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Witness: Jamie S. Myers
Sponsoring Party: MoPSC Staff
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Case Nos.: GR-2018-0013
Date Testimony Prepared: March 16, 2018

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

DIRECT TESTIMONY

OF

JAMIE S. MYERS

LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.

d/b/a LIBERTY UTILITIES

CASE NO. GR-2018-0013

Jefferson City, Missouri
March 2018

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OF
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CASE NO. GR-2018-0013**

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1 **DIRECT TESTIMONY**

2 **OF**

3 **JAMIE S. MYERS**

4 **LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.**

5 **d/b/a LIBERTY UTILITIES**

6 **CASE NO. GR-2018-0013**

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9 Q. Please state your name and business address.

10 A. My name is Jamie S. Myers. My business address is 200 Madison Street,
11 Jefferson City, Missouri 65101.

12 Q. By whom are you employed and in what capacity?

13 A. I am employed by the Missouri Public Service Commission (“Commission”) as
14 Commission Staff Deputy Director.

15 Q. Have you provided your educational background and work experience in this file?

16 A. Yes. My educational background and work experience is included in my
17 Direct Testimony filed on March 2, 2018, in this case with Staff’s Direct Cost of Service Report.

18 **EXECUTIVE SUMMARY**

19 Q. What is the purpose of this direct testimony?

20 A. The purpose of this testimony is to sponsor Staff’s Class Cost-of-Service/Rate
21 Design Report (“CCOS Report”), which is filed concurrently with this direct testimony.

22 **CLASS COST-OF-SERVICE STUDY**

23 Q. Did Staff perform a CCOS Study in this case?

24 A. Yes. Staff performed a CCOS study for each rate district of Liberty Midstates –
25 MO — NEMO, SEMO, and WEMO — and a separate CCOS study that consolidates the three

1 rate districts into one. Staff's CCOS Studies are designed to determine what rate of return is
2 produced by each customer class on that class's currently tariffed rates, for recovery of any
3 newly determined revenue requirement amount. Staff's recommended interclass revenue
4 responsibility shifts are designed to reasonably bring each class closer to producing the
5 system-average rate of return used in determining Staff's recommended revenue requirement.
6 Staff's recommended intra-class shifts will, where appropriate, redesign the rates that collect a
7 particular class's revenues to better align that class's method of recovering revenue with the
8 cost-causation for that class as indicated by the CCOS Studies.

9 **CCOS REPORT**

10 Q. What are Staff's rate design recommendations in these cases?

11 A. Staff's rate design recommendation in this case is to move towards rate district
12 consolidation by utilizing a uniform volumetric charge across the rate districts, while retaining
13 district specific customer charges. If the overall increase in revenue requirement exceeds Staff's
14 direct-filed revenue requirement recommendation, Staff recommends that any additional revenue
15 requirement be applied as an equal percentage increase to each charge.

16 Q. Does Staff have a recommendation if rate district consolidation is not pursued?

17 A. Yes. If rate consolidation is not pursued, Staff recommends the following
18 rate design:

19 NEMO District:

- 20 1. The first \$225,000 of additional revenue requirement be recovered
21 through an increase to the SGS volumetric charge;
- 22 2. The next \$120,000 of additional revenue requirement be recovered
23 through an equal percentage increase to the Residential class volumetric
24 charge and customer charge;

1 3. Any additional increase up to Staff's recommended revenue
2 requirement for NEMO be applied as an equal percentage increase to all
3 NEMO rates, except for the LGS volumetric charge and customer charge,
4 including the charges adjusted in steps 1 & 2;

5 4. Any additional increase beyond Staff's recommended revenue
6 requirement for NEMO be applied as an equal percentage increase to all
7 NEMO rates, including the LGS volumetric charge and customer charge,
8 and the charges adjusted in steps 1, 2, & 3.

9 SEMO District:

10 1. The first \$262,000 of additional revenue requirement be recovered
11 through an increase to the SGS volumetric charge;

12 2. The next \$400,000 of additional revenue requirement be recovered
13 through an equal percentage increase to the Residential class volumetric
14 charge and customer charge;

15 3. Any additional increase up to Staff's recommended revenue
16 requirement for SEMO be applied as an equal percentage increase to all
17 SEMO rates, except for the LGS volumetric charge and customer charge,
18 including the charges adjusted in steps 1 & 2;

19 4. Any additional increase beyond Staff's recommended revenue
20 requirement for SEMO be applied as an equal percentage increase to all
21 SEMO rates, including the LGS volumetric charge and customer charge,
22 and the charges adjusted in steps 1, 2, & 3.

23 WEMO District:

24 1. The first \$46,000 of additional revenue requirement be recovered
25 through an increase to the SGS volumetric charge;

26 2. The next \$45,000 of additional revenue requirement be recovered
27 through an equal percentage increase to the Residential class volumetric
28 charge and customer charge;

29 3. Any additional increase up to Staff's recommended revenue
30 requirement for WEMO be applied as an equal percentage increase to all

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WEMO rates, except for the LGS volumetric charge and customer charge, including the charges adjusted in steps 1 & 2;

4. Any additional increase beyond Staff’s recommended revenue requirement for WEMO be applied as an equal percentage increase to all WEMO rates, including the LGS volumetric charge and customer charge, and the charges adjusted in steps 1, 2, & 3.

Q. What is Staff’s recommended rate structure?

A. Incorporating Staff’s rate design and interclass shifts as described above results in the below rates:

		Customer Charge	Distribution
Residential Service	NEMO	\$ 22.00	\$ 0.22828
	SEMO	\$ 16.00	
	WEMO	\$ 22.00	
Small Firm GS	NEMO	\$ 30.00	\$ 0.09715
	SEMO	\$ 25.00	
	WEMO	\$ 28.00	
Medium Firm GS	NEMO	\$ 130.00	\$ 0.21085
	SEMO	\$ 125.00	
	WEMO	\$ 120.00	
Large Firm GS	NEMO	\$ 700.00	\$ 0.14251
	SEMO	\$ 750.00	
	WEMO	\$ 750.00	
Interruptible LV	NEMO	\$ 650.00	\$ 0.15481
	SEMO	\$ 650.00	
	WEMO	\$ 650.00	

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1 Q. Did Staff prepare any alternative rate design proposals?

2 A. Yes. To provide the Commission with information on inclining block rates, Staff
3 prepared a summer inclining block Residential rate design for NEMO, SEMO, and WEMO as
4 shown in the table below, with the volumetric charge per ccf to increase for usage beyond 30 ccf.

5

Rates - Summer Incline Option	Customer Charge	Winter Block	Summer Inclining Block 1 (≤ 30 ccf)	Summer Inclining Block 2 (> 30 ccf)
NEMO Residential	\$ 22.00	\$ 0.22828	\$ 0.22143	\$ 0.29176
SEMO Residential	\$ 16.00	\$ 0.22828	\$ 0.22143	\$ 0.29176
WEMO Residential	\$ 22.00	\$ 0.22828	\$ 0.22143	\$ 0.29176

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7 **ORGANIZATION OF CCOS REPORT**

8 Q. How is Staff's CCOS Report organized?

9 A. The CCOS Report is organized by topic as follows:

- 10 I. Executive Summary
- 11 II. Rate Design and Class Cost-of-Service Overview
- 12 III. Staff's Class Cost-of-Service Study
- 13 IV. Partial Rate District Consolidation
- 14 V. Rate Design
- 15 VI. Excess Flow Valves
- 16 VII. Tariff Organization

17 **TARIFFS**

18 Q. Does Staff's CCOS Report address any issues other than Staff's Class Cost of
19 Service Studies and Rate Design recommendations?

20 A. Yes, the CCOS Report also addresses Staff's recommendations regarding certain
21 tariff issues for Liberty Midstates – MO.

22 Q. Does this conclude your direct testimony?

23 A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

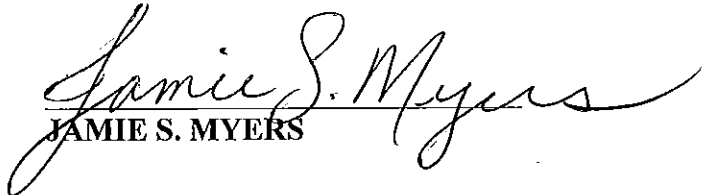
In the Matter of Liberty Utilities)
(Midstates Natural Gas) Corp. d/b/a) Case No. GR-2018-0013
Liberty Utilities' Tariff Revisions)
Designed to Implement a General Rate)
Increase for Natural Gas Service in the)
Missouri Service Areas of the Company)

AFFIDAVIT OF JAMIE S. MYERS

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW JAMIE S. MYERS and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Direct Testimony and that the same is true and correct according to her best knowledge and belief.

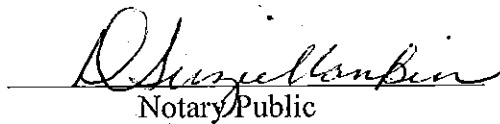
Further the Affiant sayeth not.


JAMIE S. MYERS

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 15th day of March 2018.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2020
Commission Number: 12412070


Notary Public