Liberty Utilities (Peach State Natural Gas) Corp.
Georgia Public Service Commission
Docket No. 57062
Hearing Requests

FOR PUBLIC DISCLOSURE

HR-1-1 Please provide the base demand charge for the average residential customer bill.

Response: For the average residential customer bill, using the Company's typical residential usage profile of **33 Ccf**, the **base demand (fixed) charge is $34.38 per month**. This charge is the fixed customer charge and does not vary with monthly consumption. The remaining Liberty portion of the bill is primarily driven by volumetric charges and the PGA component, which fluctuate based on customer usage and gas supply costs.

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

FOR PUBLIC DISCLOSURE

HR-1-2 What is the impact of the anticipated large load customer on the Gas Supply Plan? Will the large load customer be addressed within the four corners of the Georgia Rate Adjustment Mechanism ("GRAM")?

Response: As testified to during the hearing, the project does not impact the Gas Supply Plan, as the anticipated customer is transportation only. In Docket No. 42959, Liberty filed tariff modifications to serve this potential transportation customer and other large load customers that seek firm transportation service.

The project design for the anticipated customer is in the early stages, and an estimate will be further refined as engineering progresses. Any estimate will be provided to the Commission through Docket No. 42959.

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

FOR PUBLIC DISCLOSURE

HR-1-3 According to testimony, Transco and SNG are capacity constrained/fully subscribed, which is flagged as a constraint on the ability to serve demand growth. Why is that a constraint when the existing FT capacity seems to be sufficient for the demand that is there? Please reconcile that with the numbers for existing capacity and the utilization of firm transportation. Commissioner Hubbard stated: "I see a lot of headroom in the firm transportation capacity."

Response: The Company uses its forecasting model to determine the level of demand required to serve customers on a Design Day. The forecasted Design Day demand is then compared to the Company's existing firm transportation portfolio, which includes a 5% reserve margin, to identify any firm transportation and supply shortfall. To address any deficiency, the Company contracts for delivered peaking services, which utilize a third party's firm transportation and gas supply to deliver natural gas directly to the citygate and ensure reliability during Design Day demand event.

For Columbus, which is served by SONAT, the Design Day forecast is based on a heating degree day (HDD) value of 54.5 and a prior-day HDD of 41.5, resulting in estimated demand of [REDACTED] MMBtu. The Company currently holds [REDACTED] MMBtu/day of firm transportation capacity on SONAT, which is insufficient to meet the Design Day requirement. Because SONAT is fully subscribed and additional firm transportation capacity is unavailable, the Company contracts for [REDACTED] MMBtu/day of delivered peaking services to satisfy the forecasted demand and maintain system reliability

For Gainesville, which is served by TRANSCO, the Design Day forecast is based on a heating degree day (HDD) value of 56 and a prior-day HDD of 46, resulting in estimated demand of [REDACTED] MMBtu. The Company currently holds [REDACTED] MMBtu/day of firm transportation capacity on TRANSCO, which is insufficient to meet the design day requirement. Because TRANSCO is fully subscribed and additional firm transportation capacity is unavailable, the Company contracts for [REDACTED] MMBtu/day of delivered peaking services to satisfy the forecasted demand and maintain system reliability.

The Company appreciates that it is difficult to discuss trade secret exhibits in an open hearing. Nonetheless, it may be that the comment regarding "headroom" in firm pipeline and storage capacity refers to the data regarding utilization that is included in the exhibits to the Gas Supply Plan. It should be noted that the system is built for, and interstate pipeline capacity and out-of-state storage capacity are acquired to meet, firm customers' Design Day needs. By contrast, the utilization percentages required by the Commission's minimum filing requirements are expressed in monthly figures. On a

monthly basis, Liberty has firm capacity rights that are not fully utilized to meet firm customers' needs. On a Design Day, Liberty does not have enough pipeline capacity and out-of-state storage capacity to meet firm customers' needs without incremental citygate bundled peaking services.

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

FOR PUBLIC DISCLOSURE

HR 1-4 Please provide a 10-year cost benefit analysis of the hedging program and whether there have been quantifiable benefits.

Response: Liberty is not aware of a cost/benefit analysis that takes into consideration all benefits to customers, as a cost/benefit analysis of a hedging program cannot be quantified in the manner that the question poses.

Liberty's hedging program is designed to protect Liberty's firm customers by providing price stability. Therefore, the stability customers experience is a benefit that cannot be measured with a number. Hedging insulates customers from the experience akin to "rate shock" and over the last seven years the average cost to provide these benefits was $63,000 per year.

It is important to note that the Company makes no financial gain through hedging. All purchased gas is a pass-through cost to customers, without a return for the Company.

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