BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Liberty Utilities (Midstates)
Natural Gas) Corp d/b/a Liberty Filing of its) File No. GT-2023-0274
Revised Weather Normalization Adjustment) Tracking No. JG-2023-0169
Rider (WNAR) Tariff)

STAFF RECOMMENDATION TO APPROVE TARIFF

COMES NOW the Staff of the Missouri Public Service Commission and in response to the Commission's March 1, 2023, *Order Directing Filing* submits its *Staff Recommendation* to the Commission as set forth in detail in the attached appendices, and in support thereof states as follows:

- 1. On March 1, 2023, Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty filed a tariff revision for its Weather Normalization Adjustment Rider under Tariff No. JG-2023-0169. The revised tariff's effective date is April 1, 2023.
- 2. On March 1, 2023, the Commission in its Order Directing Filing, ordered Staff to file a recommendation no later than March 9, 2023.
- 3. As explained in the attached Memorandum, Staff reviewed the proposed tariff sheets and recommends their approval.

WHEREFORE, Staff respectfully submits this *Staff Recommendation to Approve Tariff*, and respectfully requests the Commission approve the tariffs filed by Liberty.

Respectfully submitted,

/s/ Eric Vandergriff

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or electronically mailed to all parties and/or counsel of record on this 9th day of March, 2023.

/s/ Eric Vandergriff

MEMORANDUM

TO: Missouri Public Service Commission Official Case File

File No. GT-2023-0274, Tariff Tracking No. JG-2023-0169

Liberty Utilities

FROM: Hari Poudel, Economist, Tariff/Rate Design

SUBJECT: Staff Recommendation for the **Approval** of the Tariff Sheets Filed by

Liberty Utilities to adjust its Weather Normalization Adjustment Rider (WNAR)

to go into effect on April 1, 2023

DATE: March 9, 2023

On March 1, 2023, Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty ("Liberty") filed four tariff sheets to adjust its weather normalization adjustment rider rates with a requested effective date of April 1, 2023. On March 1, 2023, the Commission directed Staff to file a recommendation regarding Weather Normalization Adjustment Rider tariff sheets in Tariff Tracking No. JG-2023-0169 no later than March 9, 2023.

Liberty's WNAR became effective on July 1, 2018. The purpose of the tariff is to adjust revenues for differences between actual heating degree days (AHDD) and normal heating degree days (NHDD). Liberty's current and proposed rates are included in Table 1 below.

Table 1: Current and Proposed WNAR Rates by District and Class.

	Current		Proposed	
District	Residential	Small General Service (SGS)	Residential	Small General Service (SGS)
Northeast and West	0.04117	0.02010	-0.05362	-0.03195
South	0.04958	0.01302	-0.02886	-0.00271

With this filing, Liberty has rectified two errors made in the second semiannual (S2) 2022 WNAR filing. Before submitting this WNAR filing, Liberty provided multiple spreadsheets and also discussed on these errors with the Staff. The first error was caused by the incorrect usage of heating degree days (HDDs). Liberty overestimated its revenue as a result of the use of inaccurate HDD values in weather normalization. Liberty inaccurately entered 5294.3 HDD days in the December 2021 billing period, but the actual HDDs were only 2871. The consequence of the overstated degree days attributed to the overestimation of the revenue Liberty should have received related to normalization of weather. Liberty found the second error as a wrong input for the April 2021 reconciliation amount. The combined impact of these errors was \$1,080,472. Due to the overstated revenue in the prior filings, the Company proposes a credit to recover it in this current filing. Liberty includes a semiannual reconciliation rate adjustment for the 2023 S1 period to correct the over collection made in the prior filing. Therefore, proposed residential rates in the Northeast, West, and South service areas will lower the customer bills. If located in the Northeast or West rate districts, a residential customer who consumed 100 Ccf of natural gas in a given billing month would receive an estimated \$9.50 reduction in their bill compared to the currently applicable WNAR rate. Similarly, a residential customer in the Southeast rate district consuming 100 Ccf of gas would receive an estimated bill reduction of around \$7.84 compared to the current WNAR rate.

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Staff Recommendation

Staff has reviewed the following tariff sheets, and recommends approval of the following tariff sheets to go into effect for service on and after April 1, 2023, the requested effective date:

P.S.C. MO. No. 2

10th Revised Sheet No. 67.2 Cancelling 9th Revised Sheet No. 67.2

10th Revised Sheet No. 67.3 Cancelling 9th Revised Sheet No. 67.3

10th Revised Sheet No. 67.4 Cancelling 9th Revised Sheet No. 67.4 10th Revised Sheet No. 67.5 Cancelling 9th Revised Sheet No. 67.5

Staff has verified that Liberty Utilities has filed its Annual Report. Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing.

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Liberty Utilities (Midstates Natural Gas) Corp d/b/a Liberty Filing of its Revised Weather Normalization Adjustment Rider (WNAR) Tariff) File No. GT-2023-0274) Tariff No. JG-2023-0169)				
AFFIDAVIT OF HARI K. POUDEL, PhD					
STATE OF MISSOURI)					
COUNTY OF COLE) ss					
COMES NOW , Hari K. Poudel, PhD, and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached <i>Staff Recommendation in Memorandum form</i> ; and that the same is true and correct according to his best knowledge and belief.					
Further the Affiant sayeth not.					
	Hari K. Poudel, PhD				

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 ______ day of March, 2023.

DIANNA L VAUGHT
Notary Public - Notary Seal
STATE OF MISSOURI
Cole County
My Commission Expires: July 18, 2023
Commission #: 15207377

Dianna: L. Vaugle
Notary Public