

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of)
Liberty Utilities (Midstates Natural)
Gas) Corp. d/b/a Liberty (MNG) to)
Change Its Infrastructure System)
Replacement Surcharge.)

Case No. GT-2023-0229
Tracking No. YG-2024-0004

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its Recommendation, states as follows:

1. On March 17, 2023, Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty (MNG) (hereafter “Liberty” or “the Company”) filed a *Verified Infrastructure System Replacement Surcharge (“ISRS”) Petition*, requesting the Commission authorize changes to its ISRS.

2. Staff filed its Recommendation on June 15, 2023, which the Commission accepted, and issued an Order on July 12, 2023. That Order rejected Liberty’s previously filed tariff sheet and authorized Liberty to submit a tariff sheet consistent with the Staff’s Recommendation.

3. On July 13, 2023, Liberty filed a tariff sheet and cover letter in response to the Commission’s July 12, 2023 Order, which carries a 30-day effective date of August 12, 2023, and is assigned Tracking Number YG-2024-0004¹.

4. Staff has reviewed Liberty’s July 13, 2023 filing and finds that the Company’s filing complies with the Commission’s July 12, 2023 Order, in that the ISRS rates set forth in the tariff sheet are identical to Staff’s recommendation contained in its

¹ The tariff sheet is labeled “P.S.C. MO. No. 2 / 13th Revised Sheet No. 19 – Cancelling 12th Revised Sheet No. 19.”

June 15, 2023 memo². Staff's Memorandum outlining its Report and Recommendation Regarding Liberty Utilities ISRS Tariff Submission is attached hereto and incorporated herein as **Appendix A**.

5. As such, Staff recommends the Commission issue an order that
 - a. Approves Liberty's ISRS tariff sheet:

"P.S.C. MO. No.2 13th Revised Sheet No. 19 – Cancelling 12th Revised Sheet No. 19"
(Submitted July 13, 2023 - YG-2024-0004); and
 - b. Approves an effective date for the tariff sheet and effective date of the Commission Order on Compliance that is at least 10 days after the issuance date of the *Order on Compliance*.

WHEREFORE, for the foregoing reasons and those stated in Staff's Memorandum attached hereto, Staff recommends that the Commission issue an order that

- a. Approves Liberty's ISRS tariff sheet:

"P.S.C. MO. No.2 13th Revised Sheet No. 19 – Cancelling 12th Revised Sheet No. 19"
(Submitted July 13, 2023 - YG-2024-0004); and
- b. Approves an effective date for the tariff sheet and effective date of the Commission Order on Compliance that is at least 10 days after the issuance date of the *Order on Compliance*;

and for any other such orders and relief as this Commission deems reasonable and just under the circumstances.

² Appendix B from *Staff's Recommendation* filed June 15, 2023.

Respectfully submitted,

/s/ Carolyn H. Kerr

Missouri Bar Number 45718

Senior Staff Counsel

Missouri Public Service Commission

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Attorney for Staff of the

Missouri Public Service Commission

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 24th day of June, 2023, to all counsel of record.

/s/ Carolyn H. Kerr

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. GT-2023-0229 - Tariff No. YG-2024-0004
Liberty Utilities (Midstates Natural Gas) Corp.

FROM: Michael J. Ensrud, Research/Data Analyst, Procurement Analysis

<u>/s/ David M. Sommerer July 24, 2023</u> Regulatory Compliance Manager Procurement Analysis	<u>/s/ Carolyn Kerr July 24, 2023</u> Senior Staff Counsel Staff Counsel's Office
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SUBJECT: Staff Report and Recommendation Regarding Liberty Utilities ISRS Tariff
Submission - Compliance filing – GT-2023-0229.

DATE: July 24, 2023

On June 26, 2023, Liberty Utilities (Midstates Natural Gas) Corp., d/b/a Liberty (“Liberty” or the “Company”) filed “*Response to Commission Order.*” In that submission, Liberty agreed to file a new Infrastructure System Replacement Surcharge (“ISRS”) tariff sheet to recover the revenue requirement recommended by Staff in its *Staff Recommendation* filed on June 15, 2023. In its filing on June 26, 2023, Liberty accepted Staff’s proposed rates, as outlined in Appendix B of *Staff’s Recommendation*, as being the ISRS rates to be implemented¹. These replacement ISRS rates generate \$1,944,044 annually.² In short, Liberty committed to file ISRS rates that are consistent with Staff’s recommended ISRS rates.

On July 12, 2023, the Commission issued *Order Rejecting Tariff and Authorizing ISRS Rates* which authorizes Liberty to file a tariff sheet consistent with Staff’s recommendation³.

On July 13, 2023, Liberty responded and filed a cover letter and tariff sheet. This replacement ISRS tariff also complies with the aforementioned July 12, 2023 Commission Order.

The tariff sheet is labeled “P.S.C. MO. No. 2 / 13th Revised Sheet No. 19 – Cancelling 12th Revised Sheet No. 19.”

¹ See, paragraph 4 of Liberty’s *Response to Commission Order*, filed June 26, 2023.

² This annual figure generates \$1,003,898 annually for Southeast District & \$940,146 annually for Northeast/West Districts.

³ The order rejects Liberty’s initially-filed tariffs of March 17, 2023.

On July 14, 2023, the Commission issued *Order Shortening Time and Directing Responses to Compliance Tariff Filing*. The order directed that “on or before July 27, 2023, Staff shall file a recommendation as directed in the body of this order, or other appropriate filing.”

Staff does not object to Liberty’s request for an effective date of August 12, 2023, to the extent that the Commission Order on Compliance provides at least 10 days between the issue date and the effective date of the Commission Order approving the tariff sheet. This is consistent with the September 28, 2018 Commission “*Order Granting Expedited Treatment And Approving Tariff Filings in Compliance with Commission Order*” in Case Nos. GO-2018-0309 and GO-2018-0310.

Staff reviewed Liberty’s tariff sheet and finds that those ISRS rates are identical to Staff’s recommendation contained in its June 15, 2023 memo⁴, and that the tariff complies with the Commission’s July 12, 2023 Order.

As of May 15, 2023, Liberty timely filed its 2022 annual report.

As of the issuance of this memo, Liberty is not delinquent on its FY 2022 assessments.

RECOMMENDATION

Based upon the rationale stated above, Staff recommends the Commission issue an order in this case that:

1. Approves Liberty’s ISRS tariff sheet:

“P.S.C. MO. No.2 13th Revised Sheet No. 19 – Cancelling 12th Revised Sheet No. 19”
(Submitted July 13, 2023 - YG-2024-0004)

2. Approves an effective date for the tariff sheet and effective date of the Commission Order on Compliance that is at least 10 days after the issuance date of the *Order on Compliance*.

⁴ Appendix B from Staff’s Recommendation filed June 15, 2023.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

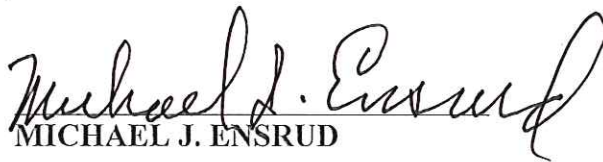
In the Matter of the Application of Liberty)
Utilities (Midstates Natural Gas) Corp. d/b/a) File No. GT-2023-0229
Liberty (MNG) to Change its Infrastructure)
System Replacement Surcharge)

AFFIDAVIT OF MICHAEL J. ENSRUD

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW MICHAEL J. ENSRUD and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation* in Memorandum form; and that the same is true and correct according to his best knowledge and belief.

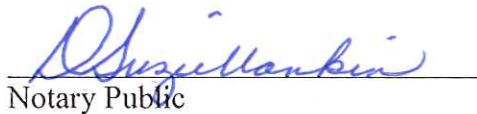
Further the Affiant sayeth not.


MICHAEL J. ENSRUD

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 24th day of July 2023.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070


Notary Public