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August 29, 2023

Ms. A. Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
430 N. Salisbury Street
Room 5063
Raleigh, NC 27603

via: Electronic Submittal

**RE: *In the Matter of
Annual Gas Cost Review for Toccoa Natural Gas
For the Period July 1, 2022 through June 30, 2023
NCUC Docket No. G-41, Sub 59
Public Filings of Direct Testimony of Rai Trippe and Harry Scott***

Dear Ms. Dunston:

On behalf of Toccoa Natural Gas, please find attached the public filings of the Direct Testimonies of Rai Trippe and Harry Scott with public Exhibits referenced therein.

A separate confidential filing has been made in the above referenced docket of the Direct Testimony of Rai Trippe with all confidential Exhibits referenced therein.

If you should have any questions concerning this submission, please do not hesitate to contact me.

Very truly yours,

/s/ Jack Taggart

Jack Taggart

A Pennsylvania Limited Liability Partnership

California Colorado Delaware District of Columbia Florida Georgia Illinois Minnesota
Nevada New Jersey New York North Carolina Pennsylvania South Carolina Texas Washington



Fox Rothschild ^{LLP}
ATTORNEYS AT LAW

Ms. A. Shonta Dunston
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Attachments

pbb

Copy to: Parties and Counsel of Record
NC Public Staff

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Aug 29 2023

**BEFORE THE
NORTH CAROLINA UTILITIES COMMISSION
TOCCOA NATURAL GAS
DOCKET NO. G-41, SUB 59**

**DIRECT TESTIMONY
OF
Rai Trippe**

August 29, 2023

1 Q. Mr. Trippe, please state your name, your employer and business address.

2 A. My name is Rai Trippe. I am employed by Municipal Gas Authority of Georgia
3 (“Gas Authority”). My business address is 104 Town Park Drive, Kennesaw,
4 Georgia 30144.

5
6 Q. In what capacity are you employed by Toccoa?

7 A. I am employed by Gas Authority as a Member Support Senior Consultant. My
8 duties include retail rate studies and design, budget forecasting, contract
9 administration and negotiation, and general activities in support of our members.
10 Gas Authority serves the City of Toccoa.

11
12 Q. Please summarize your professional background.

13 A. See Exhibit 1, Biographical Sketch.

14
15 Q. What is the purpose of your testimony in this proceeding?

16 A. Commission Rule R1-17(k)(6) requires Toccoa to submit to the Commission, on or
17 before September 1, 2023, Toccoa’s actual gas costs and volumes of purchased gas
18 for the twelve-month period ended June 30, 2023, and certain other information as
19 directed by the Commission. This information is contained in this direct testimony
20 and the accompanying exhibits. The Rule provides for a hearing on the first
21 Wednesday of November “in order to compare each LDC’s prudently incurred gas
22 costs recovered from all its customers that it served during the test period.” Toccoa

1 is providing my testimony and schedules in compliance with this Rule. My
2 testimony demonstrates that Toccoa's gas costs during the test period were
3 prudently incurred and therefore meet the requirement for recovery under the
4 Commission Rule. This is Toccoa's twenty-first proceeding under Commission
5 Rule R1-17(k)(6) since it began gas operations.
6

7 Q. Please describe Toccoa's gas supply policy.

8 A. Toccoa is a charter member of the Municipal Gas Authority of Georgia, the largest
9 non-profit joint action natural gas agency in the nation. As a member of Gas
10 Authority, Toccoa receives all its gas supply at very competitive rates. Gas
11 Authority uses a portfolio approach to supply its 83 member cities' needs, relying
12 on a combination of long-term firm supply arrangements, short-term spot market
13 purchases, seasonal peaking, and contract storage services. Specifically, Gas
14 Authority bills its Williams Transco supplied members at the first-of-the-month
15 spot market index price for gas delivered into Transco at 50% of Transco Zone 3
16 index + 50% of Transco Zone 4 index. In addition, Toccoa participates in Gas
17 Authority's "Winter Hedge Program" under the Authority's *Option 2*; that is,
18 Toccoa relies on Gas Authority's recommendations in locking-in future prices for
19 a portion of their firm load (*Option 3* members make their own decisions, and
20 *Option 1* members do not hedge prices). Gas Authority's objective in hedging
21 prices is to achieve price stability at a reasonable level for its members' retail
22 customers. This was accomplished by locking-in futures prices that averaged

1 21.7% of their forecasted firm Georgia residential gas sales and all firm North
2 Carolina gas sales for November 2022 – March 2023. See confidential Exhibit 3
3 for November through March hedge volumes, and to see the hedge volumes as a
4 percentage of firm sales during the review period. At the time that these hedge
5 volume decisions were made, Toccoa chose to purchase more conservative hedge
6 volumes for their participation in the Winter Hedge Program because market and
7 future pricing was significantly less than it had been at the time the previous Winter
8 Hedge Program volumes were put in place. Large industrial customers may make
9 their own hedging decisions if they choose to do so. Because of its participation in
10 Gas Authority, Toccoa’s “gas supply policy” is the same as that of Gas Authority.

11
12 Q. What are some of the challenges in the development and implementation of
13 Toccoa’s gas supply strategy, if any?

14 A. Because of the experience, expertise, and resources of Gas Authority, gas supply is
15 not a problem for Toccoa. Through Gas Authority’s efforts, Toccoa is assured
16 adequate, dependable, and economical gas supplies.

17
18 One of the challenges for Toccoa is explaining to customers swings and spikes in
19 the wholesale cost of natural gas. Although hedging helps manage this volatility,
20 it can create its own challenges. Some customers have unrealistic expectations of
21 the benefits of hedging because a common benchmark for evaluating hedged prices
22 is the actual spot market price. This can be an unfair measure because it is only

1 available after the fact and assumes the goal of hedging is “to beat the market.”
2 The principal goal of hedging is to achieve price stability at a reasonable level for
3 the consuming public. Gas Authority’s “Winter Hedge Program” endeavors to
4 achieve this goal.

5

6 Q. Has there been any significant change to Toccoa’s gas supply strategy or source
7 during the test year?

8 A. No. This gas supply strategy has been approved in the past by the North Carolina
9 Utilities Commission.

10

11 Q. Please describe Toccoa’s interstate capacity.

12 A. Toccoa currently contracts for firm transportation (FT) capacity on Williams
13 Transco, as well as an additional liquefied natural gas storage service agreement
14 with Pine Needle LNG Company, LLC. Further, through participation in Gas
15 Authority, Toccoa has access to other members’ available pipeline capacity.

16

17 Q. With this approach, does Toccoa have the flexibility to meet its market
18 requirements?

19 A. Absolutely.

20

21 Q. How does Toccoa participate in and communicate with Gas Authority regarding
22 gas supply purchases?

1 A. Toccoa is an active Member of Gas Authority; therefore, no specific initiative is
2 necessary. Toccoa's management meets with Gas Authority's staff on a regular
3 and frequent basis.

4
5 Q. Did Toccoa pursue capacity release options to mitigate the cost of extra demand
6 capacity?

7 A. Yes. On behalf of Toccoa, Gas Authority released a portion of Toccoa's unutilized
8 capacity each month of the fiscal period. Total demand cost savings generated
9 during the period of July 2022 – June 2023 totaled \$63,900. This released capacity
10 that generated the demand savings encompassed production area and market area
11 FT capacity contracted by Toccoa on Transco.

12
13 Q. Did Toccoa follow the gas cost accounting procedures prescribed by Rule R1-17(k)
14 for the year ended June 30, 2023?

15 A. Yes.

16
17 Q. In following Section (5)(c) of the Rule, Toccoa was responsible for reporting gas
18 costs and deferred account activity to the Commission and the Public Staff monthly.
19 Are you aware of any outstanding issues regarding these reports?

20 A. No.

21

22 Q. What schedules have you caused to be prepared?

1 A. Exhibit 2, confidential Exhibit 3, and confidential Schedules 1 – 10 which includes
2 the Deferred Account Summary. The schedules are filed with the Commission
3 concurrently with this testimony.

4
5 Q. What activity occurred in the deferred account during the twelve months ended
6 June 30, 2023?

7 A. Toccoa began the review period with a balance of (\$82,795) owed to firm
8 customers. On January 9, 2023, the Commission issued ORDER ON ANNUAL
9 REVIEW OF GAS COSTS in Docket No. G-41 Sub 58 directing Toccoa to
10 implement a new temporary rate decrement of \$0.8180 per dth in the North
11 Carolina firm service rates effective the first day of the month following the date of
12 the Commission's Order. Toccoa implemented this decrement and desired to rely
13 on the Deferred Account process and tracking method so that the forecasted
14 Deferred Account balance at the end of the current review period would be as close
15 to zero as practical. The Deferred Account balance was closely monitored as each
16 monthly Deferred Account update was filed in anticipation that the effective rate
17 decrement would decrease the balance owed to customers without causing a swing
18 to a balance owed to Toccoa. Although the monthly balances owed to customers
19 from July through October 2022 were somewhat stable and similar going into the
20 winter season, the Deferred Account Balance ending June 30, 2023, was (\$98,557).
21 I refer to you to Schedule 8 for specific tracking.

22

1 Q. The attached confidential schedules detail the gas costs incurred by Toccoa and
2 billed to customers during the period July 1, 2022, through June 30, 2023. In your
3 opinion, were all these gas costs prudently incurred?

4 A. Yes.

5

6 Q. What action does Toccoa request the Commission take regarding the deferred
7 accounts?

8 A. Toccoa requests that the Commission approve the June 30, 2023, balance and find
9 that Toccoa's gas purchases were prudent during the relevant twelve-month period.

10

11 Q. Has Toccoa taken any steps recently to enable it to manage its deferred account
12 more effectively?

13 A. Toccoa filed monthly Deferred Account Summary reports in a timely manner as
14 required. No new steps or actions were undertaken.

15

16 Q. Please describe the current requirement for the interest rate applied to Toccoa's
17 Deferred Gas Cost Account.

18 A. On October 1, 2016, Toccoa began calculating interest on its Deferred Gas Cost
19 Account (Deferred Account). The interest rate applied to Toccoa's Deferred
20 Account for amounts over-collected or under-collected from the North Carolina
21 firm sales customers was established in G-41 Sub 0, and approved by the December
22 8, 1998, Order granting Toccoa and the Municipal Gas Authority of Georgia a

1 Certificate of Public Convenience and Necessity (CPCN). Toccoa's Deferred
2 Account interest rate proposed by Public Staff is the overall rate of return. Toccoa
3 has not adjusted its Deferred Account interest rate for known tax changes because
4 it is exempt from federal income tax, and it does not pay income taxes in North
5 Carolina since Toccoa is a municipality.

6

7 Q. What is the Company's authorized overall rate of return?

8 A. The rate is presently 5.83%. The interest rate has been applied to Toccoa's Deferred
9 Account during the full twelve months of the review period.

10

11 Q. Do you believe a change to the interest rate applicable to the company's Deferred
12 Account is warranted at this time?

13 A. No.

14

15 Q. Does Toccoa have additional comments or information to provide?

16 A. Yes. Per Order Requiring Reporting Issued in Docket G-100 Sub 91, Toccoa
17 submits the following responses.

18

19 1. Please describe any changes in the Company's customer mix or customer
20 market profiles that it forecasts for the next ten (10) years and explain how the changes
21 will impact on the Company's gas supply, transportation, and storage requirements.

22

1 **Response 1-1:** We do not forecast a significant change in Toccoa's customer mix
2 over the next ten years; however, Toccoa's gas system may experience incremental growth.
3 The general condition of the economy and more recent economic trends will impact the
4 rate at which Toccoa connects and serves new customers. Any additional growth may
5 create a need for additional firm capacity. At the appropriate time, Gas Authority will
6 assist Toccoa in acquiring the most cost-effective combination of pipeline, storage, and
7 peaking capacity on Transco as needed.

8

9 **2.** Please identify the rate schedules and special contracts that the Company
10 uses to determine peak day demand requirements for planning purposes.

11

12 **Response 1-2:** Gas Authority evaluates all firm customer classes that are part of
13 Toccoa's total firm load in planning for peak day demand requirements. Gas Authority's
14 planning is based on the number of customers within each firm rate schedule, and we
15 consider all customer requirements with exception of alternate fuel customers.

16

17 **3.** Please provide the base load demand requirements of the firm market
18 estimated for the review period and forecasted for each of the next five (5) years.

19

20 **Response 1-3:** We expect that Toccoa's base load demand requirements for the
21 next five years will be sufficiently served under the demand contracts, LNG contract, and

1 Pine Needle contract volumes shown in this summary. No Demand or Storage service
2 changes occurred during the review period ending June 30, 2023. Volumes shown are Dth.

Description of Service	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Cherokee - FT	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070
Sunbelt 1997 - FT	518	518	518	518	518	518	518	518	518	518	518	518
SouthCoast - FT Mainline	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105
Converted Firm Trans. - CFT	294	290	346	1,381	1,898	2,300	2,300	2,300	1,898	1,381	346	346
LNG Capacity					3,105	3,105	3,105	3,105	3,105			
LNG Daily Demand					1,035	1,035	1,035	1,035	1,035			
Pine Needle Capacity					2,898	2,898	2,898	2,898	2,898			

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3
4 4. Please provide the one-day design peak demand requirements used by the
5 Company for planning purposes for the review period and forecast for each of the next five
6 (5) winter seasons. The peak demand requirement amounts should set forth the estimated
7 demand for each rate schedule or priority with peak day demand. All assumptions, such as
8 heating degree-days, dekatherms per heating degree-day, customer growth rates, and
9 supporting calculations used to determine the peak day requirement amounts should be
10 provided.

11
12 **Response 1-4:** Toccoa’s peak day and peak demand requirements are evaluated
13 annually by Gas Authority staff, and an updated Winter Service Plan is produced and
14 submitted to Toccoa each year prior to the winter season. Please see Exhibit 4, “Municipal
15 Gas Authority of Georgia Winter Service Plan 2022 - 2023”. Gas Authority analysis uses
16 51 HDD’s to forecast design day usage.

1

2 **5.** Please describe how Toccoa determines which type of resources should be
3 acquired or developed to meet the Company’s deliverability needs. Also, please describe
4 the factors evaluated in deciding whether the Company should acquire pipeline
5 transportation capacity, acquire a storage service, or develop additional on-system storage
6 deliverability.

7

8 **Response 1-5:** Gas Authority makes these determinations based on least cost and
9 operational flexibility of the options available at the time new pipeline, storage, or peaking
10 capacity is forecasted to be necessary to meet TNG’s firm needs. No new, additional
11 capacity or storage opportunities are being considered currently.

12

13 **6.** Please describe how the Company determines the amount of pipeline
14 capacity that should be acquired for (a) the whole year, (b) the full winter season, and (c)
15 less than the full winter season. Also, please describe the factors evaluated in determining
16 the appropriate amount and mix of service period options.

17

18 **Response 1-6:** Each year Toccoa’s capacity needs are met by their existing
19 capacity agreements. Most of these contracts are in place for 15 years or more. If Toccoa
20 exceeds their contract, the least expensive option will be chosen to cover that particular
21 period. Options include shifting capacity from another Gas Authority Member city,
22 acquiring a delivered service, incurring “penalty gas” charges, etc. However, Toccoa has

1 the capability to interrupt several large gas users to prevent the potential cost of exceeding
2 their contract. No additional capacity needs are anticipated, and no new capacity
3 opportunities are being considered currently.

4

5 7. Please describe each new capacity and storage opportunity that the
6 Company is contemplating entering during the next five (5) year period beginning with the
7 2023 - 2024 winter season.

8

9 **Response 1-7:** No new, additional capacity or storage opportunities are being
10 considered currently.

11

12 8. Please provide a computation of the reserve or excess capacity estimated
13 for the review period and forecast for each of the next five (5) winter seasons.

14

15 **Response 1-8:** Please see Exhibit 4, "Municipal Gas Authority of Georgia Winter
16 Service Plan 2022 - 2023".

17

18 9. Please describe any significant storage, transmission, and distribution
19 upgrades required for the Company to fulfill its peak day requirements during the next five
20 (5) years.

21

22 **Response 1-9:** No upgrades are anticipated currently.

1

2 Q. Does that conclude your testimony?

3 A. Yes.

BIOGRAPHICAL SKETCH

Rai Trippe

Mr. Trippe serves as Senior Consultant, Member Support for the Municipal Gas Authority of Georgia (Gas Authority). His responsibilities include firm and interruptible retail rate analysis and design, gas cost and revenue budget planning, rate notification, consulting, project planning and implementation, industrial customer relations, and support services for Members of Gas Authority. Mr. Trippe is responsible for support in all these areas for nineteen Gas Authority Members which are supplied gas through the Williams Transco Pipeline. This includes Toccoa, Georgia.

Mr. Trippe joined Gas Authority on February 24, 2003 as a Business Analyst in the Member Support Group. Prior to joining Gas Authority, Mr. Trippe worked as an associate process engineer with CryoLife, Inc. of Kennesaw, Georgia where he was responsible for evaluation and maintenance of procedurally regulated production processes pertaining to biomedical device manufacturing. This included extensive documentation origination and review for regulatory agency reporting purposes. Mr. Trippe has over 37 years of business experience.

Mr. Trippe received a Bachelor of Science from Presbyterian College in Clinton, South Carolina in 1985. He is active within his church and volunteers his time and leadership abilities for church sponsored community service projects. He enjoys outdoor activities and resides in Marietta, Georgia with his wife.

Toccoa Natural Company
Docket No. G-41, Sub 59

Exhibit 2

Natural Gas Hedge Transactions

For the Twelve Month Period Ended June 30, 2023

Member Hedge Program

Item	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Totals
Hedged Price (\$)					\$3.3176	\$3.3243	\$2.5860	\$3.2770	\$3.2340				\$3.1478
Index Price (\$)					\$5.1860	\$6.7120	\$4.7090	\$3.1090	\$2.4510				\$4.4334
Net Hedged Price					(\$2.0124)	(\$3.8757)	(\$2.0968)	(\$0.0530)	\$0.7540				(\$1.2856)
Hedged Volume (Dts)	0	0	0		7,900	12,500	11,200	8,500	5,200	0	0	0	45,300
Total Adjustment - Charge/(Credit)					(\$15,898)	(\$48,447)	(\$23,484)	(\$451)	\$3,921				(\$84,358)
NC Sales Allocation Factor	18.17%	19.38%	19.20%	16.26%	14.63%	13.93%	14.03%	13.60%	15.61%	15.39%	17.64%	17.56%	
Firm Hedges - NC Portion	\$0	\$0	\$0	\$0	(\$2,327)	(\$6,747)	(\$3,294)	(\$61)	\$612	\$0	\$0	\$0	(\$11,817)

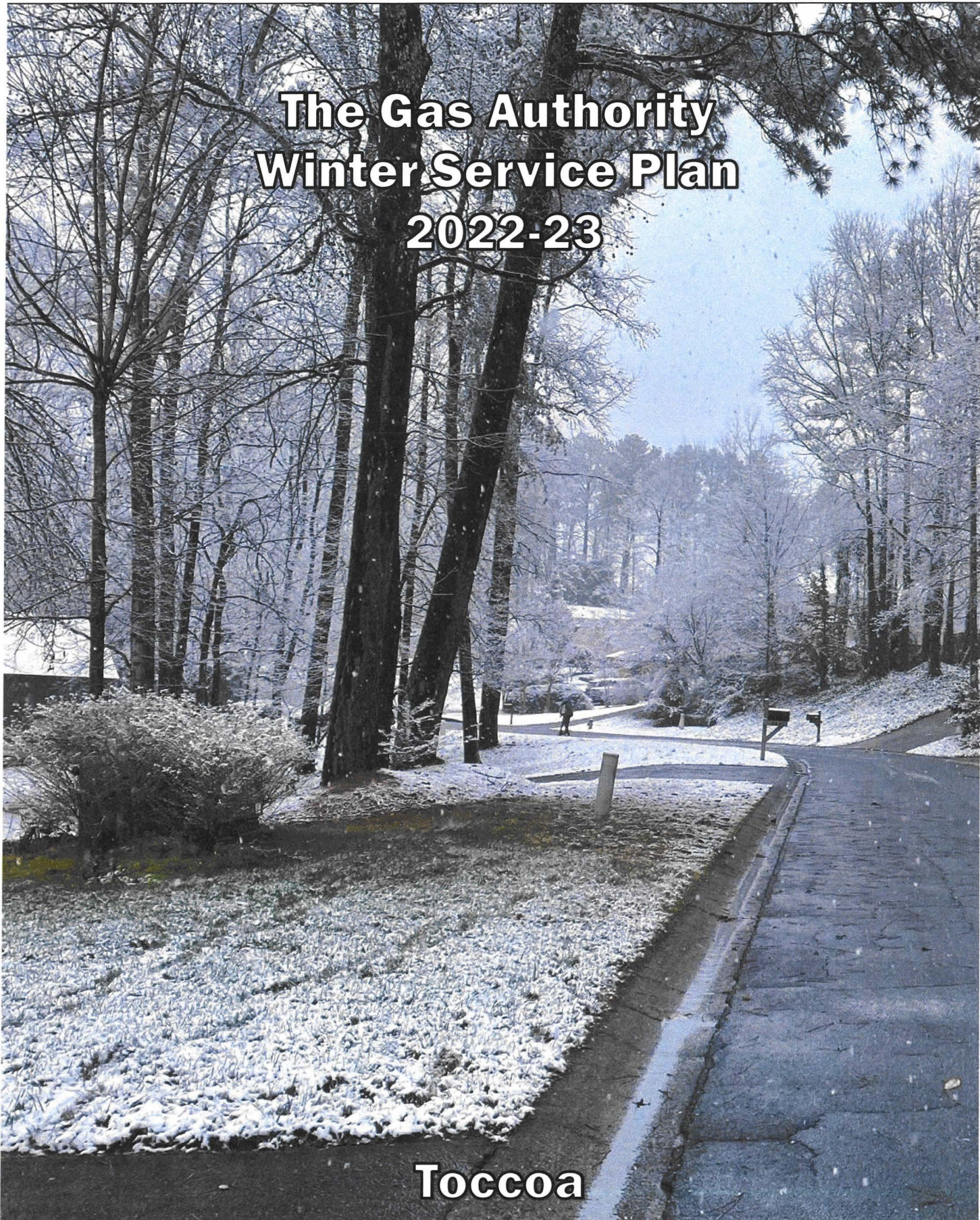
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The Gas Authority Winter Service Plan 2022-23

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Aug 29 2023



Toccoa

TABLE OF CONTENTS

In advance of the 2022-23 winter season, this plan has been prepared to communicate your design day needs. Please let us know if you have any questions.

ACTION ITEMS

Feedback Requested:

Please review the Forecast Design Day on page 1 for both firm and interruptible load. Let us know if we have identified the interruptible demand (if applicable) correctly.

SUMMARY

Design Day Summary	1
Top 20 Peak Days – Last 5 Years	2

ACTUAL HISTORY

Interruptible Customers (If Applicable)	3
Previous Season Graph	4

FORECAST

Load Forecast Chart	5
Load Duration Curve	6
Projected Daily Demand Chart	7

FIRM SERVICES & SYSTEM PLANNING ANALYSIS

Summary of Contracts	8
5 Year Demand and Capacity Analysis	9

CONTACT INFORMATION

PHOTO CONTEST

This year's cover photo was taken by Amanda Miller of Marietta, GA.

Please be on the lookout for any great winter photo opportunities this season. Submit your photos to forecasting@gasauthority.com to be entered in the contest for the 2023-24 Winter Service Plan cover photo. Employees of Member cities as well as MGAG staff are encouraged to participate. We look forward to highlighting our member cities in future years!!!

**Design Day Summary for 2022-23 Winter
Toccoa**

Actual Peak Days (see page 2 for more details)

	<u>HDD</u>	<u>Date</u>	<u>Dth</u>
Historical 5-Year Peak:	41	01/04/18	10,698
Last Winter Peak Day:	28	01/28/22	8,302

Note: Actual Peak Days include firm and interruptible load in dekatherms.

Customers (see page 3 for more details)

		<u>Customer Count</u>
Active meters as of 12/31/2021	Firm R&C:	6,759
	Firm Industrial:	-
	Interruptible:	7
	Total:	6,766

Forecasted Design Day (Dekatherms) (see page 5 for more details)

	<u>Design Day Forecast</u>
Firm R&C Forecasted Load at 51 HDD	10,745
Firm Industrial Demand	-
Firm Design Day	10,745
Interruptible Demand	1,777
Total Design Day Demand	12,522

Firm Services (see page 8 for more details)

	<u>2021-22 Capacity</u>	<u>Planned 2022-23</u>
Pipeline Capacity	6,993	6,993
Pine Needle/LGA/GSS Storage	3,915	3,911
Winter Service Pool *	-	-
Seasonal Capacity	-	-
Propane Air Plant Capacity	-	-
TOTAL FIRM SERVICES	10,908	10,904

Firm Surplus / (Deficit) 159

* Transco delivered supply service. Pricing and terms will be sent separately

Note: A Member that is short Firm Services to meet the forecasted Firm Design Day need increases the likelihood of incurring pipeline penalties on cold weather days that have pipeline Operational Flow Orders (OFO's) in effect.

Top 20 Peak Days - Last 5 Years

Toccoa

Degree Day

Heating Degree Days (HDD) are defined as the number of degrees the average temperature for a day is below 65 degrees. If the average temperature is 65 degrees or warmer, there are zero heating degree days and no heating is expected for the typical home or business. As the average temperatures get colder, more and more energy is needed to maintain a comfortable interior temperature. As an example, a high temperature of 46 degrees with a low of 24 degrees will result in an average temperature of 35 degrees and 30 HDD.

Historic Peak Days - Last 5 Years

<u>Rank</u>	<u>Date</u>	<u>Day of Week</u>	<u>HDD</u>	<u>Dth</u>
1	01/04/18	Thu	41	10,698
2	01/02/18	Tue	36	10,492
3	01/17/18	Wed	46	10,463
4	01/01/18	Mon	45	10,241
5	01/05/18	Fri	37	10,199
6	01/30/19	Wed	31	9,955
7	01/03/18	Wed	35	9,446
8	01/21/20	Tue	33	9,272
9	02/16/21	Tue	39	9,213
10	01/29/19	Tue	33	8,964
11	01/18/18	Thu	34	8,903
12	02/02/21	Tue	29	8,883
13	01/21/19	Mon	30	8,854
14	02/01/21	Mon	29	8,772
15	01/31/19	Thu	23	8,661
16	02/03/21	Wed	26	8,626
17	01/22/19	Tue	23	8,535
18	02/07/20	Fri	28	8,528
19	01/22/20	Wed	23	8,420
20	01/06/18	Sat	36	8,413

Industrial Customer Demand

Toccoa

Interruptible Service

Customers who receive all or a portion of their gas service without a guarantee of constant supply in return for a lower rate are interruptible. An interruptible customer typically has an alternate fuel that can be utilized when natural gas is curtailed. Each Gas Authority member city determines the exact curtailment procedures that apply in their respective service area. If the member city does not curtail the load as a matter of policy, the load is considered firm.

When a customer's load is classified as interruptible and subject to curtailment, that demand is not included in the firm design day requirements and capacity will not be reserved to serve them. Service will be maintained whenever possible utilizing capacity not needed for firm demand which will occur on many days.

Interruptible Customers:

(Quantities in Dekatherms)

<u>Customer Name</u>	<u>2022-23 Design Day Forecast</u>
Columbia Farms	36
Fieldale Farms	1,322
Stephens Co. Hospital	57
Dewtex, Inc.	142
Angel Medical	57
C.W. Matthews - asphalt plant	59
Shaw/Beasley	104
<hr/>	
Total	1,777

Firm Customers:

(Quantities in Dekatherms)

<u>Customer Name</u>	<u>2022-23 Design Day Forecast</u>
None Reported	-
<hr/>	
Total	-

EXHIBIT 4
G-41 SUB 59

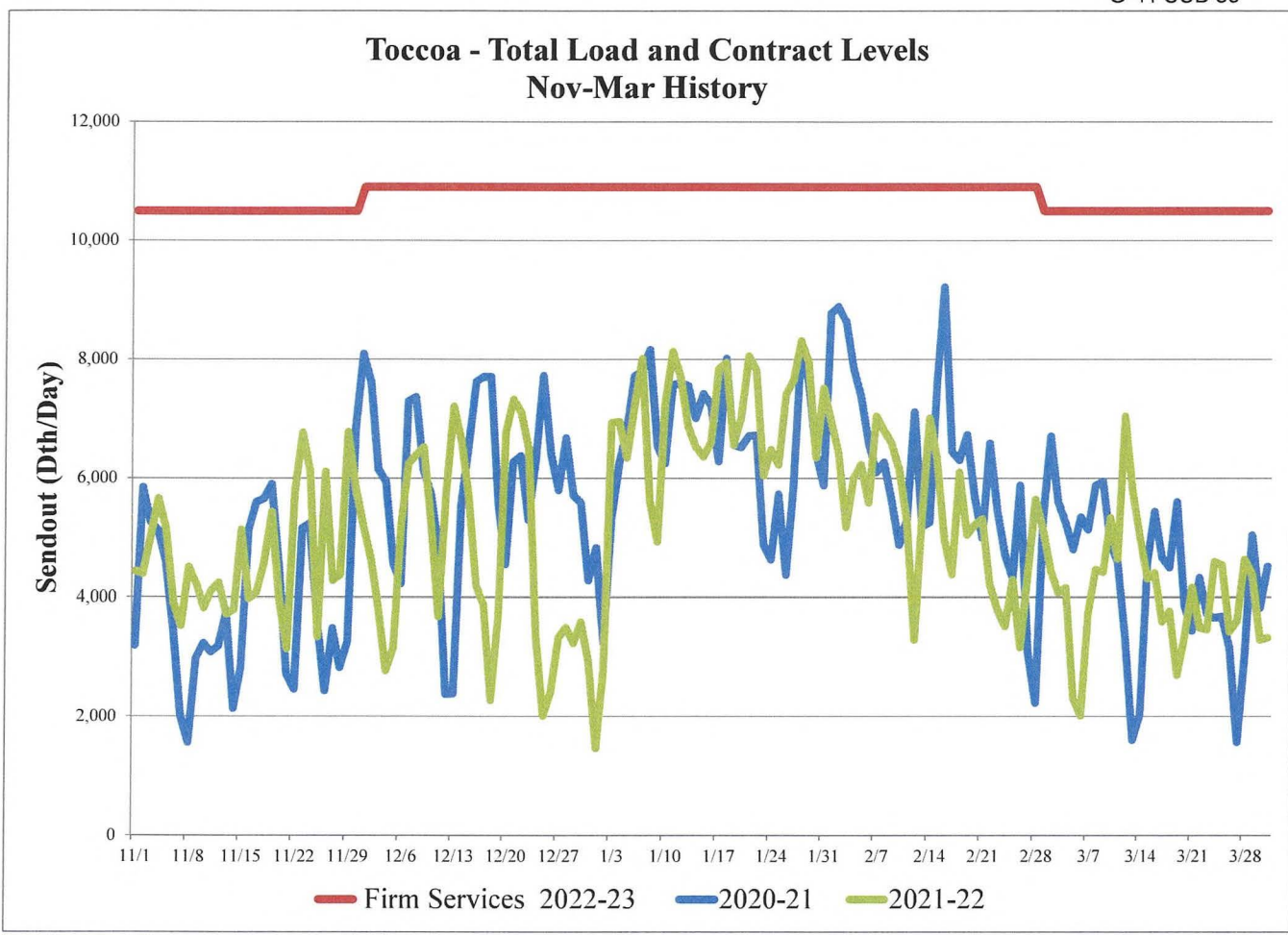


EXHIBIT 4
G-41 SUB 59

2022-23 Load Forecast Chart (Dth)							
Toccoa							
Dec - Feb Total Firm Services:							10,904
Heating Degree				Heating Degree			
Day	Average Temp.	Firm Load	Total Load	Day	Average Temp.	Firm Load	Total Load
0	65	1,315	3,092	26	39	6,122	7,899
1	64	1,500	3,277	27	38	6,307	8,084
2	63	1,685	3,462	28	37	6,492	8,269
3	62	1,870	3,647	29	36	6,677	8,454
4	61	2,055	3,832	30	35	6,862	8,639
5	60	2,240	4,017	31	34	7,047	8,824
6	59	2,424	4,201	32	33	7,232	9,009
7	58	2,609	4,386	33	32	7,417	9,194
8	57	2,794	4,571	34	31	7,602	9,379
9	56	2,979	4,756	35	30	7,787	9,564
10	55	3,164	4,941	36	29	7,971	9,748
11	54	3,349	5,126	37	28	8,156	9,933
12	53	3,534	5,311	38	27	8,341	10,118
13	52	3,719	5,496	39	26	8,526	10,303
14	51	3,904	5,681	40	25	8,711	10,488
15	50	4,089	5,866	41	24	8,896	10,673
16	49	4,273	6,050	42	23	9,081	10,858
17	48	4,458	6,235	43	22	9,266	11,043
18	47	4,643	6,420	44	21	9,451	11,228
19	46	4,828	6,605	45	20	9,636	11,413
20	45	5,013	6,790	46	19	9,820	11,597
21	44	5,198	6,975	47	18	10,005	11,782
22	43	5,383	7,160	48	17	10,190	11,967
23	42	5,568	7,345	49	16	10,375	12,152
24	41	5,753	7,530	50	15	10,560	12,337
25	40	5,938	7,715	51	14	10,745	12,522

EXHIBIT 4
G-41 SUB 59

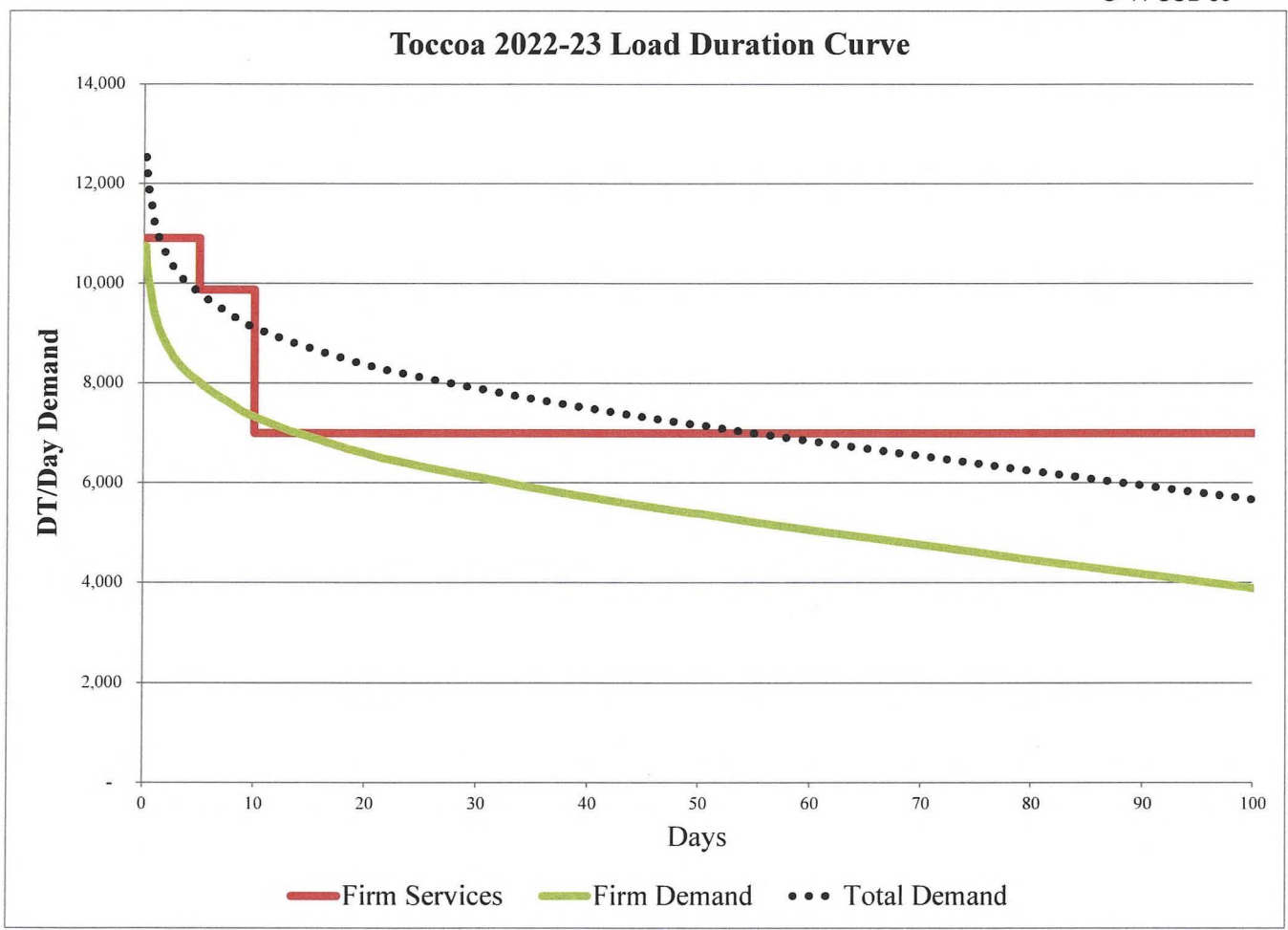


EXHIBIT 4
G-41 SUB 59

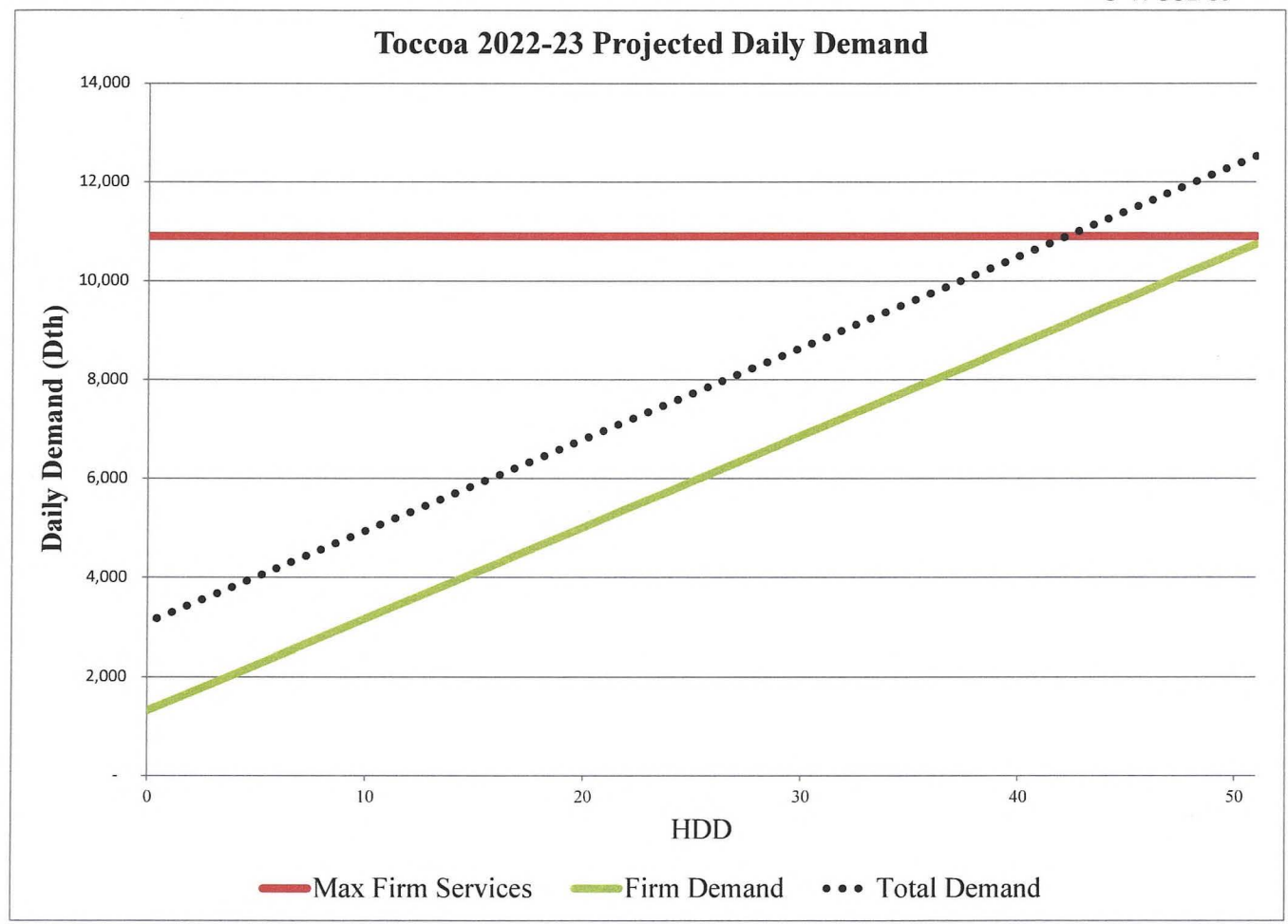


EXHIBIT 4
G-41 SUB 59
11/1/2022

Toccoa
Transco Monthly Contract Quantities (Dth)

Contract Type	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
PSFT *	-	-	-	-	-	-	-	-	-	-	-	-
FTG * (One Part FT)	-	-	-	-	-	-	-	-	-	-	-	-
CFT *	1,381	1,898	2,300	2,300	2,300	1,898	1,381	346	346	294	290	346
IFT	-	-	-	-	-	-	-	-	-	-	-	-
SE94	-	-	-	-	-	-	-	-	-	-	-	-
SE95/96	-	-	-	-	-	-	-	-	-	-	-	-
SFT *	-	-	-	-	-	-	-	-	-	-	-	-
Sunbelt	518	518	518	518	518	518	518	518	518	518	518	518
BG&E	-	-	-	-	-	-	-	-	-	-	-	-
Cherokee	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070
SouthCoast	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105
Sundance	-	-	-	-	-	-	-	-	-	-	-	-
Momentum	-	-	-	-	-	-	-	-	-	-	-	-
Southeastern Trail	-	-	-	-	-	-	-	-	-	-	-	-
Total FT	6,074	6,591	6,993	6,993	6,993	6,591	6,074	5,039	5,039	4,987	4,983	5,039
GSS - 50d	-	-	-	-	-	-	-	-	-	-	-	-
Winter Service Pool	-	-	-	-	-	-	-	-	-	-	-	-
Pine Needle - 10d	-	2,898	2,898	2,898	2,898	2,898	-	-	-	-	-	-
PN - Transco 5-4 Fuel	-	(22)	(22)	(22)	(22)	(22)	-	-	-	-	-	-
LNG - 5d	-	1,035	1,035	1,035	1,035	1,035	-	-	-	-	-	-
Total Storage/Peaking	-	3,911	3,911	3,911	3,911	3,911	-	-	-	-	-	-
Seasonal Capacity	-	-	-	-	-	-	-	-	-	-	-	-
Total Capacity (Dth/Day)	6,074	10,502	10,904	10,904	10,904	10,502	6,074	5,039	5,039	4,987	4,983	5,039

* Capacity entitlement varies by month
 **Pine Needle reduced for Transco 5-4 fuel of 0.77%

EXHIBIT 4
G-41 SUB 59

MGAG 5 Year Demand and Capacity Analysis - Toccoa

	2018-19	2019-20	2020-21	Prev Year 2021-22	Year 1 2022-23	Year 2 2023-24	Year 3 2024-25	Year 4 2025-26	Year 5 2026-27
Customer Count	6,617	6,681	6,731	6,766	6,801	6,836	6,872	6,908	6,944
Growth Rate				0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Projected Design Day			HDD	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Firm Design Day Demand			51	10,405	10,737	10,792	10,849	10,906	10,963
NGV Demand				8	8	8	8	8	8
Interruptible Demand				1,415	1,777	1,777	1,777	1,777	1,777
Total Projected Design Day Demand				11,828	12,522	12,577	12,634	12,691	12,748
Firm Services									
FT				6,993	6,993	6,993	6,993	6,993	6,993
GSS				-	-	-	-	-	-
Winter Service Pool				-	-	-	-	-	-
Pine Needle				2,880	2,876	2,876	2,876	2,876	2,876
LNG/LGA				1,035	1,035	1,035	1,035	1,035	1,035
Propane Plant				-	-	-	-	-	-
Seasonal Capacity / (Shared with Others)				-	-	-	-	-	-
Total Firm Services				10,908	10,904	10,904	10,904	10,904	10,904
Firm Long/(Short) Dth				495	159	104	47	(10)	(67)
				5%	1%	1%	0%	0%	-1%

Long - There are firm services sufficient to meet the projected firm requirements on the design day

Short - The projected firm requirements on the design day are greater than the firm services available and more capacity is recommended if available

Williams Transco Meter Station Summary		FT Capacity	
Meter Stations	Rated Meter Capacity	Trasnco MDQ	5-Year Peak Day
7,017	5,279	6,993	10,698

**BEFORE THE
NORTH CAROLINA UTILITIES COMMISSION
TOCCOA NATURAL GAS
DOCKET G-41, SUB 59**

**DIRECT TESTIMONY
OF
Harry Franklin Scott, Jr**

August 29, 2023

1 Q. Mr. Scott , please state your name, your employer and business address.

2 A. My name is Harry Scott. I am employed by the City of Toccoa, Georgia (the
3 “City”), and my business address is Post Office Box 579, 92 N. Alexander Street,
4 Toccoa, Georgia 30577.

5
6 Q. In what capacity are you employed by the City?

7 A. My title is Utilities Director.
8

9 Q. What are your current responsibilities with the City?

10 A. My responsibilities, among others, include overseeing the operation of all the
11 utilities owned and operated by the City of Toccoa, including water, wastewater,
12 and Toccoa Natural Gas (“Toccoa” or the “Company”) system. I am also
13 responsible for ensuring compliance with the statutes and regulations of the North
14 Carolina Utilities Commission, and the development and administration of all
15 components of firm and interruptible service.

16

17 Q. Please summarize your professional background.

18 A. Please see Exhibit 1, Biographical Sketch.
19

20 Q. Please describe generally Toccoa and its system.

21 A. Toccoa is a municipal gas system physically comprised of approximately 90 miles
22 of transmission line from the tap off Williams Pipeline in Elbert County, Georgia
23 to the city-gate at Franklin, North Carolina; the system contains approximately 90

1 miles of transmission main, 17 miles of which are in North Carolina, and 442 miles
2 of distribution main, approximately 71 miles of which are in North Carolina.
3 Toccoa serves approximately 6798 retail customers, of which approximately 811
4 are in North Carolina, and has two offices: and Toccoa, Georgia and Franklin,
5 North Carolina.

6
7 Q. What communities does Toccoa serve?

8 A. Toccoa serves Bowersville, Lavonia, Martin, Avalon, Toccoa, Tallulah Falls,
9 Tiger, Lakemont, Clayton, Mountain City and Dillard in Georgia; Otto and Franklin
10 in North Carolina.

11
12 Q. Please briefly describe Toccoa's business and markets.

13 A. Toccoa is in the business of providing natural gas to residential, commercial and
14 industrial customers in Northeast Georgia (parts of Elbert, Hart, Franklin, Stephens,
15 Habersham and Rabun counties) and Western North Carolina (Macon County).
16 Approximately 513 residential, 296 commercial and 2 industrial customers are
17 served in North Carolina.

18
19 Q. What is the purpose of your testimony in this proceeding?

20 A. Commission Rule R1-17(k)(6) requires Toccoa to submit to the Commission, on or
21 before September 1, 2023, Toccoa's actual gas costs and volumes of purchased gas
22 based on a twelve-month period ended June 30, 2023, and certain other information
23 as directed by the Commission. The Rule provides for a hearing on the first

1 Wednesday of November “in order to compare each LDC’s prudently incurred gas
2 costs with gas costs recovered from all its customers that it served during the test
3 period.” Toccoa is providing my testimony along with the testimony and schedules
4 of Mr. Trippe in compliance with this Rule. The primary purpose of my testimony
5 is to describe Toccoa’s system in North Carolina.

6

7 Q. Does this conclude your testimony?

8 A. Yes.

9

EXHIBIT 1
NCUC DOCKET G-41 SUB 59

BIOGRAPHICAL SKETCH

Harry Franklin Scott, Jr.

Mr. Scott has a total of twenty-two years with the City of Toccoa and has twenty years of prior natural gas experience in Florida with TECO Peoples Gas. Mr. Scott currently serves as the Utilities Director. In this position, Mr. Scott is responsible for the daily operations of all utilities provided by the City of Toccoa - the Water and Wastewater and Toccoa Natural Gas.

Toccoa Natural Gas is a regional utility covering ninety miles of transmission main, 442 miles of distribution main, 1.29 bcf annual throughput for fiscal year 2023, approximately 6813 customers, thirty-one employees, and two office locations. We have over sixty-eight years of operation in Georgia and North Carolina. Mr. Scott provides oversight of the entire system and employees.

Originally hired by the City of Toccoa in 2001, Mr. Scott has served in various capacities in the Natural Gas Department with positions of increasing responsibility. In addition to his experience with the City of Toccoa/Toccoa Natural Gas, Mr. Scott's background includes all facets of the natural gas business including Dispatch, Sales, Service, Installation, Conversion, Customer Service, Distribution Operations, Transmission Operations and Regulatory Compliance. After managing the northern operation for ten years, in January of 2012, Mr. Scott began his role as Utilities Director.

Harry and his wife Shaleen have four children, eight grandchildren and reside in Clayton, Georgia.