

**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-2023-0173

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* (hereafter “*Petition*”), pursuant to §§ 393.1009, 393.1012, and 393.1015, RSMo (Supp. 2022) and 20 CSR 4240-2.060, 2.080, and 3.265, requesting the Commission authorize changes to Liberty’s ISRS.

2. Liberty also filed a tariff sheet bearing an effective date of August 1, 2023.

3. On March 22, 2023, the Commission issued an order assigning the tariff sheet filed by Liberty, Tracking No. YG-2023-0173, and suspended it until September 13, 2023. It also set an intervention deadline of April 17, 2023, and directed Staff to file a recommendation regarding Liberty’s request no later than June 15, 2023. All other responses to Liberty’s *Petition* or requests for hearing shall be filed no later than June 26, 2023.

4. Staff has reviewed Liberty’s filing and recommends the Commission issue an order with the following findings and conclusions:

- a. Reject all tariff sheets filed by Liberty, Tracking No. YG-2023-0173;
- b. Approve the Staff's recommendation that ISRS rates are re-established so that ISRS surcharge revenues generate annual pre-tax revenues of \$1,944,044, consisting of \$1,003,898 for the Southeast District, and \$940,146 for the Northeast/West District;
- c. Authorize Liberty to file an ISRS rate for each customer class as reflected in Appendix B, which will generate \$1,944,044 annually in cumulative ISRS charges; and
- d. Direct Liberty to preserve the same data and information provided to the external parties that provided reports regarding overhead capitalization for Staff's review in Liberty's next rate case.

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

- a. Approving the Staff's recommendation that ISRS rates are re-established so that ISRS surcharge revenues generate annual pre-tax revenues of \$1,944,044, consisting of \$1,003,898 for the Southeast District, and \$940,146 for the Northeast/West District;
- b. Authorizing Liberty to file an ISRS rate for each customer class as reflected in Appendix B, which will generate \$1,944,044 annually in cumulative ISRS charges;
- c. Directing Liberty to preserve the same data and information provided to the external parties that provided reports regarding overhead capitalization for Staff's review in Liberty's next rate case;

d. Disapproving Liberty's tariff sheets filed in Tariff File No. YG-2023-0173; and for any other such orders and relief as this Commission deems reasonable and just under the circumstances.

Respectfully submitted,

/s/ Carolyn H. Kerr

Missouri Bar Number 45718

Senior Staff Counsel

Missouri Public Service Commission

P.O. Box 360

Jefferson City, MO 65102

573-751-5397 (Voice)

573-526-6969 (Fax)

Carolyn.kerr@psc.mo.gov

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 15th day of June, 2023, to all counsel of record.

/s/ Carolyn H. Kerr