BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION
STATE OF GEORGIA

LIBERTY UTILITIES (PEACH STATE NATURAL GAS) CORP.'S
2026 – 2027 GAS SUPPLY PLAN

DOCKET NO. 57062

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

Q. Please state your name, title, and whom you represent.

A. My name is Nathan Young. I am the Supervisor II, Gas Supply, for Liberty Utilities (Peach State Natural Gas) Corp. ("Liberty" or the "Company"). In this capacity I am responsible for the natural gas planning and purchasing for the Company. I am appearing on behalf of the Company.

Q. What are your responsibilities as Supervisor II, Gas Supply?

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 the Company. I am also responsible for gas portfolio management functions including procurement, planning and hedging.

Q. Please describe your educational background and professional experience.

A. I hold a bachelor's in accounting from New England College. I have been employed by Liberty Utility Servies Corp. since December of 2025. Before beginning my role with Liberty Utility Services Corp., I spent 19 years at Sprague Energy where I both

scheduled and managed a group of natural gas schedulers for Northeast pipelines and utilities. Please see Attachment A, which provides my curriculum vitae.

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

A. No, I have not. This is my first opportunity to submit testimony before the Georgia Public Service Commission.

Q. Do you sponsor any exhibits or schedules with your testimony?

A. Yes, 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 6th filing.

Q. Were these exhibits prepared by you or under your direct supervision?

A. Yes, and they are true and correct to the best of my knowledge and belief.

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

A. My testimony discusses and supports the Company's proposed Gas Supply Plan ("GSP") which includes the actual data for the 2025 - 2026 gas supply Plan Year, the supply, transportation and storage contracts associated with the GSP, and the Company's gas supply hedging plan. 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. 56178.

I. SUMMARY OF THE GAS SUPPLY PLAN

Q. Please provide a summary of the Company's 2026 – 2027 Gas Supply Plan.

A. As stated in the Petition accompanying my testimony, the Company's GSP is being filed in accordance with 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 6th. 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 2026 – 2027 forecasts on June 1, 2026, which we did, and its actual 2026 – 2027 GSP on July 6, 2026, which my testimony supports.

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 2026-2027 Plan Year (October 1 through September 30). As part of the GSP, 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 GSP is described in the Petition, this 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 ("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 5.3 million dekatherms ("Dth") annually, gas prices, pipeline rates, capacity release information, and related gas supply information. The filings for this GSP follow the MFRs (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 21, 2026.

Q. The MFRs ask for a summary of the impact of any Integrated Resource Plan ("IRP") on the GSP. 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 Liberty's 2026 – 2027 GSP?

A. The Company's GSP is 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 GSP 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 in accordance with 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 extended the AMAs for two (2) years ending September 30, 2027, 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 Exhibits to this testimony 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 Exhibit III 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 GSP. Pages 2 and 5 of Exhibit II 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. Page 4 of Exhibit III 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. Page 4 of Exhibit III 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 SNG.

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 SNG, interstate storage assets act as balancing mechanisms. On the SNG 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 services. 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 services 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 AMAs 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 2026 - 2027 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. Page 6 of Exhibit III shows the NYMEX natural gas futures settlement prices as of June 10, 2026, 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 Page 7 of Exhibit III. To the extent that actual index prices are different than the estimated prices in Exhibit III at 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 files each month.

Q. Are firm transportation and storage contracts summarized in the GSP?

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 SNG, the Company can use either the Firm Transportation(FT) or Firm Transportation No-Notice(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 services are required to meet the Design Day requirements of firm customers in the Gainesville and Columbus service areas. To meet this need, in the 2025 – 2026 Gas Supply Plan (Docket No. 56178,) the Commission authorized the Company to enter into citygate peaking services agreements for not less than five days during the winter of 2025 – 2026.

Q. What changes from the approved array of assets for the 2025 - 2026 GSP do you propose to become effective during the 2026 – 2027 Plan Year?

A. Under the authority authorized in the 2025-2026 GSP, under the extended AMAs the Company has contracted for and included within the array of assets for this GSP

4,250 Dth per day of bundled peaking services for the Gainesville areas, which is part of a larger contract and the balance of which is not included in the GSP. Also, the Company has contracted for and included within the array of assets for this GSP 5,850 Dth per day of bundled peaking services for the Columbus area, which is part of a larger contract and the balance of which is not included in the GSP. To be clear, Liberty has not included all of the contracted-for citygate bundled peaking 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 GSP.

Q. Does the resulting array of assets for the 2026-2027 Plan Year produce a reserve margin percentage greater than that which was approved in the 2025-2026 Plan Year?

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

Q. Does Liberty need authority to enter into new AMAs during the 2026 – 2027 Plan Year?

A. Yes. The current AMA for both Gainesville and Columbus properties, which became effective October 1, 2023, expires at the end of the upcoming Plan Year on September 30, 2027. Nonetheless, during this coming Plan Year, the Company will need to issue requests for proposals ("RFPs") for asset management services and enter into contracts to become effective on October 1, 2027, to ensure that there will be no gap between the end of the current contracts and the beginning of the

new contracts. Consequently, consistent with prior practices, the Company seeks authority to issue, after consultation with Staff, RFPs for AMA services and to contract for asset management services that would become effective October 1, 2027. Also, consistent with prior practices, the Company seeks Commission authority to contract for either one or two Plan years (2027 – 2028 or 2027 – 2029), depending on market conditions and the proposals received in response to the RFPs described above.

Q. Does Liberty need authority to enter into new citygate bundled peaking services agreements?

A. Yes. Liberty's citygate bundled peaking services will expire following the 2026 – 2027 GSP. Under the current AMA, Liberty receives peaking services in the amount of 5,850 Dth per day for the Columbus territory and 4,250 Dth per day for the Gainesville territory. These volumes remain available for the upcoming winter 2026 – 2027 to meet peak day requirements. As this peaking agreement expires concurrently with our AMA, consistent with prior practices, the Company seeks authority to issue, after consultation with Staff, RFPs for peaking services and to contract for peaking services that would become effective October 1, 2027. Also, consistent with prior practices and the AMAs discussed above, the Company seeks Commission authority to contract for either one or two Plan years (2027 – 2028 or 2027 – 2029), depending on market conditions and the proposals received in response to the RFPs described above. This contract will need to be finalized prior

to the 2027–2028 winter heating season. Those peaking services must be available for customers on or before December 1, 2027.

Q. What level of citygate peaking services are required to replace the expired citygate peaking services contracts?

A. For the 2027 – 2028 GSP, the Company requests the Commission authorize Liberty, in consultation with Staff, to obtain the MDQ for each peaking services contract set at an amount to provide approximately a 5% reserve margin above the forecasted firm Design Day requirement (the "optimal level"). The duration for the peaking services contracts would be no less than five days during the winter months. Once again, Liberty requests that if MDQ amounts greater than the optimal levels can be obtained at costs that are no greater than the costs for services at such optimal levels, and/or if services can be obtained for a longer duration at no greater costs, then the Commission authorize the Company to enter into contracts for higher MDQ levels and/or longer durations, consistent with the "best cost" authorizations that the Commission has granted on prior occasions.

Q. Please further address how the Company will include 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 LCNG 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 under 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 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 third quarter of 2026, but at this time we are not relying upon this to meet our firm customers' needs. As 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 2026-2027 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 GSPs 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 SNG or Transco services change so that the operation of this GSP is materially affected, the Company will notify this Commission and Staff and seek amendments, if appropriate.

Q. Has the Company forecasted capacity release revenues for the 2026 - 2027 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 2025 – 2026 Plan Year?

A. Yes, Exhibit IV shows the actual firm and interruptible sales and transportation volumes by customer class for the period October 2025 through April 2026 (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 2025 - 2026 Plan Year will be provided through the monthly informational filings, as the data becomes available.

II. FINANCIAL HEDGING

Q. Is the Company seeking to extend this hedging program?

A. Yes, as part of the GSP, the Company requests to extend the hedging program. The hedging program has become an important risk management tool that complements the Company's physical gas procurement activities. Extending the program will allow the Company to continue managing commodity price risk in a manner consistent with the objectives of providing reliable service, promoting rate stability, and mitigating the potential impacts of adverse market conditions on customer bills.

Q. 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 in accordance with a Commission-approved gas supply plan, 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.

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 2025 – 2026 Gas Supply Plan, the Company and Staff agreed that Liberty should continue to utilize both swaps and options, which the Commission approved, hedging up to 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. 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 five most recent Gas Supply Plans (Docket Nos. 42811, 44392, 45083, 55650, and 56178) 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 interest 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 continuing 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. 56178, regarding the hedging program?

A. Yes, the Company continues to comply with Paragraph 6 from the approved Stipulation in Docket No. 56178.

Q. Can you summarize the Company's Gas Supply hedging plan that is included within the proposed 2026 - 2027 GSP?

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. 56178, 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 2026 – 2027 winter, is approximately 163,000 Dth) for as much as three winters in advance (these three-winters-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 2026 – 2027 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 GSP docket. This would mean that we would extend the dates to finish hedging for winter 2027-2028, begin the hedging for the winter of 2028-2029 and have the option to hedge 10% of normal expected purchases for the winter of 2029-2030 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. 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. 56178

Q. Did Liberty comply with Paragraph 1 from the approved Stipulation in Docket No. 56178, requiring a modification to the proposed Purchase Gas Adjustment Factor effective October 1, 2025, to include an imbalance adjustment for the

projected over/under recovery for the 2024 – 2025 recovery year under O.C.G.A. § 46-2-26.5(e)?

A. Yes, Liberty filed a balancing adjustment for the over recovery from the 2024 - 2025 recovery year.

Q. Did Liberty comply with Paragraph 2 from the approved Stipulation in Docket No. 56178 requiring monthly and quarterly filings of gas costs and recovery positions for the 2025 – 2026 Plan Year in accordance with O.C.G.A § 46-2-26.5 and Commission Utility Rule 515-7-2?

A. Yes. Liberty made the required filings during the 2025 – 2026 Plan Year. The following is a summary listing the dates of the filings and what was included:

- October 15, 2025 — Revised Forecast
November 2025 PGA
September 2025 Actuals
Balancing Adjustment
(Over)/Under Recoveries

- November 17, 2025 — Revised Forecast
December 2025 PGA
October 2025 Actuals
Balancing Adjustment
(Over)/Under Recoveries

- December 15, 2025 — Revised Forecast
January 2026 PGA
November 2025 Actuals
Balancing Adjustment
(Over)/Under Recoveries

- January 15, 2026 — Revised Forecast
February 2026 PGA
December 2025 Actuals
Balancing Adjustments

		(Over)/Under Recoveries
●	February 16, 2026	Revised Forecast March 2026 PGA January 2026 Actuals Balancing Adjustment (Over)/Under Recoveries
●	March 16, 2026	Revised Forecast April 2026 PGA February 2026 Actuals Balancing Adjustment (Over)/Under Recoveries
●	April 15, 2026	Revised Forecast May 2026 PGA March 2026 Actuals Balancing Adjustment (Over)/Under Recoveries
●	May 15, 2026	Revised Forecast June 2026 PGA April 2026 Actuals Balancing Adjustment (Over)/Under Recoveries
●	June 15, 2026	Revised Forecast July 2026 PGA May 2026 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 Commission rules and orders, and the Company's tariff. Through the current GSP and the PGA recovery factors, the Company is working to bring the month-to-month cumulative over/under recovery balance 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 Liberty requested and the Commission approved in the last gas supply plan. 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 2026 – 2027 GSP, 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, 2026. Additionally, projected PGAs to become effective periodically during the 2026 – 2027 Plan Year are provided. The initial PGA recovery factor will, of course, be revised prior to October 1, 2026, to reflect any modifications the Commission orders 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 2026 – 2027 Plan Year by June 1, 2026, as required by Paragraph 3 of the Commission-approved Stipulation in Docket No. 56178

A. Yes. The Design Day Forecast is included as pages 1 – 7 of Exhibit II in the Company's June 1, 2026, filing in this docket and subsequently refiled July 6, 2026, in accordance with the Commission's Procedural and Scheduling Order in this docket.

Q. **As provided for in Paragraph 4 of the Commission-approved Stipulation in Docket No. 56178, did the Company use the forecasting methodology Staff and the Company agreed to for the 2026 – 2027 GSP?**

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 2026 – 2027 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. Did Liberty use the Quandt-Andrews Break Point test 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 the Company used to develop the 2026 – 2027 Design Day Forecast?

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

Q. Please briefly describe the process the Company followed to forecast the Design Day numbers reflected in the 2026 – 2027 GSP.

A. The process is described in some detail in Exhibit II. Selecting an appropriate HDD is the first step in the forecasting process to determine the appropriate level of assets to include within the GSP. The Company continues to maintain that an appropriate HDD for our customers is represented by our coldest day since 1984. This allows

the Company to plan an adequate supply for 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 in 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 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. What is an 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. None. The Commission previously directed Liberty to conduct a three-year evaluation comparing HDD and EDD methodologies for forecasting design day requirements. In accordance with the Commission's directive in Docket No. 44392 and the methodology approved in the Addendum to the Stipulation dated November 8, 2022, Liberty conducted a three-year comparative review of HDD-based and EDD-based Design Day forecasting approaches. For each of the three Plan Years, Liberty developed parallel forecasts using both HDDs and EDDs to evaluate whether either method demonstrated superior accuracy or consistency under Liberty's system conditions.

Across the three-year period, Liberty did not observe a consistent or statistically meaningful difference in forecast performance between the two methodologies. In some years, the HDD-based forecast aligned more closely with actual system performance; in other years, the EDD-based forecast performed similarly or slightly better. However, the variations were neither material nor consistent enough to support the conclusion that one methodology is demonstrably superior to the other.

Q. Based on the results of this evaluation, does Liberty recommend adopting EDDs in place of HDDs for Design Day forecasting?

A. No. Because the comparative results were inconclusive, Liberty does not recommend replacing the Commission-approved HDD methodology at this time. HDD-based forecasting remains a reasonable and stable approach for establishing Design Day requirements, and Liberty's current planning framework and resource portfolio are aligned with HDD-based Design Day assumptions.

Q. Does Liberty propose any changes to its forecasting methodology going forward?

A. Not at this time. Liberty will continue to monitor system performance, weather-related trends, and industry practices. If future data demonstrates that an alternative methodology—such as EDDs—provides a materially improved forecast of Design Day requirements, Liberty would present that information in a future Gas Supply Plan filing. Based on the results of the three-year evaluation, however, there is no basis for modifying the Commission-approved HDD methodology.

Q. Did the Company comply with the provisions of Paragraph 5 from the approved Stipulation in Docket No. 56178 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. 56178 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. 56178 requiring the Company to (a) continue the Performance Based Ratemaking(PBR) program under the current terms and conditions beginning October 1, 2025, through September 30, 2026, 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.

IV. CONCLUSION

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

A. The Company requests that the Commission approve its proposed 2026 – 2027 GSP 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 under AMAs;

(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 2029, 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-winters-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 PGA mechanism;

(5) An extension of the PBR Program through September 30, 2027;

(6) Authority, continuing until the end of 2026-2027 GSP Year (September 30, 2027), 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) Authority to issue RFPs for AMA services and to contract said services for up to two years beginning with GSP 2027-2028 and extending through GSP 2028-2029;

(8) Authority to issue RFPs for peaking services and to contract said services for up to two years beginning with GSP 2027-2028 and extending through GSP 2028-2029

(9) Authority to do other things necessary to accomplish the goals, objectives and tasks as part of this 2026 – 2027 GSP.

Q. Does this conclude your testimony?

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

Attachment A: CURRICULUM VITAE OF NATHAN YOUNG

EXPERIENCE

Liberty Utilities – Supervisor II, Gas Supply **December 2025 – Present**

- Oversee the gas purchasing, storage planning, gas scheduling, forecasting, and asset management agreements for Liberty's operations in Georgia and parts of Missouri, providing natural gas to 6 service areas from five 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 both 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.

Sprague Energy – Manager Natural Gas Logistics, Northeast	**2006-Dec 2025**
Tonneson & Co CPAs – Senior Accountant	**2005-2006**
Edward R. Caito, CPA – Staff Accountant	**2001-2005**

EDUCATION

New England College, Henniker, NH bachelor's in accounting, Graduated Cum Laude

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION
STATE OF GEORGIA

IN RE: **LIBERTY UTILITIES (PEACH STATE NATURAL GAS) CORP.'S 2026 – 2027 GAS SUPPLY PLAN**	**Docket No. 57062**

AFFIDAVIT

COUNTY OF ROCKINGHAM
STATE OF NEW HAMPSHIRE

Nathan Young, first being duly sworn, deposes and says that he is Nathan Young, whose prepared Pre-filed Direct Testimony on behalf of Liberty Utilities (Peach State Natural Gas) Corp. in the above-referenced proceeding accompanies this affidavit.

Nathan Young 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.

Nathan Young
Supervisor II, Gas Supply Planning

SUBSCRIBED AND SWORN TO before me, the Undersigned Notary Public, this _19th___ day of June, 2026. My Commission Expires: April 10,2029

Notary Public

AUDREY D REYNOLDS NOTARY PUBLIC NEW HAMPSHIRE MY COMM. EXPIRES 04/10/2029