Liberty Utilities (Peach State Natural Gas) Corp.
Georgia Public Service Commission
Docket No. DN 57062
Staff's Third Set of Data Requests

STF-3-1 Please explain why the total supply requirements for the Columbus Area in Exhibit I (Cell Q57), and the total supply requirements for the Columbus Area in Exhibit III (Pg 4 Purchase Vols, Cell Q48) are not the same value.

Response:

The difference between the Columbus Area Total Supply Requirements shown in Exhibit I (Cell Q57) and those shown in Exhibit III, Page 4 Purchase Volumes (Cell Q48), is attributable to a formula in Exhibit III that did not correctly include a forecasted volume associated with the Local Conforming Natural Gas ("LCNG") customer.

The formula calculating the Columbus Area Total Supply Requirements in Exhibit III Pg 4 (row 63), did not appropriately account for the 400 Dth forecasted LCNG volume. As a result, the total supply requirements reflected in Exhibit III remained overstated by approximately 400 Dth per month when compared to the corresponding values presented in Exhibit I. This error only occurred in the calculations for April through September and makes no difference in the overall Gas Supply Plan.

Exhibit I correctly reflects the actual 2026/2027 forecasts, while Exhibit III continued to include the incorrect forecasted volume due to the formula error.

Liberty acknowledges that the Exhibit III formula should have been updated to correctly incorporate the forecasted LCNG volume when forecasted 2026/2027 data was entered into the schedule. The incorrect inclusion of that forecasted volume resulted in the discrepancy identified in this data request. The Company will file a revised Exhibit III in accordance with the Commission's Procedural and Scheduling Order.

Submitted by: Nathan Young, Liberty Utilities, Supervisor II Gas Supply

STF-3-2 Please see Exhibit IV, Pg. 4 purchase volumes. Additionally, see the June PGA, Pg. 4 Purchase Vols(2). Please explain why the November 2025 purchase volumes and the actual purchase volumes listed in the PGA filing for November 2025 do not match.

Response:

The purchase volumes shown in the November 2025 PGA filing and the purchase volumes shown on Exhibit IV, Page 4 of the current Gas Supply Plan are not directly comparable because they represent different reporting periods and serve different purposes.

The November 2025 PGA filing was submitted on November 17, 2025, to establish Purchased Gas Adjustment rates that would become effective for customer billing on December 1, 2025. Although the filing is identified as the "November 2025" PGA filing, the filing's primary purpose is to forecast and establish gas cost recovery rates for the upcoming billing period, not to report actual purchase volumes for November 2025.

Due to the timing associated with receipt of supplier invoices, pipeline settlements, and completion of month-end accounting processes, actual purchase volume information is not available contemporaneously with the month in which the PGA filing is submitted. As a result, the November 2025 PGA filing contained actual purchase volume data only through August 2025. Therefore, the "November" purchase volumes reflected in the filing correspond to November 2024 actual volumes under the prior Gas Supply Plan period and not November 2025 volumes associated with the current Gas Supply Plan.

Actual purchase volumes for November 2025 were not available at the time the November 2025 PGA filing was prepared and were subsequently reported after the necessary invoices and settlements were finalized. Those actual November 2025 purchase volumes were reported in the January 2026 PGA filing.

Accordingly, the apparent discrepancy arises because the November 2025 PGA filing was filed in November 2025 to establish gas cost rates effective December 1, 2025, and therefore relied on the most recently available historical actual data, while Exhibit IV, Page 4 of the current Gas Supply Plan reflects volumes associated with the current Gas Supply Plan period.

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

STF-3-3 Please see Exhibit IV, Pg. 4 Purchase Volumes. Additionally, see the June PGA, Pg. 4 Purchase Vols(2). In Exhibit IV, the Columbus Supply requirements for April (Cell K67) and the Columbus supply requirements in the June PGA filing (Cell K64) do not match. Please explain why LCNG is listed as a supply source in Exhibit IV (Cell K64) but not in the PGA monthly filing.

Response:

The difference between the Columbus Supply Requirements shown in Exhibit IV, Page 4 and those shown in the June PGA filing is attributable to the inclusion of a forecasted volume related to the Local Conforming Natural Gas (LCNG) customer in the Exhibit IV schedule.

During preparation of Exhibit IV, actual April 2026 data was incorporated into the schedule. However, a forecasted LCNG volume of approximately 400 Dth remained in the April Columbus Supply Requirements despite the fact that the customer was not yet taking service during that month. As a result, the April Columbus Supply Requirements reflected in Exhibit IV are approximately 400 Dth higher than the April volumes reported in the June PGA filing.

The LCNG customer was originally forecasted to begin service prior to April 2026 but is now expected to commence service in August 2026. Because the customer was not yet receiving service during April 2026, LCNG was appropriately excluded from the June PGA filing actual volume reporting. Accordingly, LCNG does not appear as a supply source in the June PGA filing, and the 400 Dth forecasted volume associated with that customer accounts for the difference between the two schedules.

Liberty acknowledges that the LCNG forecast volume should have been removed when actual April 2026 data was incorporated into Exhibit IV, and the inclusion of that forecasted volume created the discrepancy identified in this data request. The Company will file a revised Exhibit IV in accordance with the Commission's Procedural and Scheduling Order.

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

STF-3-4 In Liberty's response to STF-1-7, it stated that the CUSUM graph in Exhibit II fell outside the range of significance due to a break in the relationship between HDD and sendout. The model is overpredicting sendout in the latter portion of the data sample. Please explain what led to this break in the relationship?

Response:

The regression used for statistical testing such as the CUSUM graph and the Quandt-Andrews test in the Design Day Model uses current-day temperature, previous-day temperature, and previous-day sendout to predict current-day sendout. It does not identify specific physical, economic, or operational causes for the change. Rather, it identifies the existence of a statistically significant change in the weather-response relationship. Potential factors that could lead to such a break include changes in customer usage patterns, conservation measures, energy efficiency improvements, changes in customer mix, economic conditions, fuel-switching behavior, or other non-weather influences affecting demand.

A structural break could also emerge if the weather experienced during part of the sample differs from the historical sample in ways that the model does not fully capture. These events could include extended cold snaps or differences in weather persistence patterns. One such event occurred in late January 2025, when a four-day stretch included four of the seven coldest days in the sample, as well as four of the five highest sendout days. When extreme cold days are clustered together, customer heating demand can remain elevated for several consecutive days, potentially resulting in sendout levels that are higher than would be expected based solely on daily temperature inputs. As a result, the statistical tests may detect a change in the estimated weather-response relationship. Accordingly, the parameter instability identified by the CUSUM and Quandt-Andrews tests may reflect the combined effects of unusual weather persistence and other factors that influence customer demand, rather than evidence of a single identifiable operational, economic, or structural change.

Submitted by: Nathan Young, Liberty Utilities, Supervisor II Gas Supply

STF-3-5 Per the testimony, LCNG will not be used in this plan. On pg. 13, line 9-12, it states:

"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."

Please explain the phrase "begin adding" as it is used in the sentence above.

Response:

The phrase "begin adding" refers to the potential commencement of physical deliveries of Local Conforming Natural Gas ("LCNG") from a proposed project into Liberty's distribution system. As discussed in the testimony, Liberty is actively working with several LCNG developers and believes one project in the Columbus area may begin delivering gas during the third quarter of 2026. In this context, "begin adding" means that Liberty may start receiving locally produced gas that will become available for delivery through the Company's distribution system.

The phrase was not intended to indicate that LCNG has been included in the Design Day resource portfolio or that Liberty is relying upon LCNG to satisfy firm customer requirements under the 2026-2027 Gas Supply Plan. Liberty has not included LCNG in the array of assets used to meet firm Design Day demand and is not depending on LCNG for reliability purposes within this Plan. Rather, any initial deliveries would allow Liberty to evaluate the project's operational performance, including the reliability, quality, and quantity of the gas supplied.

As Liberty has previously discussed with Staff, until a local gas provider has demonstrated that it has an acceptable level of reliability it will not replace a traditional gas provider. Liberty will continue to work with Staff towards including local gas within the Plan.

To the extent LCNG is received, those volumes may reduce the amount of commodity gas, at no incremental costs, that Liberty would otherwise need to purchase from other supply sources because the locally produced gas would be available for delivery into the Company's system. However, Liberty is not presently assigning any firm reliability value to those volumes for purposes of meeting Design Day requirements. This approach is consistent with my testimony's statement that Liberty is not relying upon LCNG to meet its firm customers' needs at this time.

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STF-3-6 Regarding the prospective large load customer in Columbus, please provide responses to the following questions:

a. Is there enough excess capacity on the Company's distribution system to serve the large load customer?
b. In order to serve the large load customer, will the Company have to utilize the extra capacity its asset manager has available to the Company at no additional cost?
c. Under what tariff will the large load customer be served: firm, interruptible, or a combination of both?
d. As a result of the prospective large load customer, will Liberty have to revise its design day forecast? If so, what impact will the forecasted increase have on any aspect of the GSP?
e. Given that the Company is considering a new tariff for large load customers that may impact the 2026-2027 Gas Supply Plan, does the Company agree that any consideration in the Gas Supply Plan for large load customers would be in the form of an amendment after the tariff is approved? Once approved, Liberty shall then file for an amendment to the Gas Supply Plan to accommodate any changes in the tariff.
f. Likewise, given that the 2026-2027 Gas Supply Plan was filed before the 2027 GRAM, does Liberty agree that any considerations provided to large load customers do not constitute tacit approval of rate base recovery in the GRAM
g. Given that the Company is considering a new tariff for large load customers that could impact the 2027 Liberty GRAM, does the Company agree that any consideration for recovery in the GRAM filing would need to be deferred until the tariff is approved and would require an amendment to the GRAM?

Response:

a. The Company is currently evaluating the distribution system impacts associated with the prospective large-load customer. The purpose of the evaluation is to assess the customer's anticipated load requirements, identify available system capacity, evaluate potential operating impacts, and determine whether any distribution system reinforcements or enhancements may be required to provide service.

   At this time, the evaluation has not been completed and the Company has not reached a final determination regarding the amount of existing capacity available to serve the customer's proposed load or whether additional facilities would be

required. The Company is committed to not undertake service to the new customer unless the incremental costs identified by the evaluation, if any, are adequately covered by the on-going revenue contributions of the new customer.

b. No, the Company does not have plans to serve the large load customer using the Company's Asset Management Agreements currently. The Company's Asset Management Agreements and Gas Supply Plan are designed to secure the gas supply, storage, peaking, and interstate transportation resources necessary to serve Liberty's firm sales customers. The prospective large load customer in Columbus is currently pursuing transportation only service, where transportation customers served under Rate Schedule 860 or proposed Rate Schedule 860F[1] procure their own gas supply and are not included in the Company's firm sales gas supply requirements reflected in the Gas Supply Plan. Accordingly, the prospective large load transportation customer would not be expected to utilize gas supply resources obtained through the Company's Asset Management Agreements for its commodity requirements.

   Therefore, the Company does not view service to a transportation customer under Rate Schedule 860 or 860F as a matter of utilizing gas supply capacity available under the Asset Management Agreements to serve that customer's load. The customer's gas supply requirements would remain the responsibility of the transportation customer and its marketer or supplier.

c. Subject to Commission-approved tariffs and the operational requirements of the customer, the customer may elect to take service under any applicable tariff for which it qualifies.

   Under the Company's current tariff structure, a transportation customer may elect interruptible transportation service under Rate Schedule 860. If approved by the Commission, the proposed Rate Schedule 860F would provide an additional option allowing a transportation customer to elect firm transportation service. Depending upon the customer's operational requirements and the value the customer places on service reliability, the customer may determine that

[1] On July 31 2026, the Company filed a petition to modify its tariff to include a firm transportation service Rate Schedule 860F as an additional option to its existing interruptible transportation Rate Schedule 860.

interruptible transportation service, firm transportation service, or a combination of service arrangements best meets its needs.

The distinction between those services is reflected in the applicable tariff provisions and pricing. Customers electing a higher level of service assurance are responsible for paying the rates associated with that service. Accordingly, the selection of firm or interruptible service is ultimately driven by the customer's service requirements and willingness to pay for the level of service desired.

d. Please refer to response STF 3-6b.

e. Please refer to response STF 3-6b.

f. Please refer to response STF 3-6b.

g. The proposed 860F tariff would establish an additional transportation service option for customers that desire firm transportation service and are willing to pay the rates associated with that level of service. However, the existence of the proposed tariff does not preclude a customer from pursuing service under currently available tariff options, subject to the terms and conditions of those tariffs.

Accordingly, whether any facilities, revenues, investments, or other matters are ultimately reflected in a future GRAM filing would depend upon the specific facts and circumstances existing at the time of that filing and the tariff under which service is ultimately provided. The Company therefore does not agree that any consideration of potential GRAM treatment must necessarily be deferred pending approval of the proposed 860F tariff, nor can the Company conclude at this time that an amendment to a future GRAM filing would be required solely because the proposed 860F tariff remains under Commission review.

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