data Monthly - Filed GRAM RTU Reports
1b. RTU Rev Data QTY – Filed GRAM RTU Reports
1c. RTU Rev Q-Analysis - Quarterly Analysis
1d. RTU Annual Analysis
1e. RTU Comparisons
2a. RTU Rev Data Financial Months
2b. Q-Data Financial Quarters
2c. Q-Analysis Financial Quarters
2d. Annual Data Financial Months
2e. Annual Analysis Financial Months
3a. Customer Data Monthly – GRAM Q-Reports
3b. Customer Data Quarterly – GRAM Q-Reports
3c. Customer Q-Analysis
3d. Customer Annual Analysis
4a. Volume Data Monthly – GRAM Q-Reports
4b. Volume Data QTY – GRAM Q-Reports
4c. Volume Q-Analysis
4d. Volume Annual Analysis
5. RTU Chart Analysis
6a. ROE Analysis Trends - GRAM Quarterly Repots
6b. ROE-RTU Analysis G-Reports

In Worksheet-1e, there are comparisons between the actual 2025 GRAM RTU tracking revenues to the forecasted revenues. Does Liberty agree with the breakout in **Figure-B** below? This would not include any adjustments related to STF-33-1 above.

Figure-B: Staff-33rd-1 Worksheet-1e

	A	B	C	D	E
1	1e. Actual Revenues to Forecasted: 2025 GRAM RTU				
2					
3	Account Description	Actual Revenues 2025 GRAM RTU Filing	Forecasted Revenues 2025 GRAM WP 4-3		Variance: Actual minus Forecasted
4	Residential Sales	$31,177,183.28	$32,921,436.42		($1,744,253.14)
5	Commercial and industrial sales	$12,833,202.25	$13,337,852.05		($504,649.80)
6	**Total Rate Revenue**	**$44,010,385.53**	**$46,259,288.47**		**($2,248,902.94)**
7	Forfeited Discounts	$307,807.57	$163,750.00		$144,057.57
8	Misc Service revenues	$329,442.66	$40,980.00		$288,462.66
9	**Total Miscellaneous Revenue**	**$637,250.23**	**$204,730.00**		**$432,520.23**
10	Rev-Transport of Gas Others	$5,681,703.64	$8,715,067.24		($3,033,363.60)
11	**Total Transportation Revenue**	**$5,681,703.64**	**$8,715,067.24**		**($3,033,363.60)**
12					
13	**Total Revenue No Special Contracts**	**$50,329,339.40**	**$55,179,085.70**		**($4,849,746.30)**
14					
15	Special Contracts	($356,435.30)	$0.00		($356,435.30)
16					
17	**Add Amounts Billed in Arrears"**	$1,714.69	$0.00		$1,714.69
18					
19	**Totals**	**$49,974,618.79**	**$55,179,085.70**		**($5,204,466.91)**
20					
21	*Does not show "Add Amounts Billed in Arrears" - WP 2-1 - Not Forecasted				

Response: The total variance between forecasted and actual revenues reflected in Staff's Worksheet-1e, amounting to ($5,204,466.91), is consistent with the variance calculated in the Company's filed 2025 GRAM RTU materials.

However, Liberty notes that Worksheet-1e, Column C contains formula references to intermediate calculations performed within Staff's analytical workbook. Because these underlying calculations and assumptions are not fully observable within the attachment provided, the Company is not able to independently verify each component contributing to the variance presentation as shown.

Notwithstanding this limitation, Liberty confirms that, at a total level, the variance between forecasted and actual revenues presented in Worksheet-1e is consistent with the results reflected in the Company's filed GRAM RTU schedules.

Submitted by: Adam Bigknife – Liberty – Sr. Manager Rates and Regulatory Affairs

STF-33-3 When reviewing the **Staff-33rd-Set-1** attachment in Worksheets 1c and 1d, Liberty has grown its actual ratemaking revenues in 2024 and 2025 by $9.6 million. See **Figure-C** below. The revenue growth trends can be seen in Worksheet-5 Chart Analysis. This was taken from the Liberty Revenue True Up filings and the quarterly GRAM reports. Does Liberty agree with the revenue growth increase presentation as provided in Worksheets 1c and 1d?

Figure-C: Staff-33rd-Set-1 Worksheet-1d

	A	B	C	N	O	P	Q
1	**1b. RTU Rev Annual Analysis**						
2							
3	**FERC**	**GL Code**	**Account Description**	**2025 RTU Mar 2025-Feb 2026**	**Modified REP 2024 RTU Mar 2024-Feb 2025**	**Variance**	**% Change**
4	4800	8862-2-0400-40-4295-4800	Residential Sales	$42,087,881.86	$37,273,281.36	$4,814,600.50	12.92%
5	4810	8862-2-0400-40-4295-4810	Commercial and industrial sales	$27,502,751.51	$23,328,344.94	$4,174,406.57	17.89%
6							
7	4805	8862-2-0400-40-4296-4805	Unbilled Residential Reve	$0.00	$0.00	$0.00	#DIV/0!
8	4815	8862-2-0400-40-4296-4815	Unbilled Comm Revenue	$0.00	$0.00	$0.00	#DIV/0!
9	4825	8862-2-0400-40-4296-4825	Unbilled Public Authority	$0.00	$0.00	$0.00	#DIV/0!
10	4804	8862-2-0400-40-4295-4804	Residential Sales-Regulatory Timing	$0.00	$0.00	$0.00	#DIV/0!
11	4819	8862-2-0400-40-4295-4819	Commercial Sales-Regulatory Timing	$0.00	$0.00	$0.00	#DIV/0!
12			**Total Gas Revenue**	**$69,590,633.37**	**$60,601,626.30**	**$8,989,007.07**	**14.83%**
13							
14	4210	8862-2-0400-40-4460-4210	Misc - Non operating income	$0.00	$0.00	$0.00	#DIV/0!
15	4870	8862-2-0400-40-4210-4870	Forfeited Discounts	$307,807.57	$211,766.74	$96,040.83	45.35%
16	4950	8862-2-0400-40-4460-4950	Other Gas revenues	$0.00	$0.00	$0.00	#DIV/0!
17	4880	8862-2-0400-40-4460-4880	Misc Service revenues	$329,442.66	$344,235.46	($14,792.80)	-4.30%
18			**Total Miscellaneous Revenue**	**$637,250.23**	**$556,002.20**	**$81,248.03**	**14.61%**
19							
20	4893	8862-2-0400-40-4460-4893	Rev-Transport of Gas Others	$5,681,703.64	$5,073,191.62	$608,512.02	11.99%
21	4895	8862-2-0400-40-4460-4895	Revenue-Transportation Co-Handbill Estimate	$0.00	$0.00	$0.00	#DIV/0!
22	4894	8862-2-0400-40-4460-4894	Transportation Sales-Regulatory Timing	$0.00	$0.00	$0.00	#DIV/0!
23			**Total Transportation Revenue**	**$5,681,703.64**	**$5,073,191.62**	**$608,512.02**	**11.99%**
24			**Total Revenue**	**$75,909,587.24**	**$66,230,820.12**	**$9,678,767.12**	**14.61%**
25							
26			**Gas Costs Billed to Customers**				

27	8052	8862-2-0400-52-5542-8052	PGA for Commercial-PGA Recoveries	$8,161,994.07	$6,158,323.84	$2,003,670.23	32.54%
28	8053	8862-2-0400-52-5542-8053	PGA for Industrial-PGA Recoveries	$6,507,555.19	$4,807,586.64	$1,699,968.55	35.36%
29	8054	8862-2-0400-52-5542-8054	PGA for Public Authoritie PGA Recoveries	$0.00	$0.00	$0.00	#DIV/0!
30	8051	8862-2-0400-52-5542-8051	PGA for Residential-PGA Recoveries	$10,910,698.58	$7,412,000.15	$3,498,698.43	47.20%
31			**Total Gas Costs Billed to Customers**	$25,580,247.84	$18,377,910.63	$7,202,337.21	39.19%
32							
33			**GRAM Actual Revenue Billed**	**$50,329,339.40**	**$47,852,909.49**	**$2,476,429.91**	**5.18%**
34							
35			Adjustments to Net Revenue	$0.00	$0.00	$0.00	#DIV/0!
36			Remove Unbilled Revenue	$0.00	$0.00	$0.00	#DIV/0!
37			Remove Regulatory Timing	$0.00	$0.00	$0.00	#DIV/0!
38			Remove Special Contract Revenue	($356,435.30)	($252,810.30)	($103,625.00)	40.99%
39			Remove Misc Income	$0.00	$0.00	$0.00	#DIV/0!
40			Adjust for Amounts Billed in Arrears	$1,714.69	$49,402.44	($47,687.75)	-96.53%
41			**2024 GRAM Actual Revenues After Adjustments**	**($354,720.61)**	**($203,407.86)**	**($151,312.75)**	**74.39%**
42							
43			**GRAM Actual Revenues After Adjustments**	**$49,974,618.79**	**$47,649,501.63**	**$2,325,117.16**	**4.88%**

***2024 RTU dollar amounts are modified for March 2024 – February 2025 to keep the timeframe comparable with the new 2025 REP.**

Response: The Company agrees that Figure-C, Row 24 reflects a comparison of Total Revenues derived from the Company's RTU filings and quarterly GRAM reports. However, Liberty notes that this presentation includes revenue components—specifically Gas Costs and Special Contract revenues—that are not subject to reconciliation under the GRAM framework and therefore are not reflective of "rate making revenues" at issue in this proceeding.

Consistent with the GRAM construct, the Company's evaluation of revenue trends for rate-making purposes focuses on non-gas-cost revenues, net of Special Contract revenues, as these are the revenues used to establish and reconcile base rates. When the comparison is limited to these GRAM-relevant revenues, as reflected in Figure-C, Row 43, the Company observes a year-over-year increase of approximately $2.3 million.

Accordingly, while Liberty does not dispute the arithmetic accuracy of Staff's Total Revenue comparison, the Company does not agree that the $9.6 million increase represents growth in GRAM rate-making revenues. Rather, Row 43 provides the appropriate basis for evaluating year-over-year changes in revenues subject to GRAM reconciliation.

Submitted by: Adam Bigknife – Liberty – Sr. Manager Rates and Regulatory Affairs

STF-33-4 In **Staff-3rd-Set-1** attachment in Worksheet-3d, an annual customer analysis is provided, see **Figure-D** below. The data was taken from Liberty's quarterly GRAM report filings. When comparing the December ending 2025 customer numbers to the December ending 2024 customer numbers, Liberty lost 4,232 Residential customers and 4,613 customers overall. This can also be seen in Worksheet-5 chart analysis. Does Liberty agree with the customer presentation?

Figure-D: Staff-33rd-Set-1 Worksheet-3d

	A	BQ	BR	BS	BT	B	BV	BW	BX	BY	B	CA	CB	CC	CD
1	3d. Customer Analysis Annual - GRAM Q-Reports														
2															
3	Quarterly Customer Numbers	2023	2022	Variance	% Change		2024	2023	Variance	% Change		2025	2024	Variance	% Change
4	810 - Residential	51,409	55,166	-3,757	-6.81%		52,839	51,409	1,430	2.78%		48,607	52,839	-4,232	-8.01%
5															
6															
7	820 - General - Commercial	4,214	4,605	-391	-8.49%		4,632	4,214	418	9.92%		4,296	4,632	-336	-7.25%
8															
9															
10	820 - General - Industrial	23	41	-18	-43.90%		61	23	38	165.22%		46	61	-15	-24.59%
11															
12	822 - Residential & Commercial HVAC	51	55	-4	-7.27%		53	51	2	3.92%		44	53	-9	-16.98%
13															
14	830 - Large Volume Service - Commercial	5	9	-4	-44.44%		10	5	5	100.00%		8	10	-2	-20.00%
15															
16	830 - Large Volume Service - Industrial	9	28	-19	-67.86%		43	9	34	377.78%		23	43	-20	-46.51%
17															
18	850 - Optional Gas Service	8	8	0	0.00%		8	8	0	0.00%		8	8	0	0.00%
19															
20	830 - Large Volume Service - Transportation	2	0	2	#DIV/0!		2	2	0	0.00%		2	2	0	0.00%
21															
22	860 - Transportation Service	17	14	3	21.43%		18	17	1	5.88%		20	18	2	11.11%
23															
24															
25	880 - Economic Development (Transportation)	0	0	0	#DIV/0!		0	0	0	#DIV/0!		0	0	0	#DIV/0!
26															
27	880 - Economic Development (Firm Gas)	0	0	0	#DIV/0!		0	0	0	#DIV/0!		0	0	0	#DIV/0!
28															
29	892 - Cogeneration, Compressed Natural Gas, Fuel Cell Service	0	0	0	#DIV/0!		1	0	1	#DIV/0!		1	1	0	0.00%
30															
31	893 - Large Tonage Air Conditioning Gas Service	0	2	-2	-100.00%		4	0	4	#DIV/0!		3	4	-1	-27.42%
32															
33	Total	55,738	59,928	-4,190	-6.99%		57,671	55,738	1,933	3.47%		53,058	57,671	-4,613	-8.00%
34															

Response: The figures presented in Staff's Worksheet-3d reflect counts extracted from Liberty's quarterly filings for the respective points in time.

Accordingly, while Liberty acknowledges the data presented by Staff, the Company does not agree that the comparison in Worksheet-3d, as constructed, supports a conclusion that the Company experienced a sustained customer reduction.

For purposes of GRAM rate setting and reconciliation, the Company's focus remains on actual billed non-gas revenues for services provided during the rate

effective period, rather than point-in-time customer counts. Consistent with this framework, Liberty's 2025 GRAM RTU Petition reflects the Company's comprehensive evaluation of revenue performance over the period, including its decision to seek recovery of less than the full calculated amount in consideration of overall circumstances.

Submitted by: Adam Bigknife – Liberty – Sr. Manager Rates and Regulatory Affairs

STF-33-5 In the **Staff-33rd-Set-1** attachment in Worksheets 4c and 4d, the quarterly and annual Volume comparisons are provided. This data was taken from Liberty's quarterly GRAM reports. The trends show an increase to Volumes year-over-year. Does Liberty agree with the presentation in Worksheets 4c and 4d?

Response: The Company acknowledges that the figures presented reflect volumes extracted from its filings for the respective points in time, it does not agree that the comparison in Worksheet-4c, as constructed, supports a conclusion that the Company experienced an increase in volumes.

For purposes of GRAM rate setting and reconciliation, the Company's focus remains on actual billed non-gas revenues for services provided during the rate effective period, rather than point-in-time volumes. Consistent with this framework, Liberty's 2025 GRAM RTU Petition reflects the Company's comprehensive evaluation of revenue performance over the period, including its decision to seek recovery of less than the full calculated amount in consideration of overall circumstances.

Submitted by: Adam Bigknife – Liberty – Sr. Manager Rates and Regulatory Affairs

STF-33-6 In the **Staff-33rd-Set-1** attachment in Worksheet-6b, there is a Liberty ROE & RTU analysis, see **Figure-E** below. In Columns V – VII, this shows RTU comparisons taken from filings for 2021 – 2025. There was an acute trend of under-collections of actual revenues for 2020 – 2022, and 2025 compared to the forecasted revenue. As part of the 2025 RTU filing, the actual revenues fell below the forecasted revenue. This can be verified by reviewing **Figure-B** above.

Figure-E: Staff-33rd-Set-1 Worksheet-6b

	A	B	C	D	E	F	G	H	I
1	6b. Liberty ROE & RTU Analysis GRAM Filings								
2									
3		ROE			RTU				
4	Column-I	Column-II	Column-III	Column-IV	Column-V	Column-VI	Column-VII	Column-VIII	Column-IX
5	GRAM & Rate Case Filings	Schedule-2 ROE Forecast Current Rates Triggering Increase Approved ROE 10.20%	Base Rate Revenue Adjustment Increase	Actual ROE Achieved Ending December 31st Earnings Band: 10.02% - 10.40%	Actual RTU Revenues Achieved	Forecasted GRAM Revenues	RTU Filing Over-Collection / (Under-Collection) No Interest	GRAM R-1 Customer Charge	GRAM R-1 DDDC Charge
6	2021 GRAM	8.86%	$1,382,363	9.69%	$40,103,384	$40,974,280	($870,896)	$25.00	$0.4907
7	2022 GRAM	6.81%	$4,598,314	9.67%	$43,729,911	$43,968,693	($238,782)	$27.96	$0.5489
8	2023 GRAM	9.10%	$2,233,427	8.91%	$46,235,215	$45,731,314	$503,901	$29.77	$0.5660
9	2024 GRAM	9.52%	$943,598	6.64%	$47,134,951	$47,745,194	($610,243)	$30.47	$0.5746
10	2025 GRAM	8.33%	$2,401,741	8.68%	$49,974,619	$55,179,086	($5,204,467)	$31.72	$0.6067
11	2026 GRAM	8.03%	$3,537,544					$34.43	$0.6422
12		Total Adjustments	$15,096,987						
13									

When reviewing **Figure-C**, actual rate revenue activity, Liberty increased its revenues in 2025 compared to 2024. Liberty had a rate increase as part of the 2025 GRAM that helped to increase revenues. Please answer the following:

1. When reviewing **Figure-D**, it shows that Liberty lost customers during 2025. As part of the 2025 GRAM filing in WP 4-1, see **Figure-F** below, and WP 4-1-1, Liberty forecasted customer growth. When reviewing WP 4-1, WP 4-1A, and other supporting workpapers, Liberty forecasted an increase in Volumes. Please explain how the actual customer losses contributed to Liberty not achieving its 2025 GRAM forecasted revenues.

2. When reviewing WP 4-1 from the 2025 GRAM filing, Liberty shows increases in both customers and Volumes for 810 Residential, 860 Transportation, and 870 Local Gas Transportation. What issues with the forecasting methodologies led to errors for 2025?

Figure-F: 2025 GRAM Filing

Line No.	Description	Number of Bills: Customer Growth WP 4-1-1	Number of Bills: Other Adjustments WP 4-1-A	Number of Bills: Total	Volume: Customer Growth WP 4-1-1	Volume: Weather Columbus WP 4-1-2	Volume: Weather Gainesville WP 4-1-2	Volume: Customer Usage WP 4-1-3	Volume: Other Adjustments WP 4-1-A	Volume: Total
	Liberty Utilities (Peach State Natural Gas) Corp.									
	Summary of Customer Adjustments									
	WP 4-1									
	Twelve Months Ending February 28, 2026									
1	810 Residential	2,424	4,614	7,038	81,096	(370,641)	314,838	(375,929)	634,798	284,162
2	820 General Gas Service - Commercial	732		732	186,895	(61,715)	288,013	262,201		675,393
3	830 General Gas Service - Commercial			-		(12,263)	22,646			10,384
4	830 Large Volume Service - Industrial			-						0
5	830 Large Volume Service (Transportation)			-					(69,910)	(69,910)
5	860 Transportation		54	54					18,947,352	18,947,352
6	870 Local Gas Transportation		14	14					5,821,821	5,821,821
7	Total	3,156	4,682	7,838	267,991	(444,619)	625,497	(113,729)	25,334,061	25,669,201

3. Does Liberty agree that a combination of customer losses and forecasting errors caused the 2025 GRAM RTU under-recovery, as seen in **Figures B** and **E** above?

Response:

a. Liberty refers to its responses to STF-33-4 and STF-33-5. Liberty does not agree that the presentation in Figure-D demonstrates that changes in point-in-time customer counts were a determinative driver of the variance between forecasted and realized revenues remaining at issue.

As reflected in the Company's 2025 GRAM RTU Petition, Liberty performed a comprehensive assessment of its revenue performance over the period and, in light of the totality of circumstances, elected to seek recovery of less than the full calculated RTU amount.

b. Liberty does not agree that the variances observed in 2025 are attributable to issues in the Company's forecasting methodologies.

The forecasts developed in WP 4-1 and related workpapers were based on assumptions using the best information available at the time of the filing. The primary drivers of variance between forecasted and realized volumes and associated revenues were: changes in project timing, including cancellations or delays outside of the Company's control; and customer-provided forecasts and anticipated usage levels that were not realized at the levels originally communicated.

These factors reflect normal uncertainties inherent in forecasts, rather than methodological issues in the Company's forecasting approach.

c. As noted above, the Company does not agree that the customer count presentation reflects sustained changes in its customer base for GRAM rate-making purposes, nor does it agree that the observed variances reflect errors in forecasting methodology.

Instead, the variance between forecasted and actual revenues is primarily attributable to differences between projected and realized usage levels and project timing factors associated with customer activity. Liberty's 2025 GRAM RTU Petition reflects the Company's evaluation of these conditions, including its decision to seek recovery of less than the full calculated RTU amount.

Submitted by: Adam Bigknife – Liberty – Sr. Manager Rates and Regulatory Affairs

STF-33-7 Please explain what measures are being taken to improve forecasting accuracy in future periods.

Response: The Company recognizes the importance of continuously improving the accuracy of forward-looking forecasts used in the GRAM process and has taken steps to strengthen alignment between projected and realized customer usage.

While the Company does not control forecasts provided by customers, Liberty has enhanced its commercial practices through the execution of Gas Service Agreements that incorporate more defined customer obligations related to expected usage levels. These agreements require customers to provide detailed gas load information and anticipated usage as part of the service request process.

In addition, the agreements include provisions that establish accountability where actual usage materially differs from the levels upon which system design and investment decisions were based.

Liberty believes these contractual mechanisms encourage customers to provide more accurate and carefully evaluated forecasts at the outset, which in turn improves the overall quality of inputs used in the Company's forecasting process.

These measures, combined with the Company's ongoing use of historical usage patterns, project development tracking, and review of customer-supplied information, are expected to enhance forecast reliability in future GRAM filings.

Submitted by: Adam Bigknife – Liberty – Sr. Manager Rates and Regulatory Affairs

STF-33-8 In the RTU Waier, Liberty has asked for an alternative $3.6 million 2025 GRAM RTU adjustment increase. Please answer the following:

a. Please provide a detailed breakdown of the components that make up the $3.6 million

b. Additionally, please include a breakdown similar to Figure B comparing actual revenues to budgeted.

Response:

a. The Company's requested $3.6 million 2025 GRAM RTU adjustment reflects the aggregation of variances between forecasted and actual non-gas revenues associated with specific adjustments included in WP 4-1-A of the 2025 GRAM. These variances are primarily driven by (i) differences between forecasted and realized usage levels and (ii) project timing outcomes, including cancellations and delays.

A detailed breakdown is provided below in Figure A:

Figure A

2025 GRAM WP	Contributing Factor	Customer Type	Forecasted Increase		Actual Increase		Variance	
WP 4-1-A Rev Adjs			Ccf	$	Ccf	$	Ccf	$
Adjustment 1	Volume Variance	Residential	284,162	$ 172,391	(250,657)	$(152,065)	(534,819)	$ (324,456)
Adjustment 2	N/A	Food Processing	-	$ -	-	$ -	-	$ -
Adjustment 3	Volume Variance	Health Care	11,456,640	$1,827,360	758,850	$ 212,871	(10,697,790)	$(1,614,489)
Adjustment 4	Volume Variance	Health Care	2,635,200	$ 463,833	39,060	$ 15,090	(2,596,140)	$ (448,743)
Adjustment 5	Volume Variance	Industiral	2,643,672	$ 465,143	634,870	$ 237,565	(2,008,802)	$ (227,578)
Adjustment 6	Volume Variance	Food Processing	267,840	$ 69,173	(212,628)	$ (39,994)	(480,468)	$ (109,167)
Adjustment 7	Project Cancelation	CNG Filling Station	1,944,000	$ 328,739	-	$ -	(1,944,000)	$ (328,739)
Adjustment 8	Project Delay	Renewable Natural Gas	845,721	$ 84,528	-	$ -	(845,721)	$ (84,528)
Adjustment 9	Project Cancelation	Renewable Natural Gas	4,976,100	$ 459,004	-	$ -	(4,976,100)	$ (459,004)
Total			25,053,335	$3,870,171	969,495	$ 273,467	$(24,083,840)	$(3,596,704)

As shown above, the total variance of approximately $(3.6) million reflects the difference between forecasted increases of approximately $3.87 million and actual realized increases of approximately $0.27 million.

b. Please refer to Figure A in the above response.

Submitted by: Adam Bigknife – Liberty – Sr. Manager Rates and Regulatory Affairs

STF-33-8c Liberty stated that they will endeavor to keep rates within the average total base rate impact thresholds established in Docket No. 56709 and included in Table 1 of the waiver filing. Please provide a detailed explanation and calculation of how Liberty will establish the rate impact threshold.

Response:

Please refer to "DN 42959 STF-33-8c Attachment A," which provides detailed example calculations demonstrating how the Company would implement the agreements reflected in its 2025 GRAM RTU Petition for Waiver of Tariff for Alternative 2025 Revenue True Up Filing and Authorization to Amortize Revenue True Up Adjustment through 2030 GRAM Rate Effective Period (the "Waiver Filing") while maintaining compliance with the average total base rate impact thresholds established in Docket No. 56709 and presented in Table 1 of the Waiver Filing.

The Company establishes the applicable rate impact threshold through a structured, repeatable methodology that integrates the primary rate components approved by the Commission—namely: (i) annual GRAM base rate adjustments, (ii) System Integrity Rider ("SIR") rates, and (iii) recovery of RTU amounts. These components are layered together to produce a total annual rate impact for each customer class, which is then measured against the Commission-approved threshold.

To ensure transparency and auditability, the Company developed the calculations contained in the workbook using the Revised 2026 GRAM workpapers, the SIR Revenue Requirement Model, and applicable tariff rates. The worksheet titled "2025 RTU Petition Rate Impacts" provides step-by-step calculations of bill impacts for representative customers by class and demonstrates how the Company evaluates compliance with the prescribed thresholds.

Rate Impact Calculation Framework

For each year, the Company constructs rates by summing the following components:

4. The applicable GRAM base rate increase for that year;
5. The SIR rate in effect for that year;
6. Any newly approved RTU amounts,
7. A portion of the 2025 GRAM RTU; and
8. Associated carrying costs on deferred balances, where applicable.

These components are allocated to customer classes based on approved allocation methodologies consistent with prior GRAM and SIR proceedings.

Bill Impact and Threshold Comparison

The workbook calculates annual bill impacts for representative customers in each class (e.g., Residential, Commercial, Industrial, and Local Transport) by:

c. Establishing an annual baseline bill based on current rates;
d. Recalculating the annual bill after incorporating the combined GRAM, SIR, and RTU components;
e. Determining the dollar and percentage change between the baseline and updated bill; and
f. Comparing the calculated percentage change to the corresponding "average total base rate impact" threshold from Table 1.

The resulting "variance to target" explicitly demonstrates whether the calculated rate impacts remain within the Commission-approved thresholds.

Treatment of RTU Recovery

The Alternative 2025 GRAM RTU amount is incorporated into rates over multiple years, with amounts allocated across customer classes based on approved revenue allocation factors. The attached calculation includes supporting schedules showing the derivation of RTU-related rates and the associated bill impacts for each class, allowing Staff to trace the calculations directly to underlying revenue requirement workpapers.

Assumptions for Illustrative Years

Because future GRAM base rate increases and RTU amounts are currently unknown, the Company assumes an illustrative annual GRAM increase of three percent solely for purposes of demonstrating the calculation methodology in example years (e.g., 2027 and 2028). This assumption does not represent a forecast or proposed rate increase but is used to show how the threshold test would be applied in practice.

When actual GRAM filings are submitted and approved, the Company will apply the same methodology using actual inputs and will adjust the timing and level of RTU recovery, if necessary, to maintain compliance with the applicable rate impact thresholds.

Summary

In summary, Liberty establishes and maintains compliance with the average total base rate impact thresholds by applying a transparent, model-based approach that integrates GRAM, SIR, and RTU components, calculates resulting bill impacts by customer class, and systematically compares those impacts to the thresholds approved in Docket No. 56709. The provided attachment demonstrates this methodology in detail and enables full audit and verification of all calculations.

Submitted by: Adam Bigknife – Liberty – Sr. Manager Rates and Regulatory Affairs

STF-33-9 Liberty states that it intends to minimize carrying charges for the 2025 RTU amount.

a. Please explain how.

b. Is Liberty making any changes in the carrying cost calculation?

Response:

a. The Company intends to minimize carrying charges associated with the Alternative 2025 Revenue True-Up amount by incorporating the maximum practicable portion of the outstanding Alternative RTU balance into each Annual GRAM filing as early as possible. By accelerating the recognition and recovery of the Alternative 2025 RTU amount within the normal GRAM rate-setting process, the remaining unrecovered balance—and therefore the base on which carrying charges accrue—is reduced over time.

   Illustrative calculations demonstrating this approach are provided in DN 42959 STF-33-8c Attachment A.

b. No. The Company is not proposing any changes to the methodology used to calculate carrying charges. The remaining unrecovered Alternative 2025 RTU balance will continue to be included in each Annual GRAM filing within Schedule 11 (Carrying Charge Calculation), utilizing the existing Commission-approved framework.

Submitted by: Adam Bigknife – Liberty – Sr. Manager Rates and Regulatory Affairs

STF-33-10 Regarding Liberty's historic customer numbers provided in its GRAM quarterly please explain how the customer counts provided in the 'Rev Proof' sheet are calculated. In your response, please include why customer counts are not given as whole numbers.

Response: Customer counts reported in the Company's GRAM quarterly reports are derived using a revenue-based methodology. Specifically, the reported customer count is calculated by dividing total billed customer charge revenues for a given period by the applicable tariffed customer charge rate in effect during that period.

Because customer charges are billed based on actual service days within a billing cycle, the calculation may result in non-integer values. For example, when a customer initiates or terminates service during a billing period, customer charges are prorated to reflect only the days of service provided. As a result, the aggregation of billed customer charges across all accounts may reflect partial-period service for certain customers, which, when divided by the full-period tariff rate, produces fractional customer equivalents.

Accordingly, the customer counts reflected in the "Rev Proof" sheet of the Quarterly GRAM represent normalized customer equivalents based on billed revenues, rather than a simple count of discrete active accounts at a single point in time.

Submitted by: Adam Bigknife – Liberty – Sr. Manager Rates and Regulatory Affairs

STF-33-11 In STF-32-5(e), the Staff asked Liberty the following concerning using Billing Units as part of the annual GRAM filing:

> STF-32-5: In WP 4-1-1, Cell D19 shows the Residential Compound Growth Rate.
> e. Why doesn't Liberty use the same billing unit and volume forecast as used in the annual Gas Supply Plan filing to maintain consistency in the forecast methodologies?
>
> Liberty's Response:
> The Gas Supply Plan and the GRAM filing are based on different forecast periods: GRAM: March–February and the Gas Supply Plan: October–September
>
> Submitted by: Adam Bigknife – Liberty – Sr. Manager Rates and Regulatory Affairs

It is the Staff's opinion that different forecasting periods is not relevant, but using consistent data and methodologies is relevant. Using Billing Units in the Gas Supply Plan to forecast a customer amount of activity and then use Customer numbers in the GRAM as a different customer amount of activity is inconsistent. The goal of both the GRAM and Gas Supply Plan is to forecast is an amount of customer activity with the same methodology. Does Liberty agree to use the same forecasting methodology for customers in GRAM as used in the Gas Supply Plan, using Billing Units? This will also go into the quarterly GRAM reporting.

Response: The use of a single forecasting methodology—specifically the use of Billing Units—across both the Gas Supply Plan and the GRAM is not appropriate or consistent with the design and requirements of each proceeding.

The Gas Supply Plan and the GRAM serve distinct regulatory purposes and are developed using different historical test periods and forecast horizons. As a result, the underlying datasets, timing assumptions, and modeling frameworks are not directly aligned. While the Company makes reasonable efforts to ensure that forecasts across filings are informed by consistent underlying information where practicable, the differences in timing between the Gas Supply Plan and the GRAM make it impracticable to apply a single, uniform methodology for forecasting customer activity.

In addition, the GRAM is governed by a prescribed structure of schedules and workpapers established under the Commission-approved framework, which specifies how customer-related adjustments are to be developed. This framework includes defined approaches for treating lower-usage customer classes (such as residential and commercial) as well as specific identification and adjustment of larger customer impacts.

By contrast, the Gas Supply Plan is designed to forecast system throughput and supply requirements, where Billing Units may serve as an appropriate proxy for aggregate system demand over a different planning horizon.

Accordingly, while both proceedings aim to forecast aspects of customer activity, they do so for different purposes and within different methodological frameworks. Each approach, as currently applied, is appropriate for the specific objectives of the respective filing.

Submitted by: Adam Bigknife – Liberty – Sr. Manager Rates and Regulatory Affairs

STF-33-12 Please explain what factors contributed to the following month-to-month fluctuations in the highlighted reported customer counts below:

a. For 810 – Residential, January 2023 – August 2023 customer counts were as follows:

Period	Customer Count
January 2023	57,990
February 2023	45,014
March 2023	53,855
April 2023	49,928
May 2023	51,188
June 2023	51,055
July 2023	63,332
August 2023	54,561

b. For 820 – General – Industrial, customer counts from November 2023 to March 2024 were as follows:

Period	Customer Count
November 2023	44
December 2023	23
January 2024	60
February 2024	29
March 2024	62

c. For 830 – Large Volume – Industrial, customer counts from November 2023 to April 2024 were as follows:

Period	Customer Count
November 2023	30
December 2023	9

January 2024	39
February 2024	9
March 2024	43
April 2024	25

Response:

a. The figures presented reflect the number of bills issued for the respective points in time.

For purposes of GRAM rate setting and reconciliation, the Company's focus remains on actual billed non-gas revenues for services provided during the rate effective period, rather than point-in-time customer counts. Consistent with this framework, Liberty's 2025 GRAM RTU Petition reflects the Company's comprehensive evaluation of revenue performance over the period, including its decision to seek recovery of less than the full calculated amount in consideration of overall circumstances.

b. Please refer to the response above.

c. Please refer to the response above

Submitted by: Adam Bigknife – Liberty – Sr. Manager Rates and Regulatory Affairs

STF-33-13 In Liberty's response to STF-26-2, the Company stated the following:

> "Although the Company does not agree with using rate applications to establish customer growth gains or losses, using an annual average year-over-year analysis would eliminate some of the variations previously mentioned in customer charge rate applications."

The Staff is opposed to averaging customer numbers, or Billing Units, in an attempt to mask irregular monthly customer numbers. The Staff supports actual customer numbers, or Billing Units, in the quarterly reporting for transparency. Does Liberty agree to not provide any averages for customer numbers, Billing Units, or volume numbers and use only actual numbers?

Response: As described in the Company's response to STF-33-10, the customer counts provided in the GRAM Quarterly Reports are derived directly from actual billed customer charge revenues and reflect customer activity during the applicable billing periods. These figures represent customer equivalents based on actual billing, rather than averaged values.

Accordingly, the customer counts presented are not the result of averaging methodologies intended to smooth or mask variability. Rather, any non-integer values arise from the proration of customer charges within billing cycles (e.g., partial-period service for customers initiating or terminating service), which accurately reflects the duration of service provided.

Similarly, the volumes reported in the GRAM Quarterly Reports represent actual billed volumes for the applicable periods and are not calculated using averaging techniques for reporting purposes.

Therefore, Liberty confirms that the customer counts, billing units, and volumes included in its GRAM Quarterly Reports are based on actual billed data for the relevant periods. Liberty maintains that its current presentation appropriately reflects the structure of billing and service provision and is consistent with the GRAM framework.

Submitted by: Adam Bigknife – Liberty – Sr. Manager Rates and Regulatory Affairs

STF-33-14 Regarding 830 – Large Volume Service – Industrial, the formulas on the 'Volume' sheet include adjustments for Manchester consumption for the period of July 2024 – March 2025. These adjustments were not present in the April 2025 – December 2025 formulas despite existing Manchester data in the 'Rev Proof' sheet. Do these formulas need to be updated?

Response: Yes. The Company identified that certain formulas within the 2025 Q4 GRAM Volume worksheet (specifically within the range BT18:CB18) should be updated to ensure they consistently reflect the exclusion of Meriwether Industrial customer volumes, which are not at issue in the GRAM proceeding.

Liberty notes that this formula inconsistency is limited to supporting quarterly reporting workpapers and was identified through routine review. Because the affected calculations were not used in the development of any filed Annual GRAM revenue requirement or RTU determination, the Company confirms that there is no impact on the financial results presented in its GRAM filings.

The Company will update the referenced formulas to ensure consistency in future filings.

Submitted by: Adam Bigknife – Liberty – Sr. Manager Rates and Regulatory Affairs

STF-33-15 Regarding the Rev Proof worksheet in the quarterly GRAM reports, Liberty provides a breakout found in **Figure-G** below. Why does Liberty continue to provide a separate breakout of Manchester as if it is a separate rate class found in its Tarff? Does Liberty agree to roll the Manchester activity and presentation into the current tariff rate classes as a presentation in the Rev Proof?

Figure-G: Quarterly GRAM Report Rev Proof

	A	B
1	**Revenue Proof**	
2		
3		
4		
3459		**Dec 2025**
3460	Special Contracts - Transportation	Fort Benning
3461	820 General Gas Service - Commercial	GC820
3462	820 General Gas Service - Commercial - Manchester	GC820MA
3463	822 Res and Com HVAC	GC822
3464	830 Large Volume Service - Commercial	GC830
3465	860 Transportation - Commercial	GC860T
3466	820 General Gas Service - Industrial	GI820
3467	830 Large Volume Service - Industrial	GI830
3468	830 Large Volume Service - Industrial - Manchester	GI830MA
3469	831 General Gas Service - Manchester - Industrial	GI831MA
3470	850 Optional Gas Service	GI850 (Optional)
3471	830 Large Volume (Transportation)	GI830T
3472	860 Transportation - Industrial	GI860T
3473	830 Large Volume Service - Commercial - Gold Creek	GI830GC1
3474	892 Cogeneration, Compressed Natural Gas, Fuel Cell Service	GI892 (Optional)
3475	893 Large Tonnage Air Conditioning Gas Service	GI893 (Optional)
3476	810 Residential	GR810
3477	810 Residential - Manchester	GR810MA
3478	Senior Citzen/Low Income	SENIOR
3479	Manchester Senior Citzen/Low Income	SENIOR MA

Response: Liberty agrees that consolidating Manchester activity into the applicable tariff rate classes would better align the Revenue Proof presentation with the Company's current tariff structure. The Company has historically maintained this presentation as part of legacy reporting associated with the Manchester acquisition and has not previously sought to modify this structure. Moving forward, Liberty agrees to incorporate Manchester activity within the appropriate tariff rate classes in future Revenue Proof presentations to improve consistency and transparency.

Submitted by: Adam Bigknife – Liberty – Sr. Manager Rates and Regulatory Affairs

STF-33-16 In the **Staff-33rd-Set-1** attachment, Worksheet-6a provides an analysis of Liberty's GRAM Schedule-2 ROEs for 2021 – 2026 and the associated revenue requirements and rates. Likewise, Worksheet-6b Columns II, III, and IV provide a breakdown of certain forecasted GRAM dollar amounts:

d. ROEs under current rates,
e. Rate base revenue increases approved, and
f. Actual ROE achieved with those increases.

Based on the Staff's analysis, Liberty has forecasted the revenue requirements needed to achieve its approved ROE of 10.20%, but from 2021 to 2025, Liberty has not achieved its target ROE or reached the bottom of the ROE band during those years.

What circumstances have occurred during those years that had an impact on Liberty not reaching the bottom of its ROE band, or above?

Response: While the Calendar Year view presented by Staff in worksheets 6a and 6b reflects realized returns that are below the authorized return on equity for certain periods, this presentation does not fully align with the structure and timing of the GRAM framework, whereas GRAM rate effective periods are adjusted for in other worksheet in Staff's attachment. The variances identified by Staff in worksheet 6a and 6b are a function of the timing and alignment of the analytical framework used for comparison.

Under the GRAM, rates are established and evaluated over defined rate effective periods, rather than on a January–December calendar year basis. As a result, comparing actual results on a calendar year basis may not reflect the full period during which a given set of GRAM rates are in effect. In addition, the GRAM includes an RTU mechanism designed to reconcile differences between projected and actual non-gas revenues, with those adjustments recognized prospectively in subsequent rate periods.

Accordingly, a calendar year view that does not align with the applicable GRAM rate effective period and that does not incorporate the associated RTU adjustments may present a partial view of realized returns relative to authorized levels.

When evaluated over complete GRAM rate periods—where the applicable rates are in effect for the full duration—and considered together with the corresponding RTU adjustments, the Company's achieved returns are more consistent with the operation of the GRAM framework and the authorized return parameters established by the Commission.

Submitted by: Adam Bigknife – Liberty – Sr. Manager Rates and Regulatory Affairs