

**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 for an Order Granting Billing        )  
Variances Related to the Company’s            )  
Implementation of its Customer First            )  
Program    )

**File No. GE-2024-0046**

**STAFF RECOMMENDATION**

**COMES NOW** the Staff of the Missouri Public Service Commission, through counsel, and states as follows.

1. On August 25, 2023, Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty (“Liberty”) filed an application requesting Commission approval for billing variances related to its implementation of its Customer First Program. Liberty requested expedited treatment of its application, as well as a waiver of the Commission’s 60-day notice requirement under 20 CSR 4240-4.017.

2. On August 28, 2023, the Commission ordered the Staff to file a recommendation regarding the Application, or a status report indicating when it will file its recommendation by September 6, 2023.

3. A meeting was held with the Applicant and Office of Public Counsel (“OPC”) on August 31, 2023; wherein, Liberty indicated it would file an amended Application along with exhibits. The meeting also produced numerous Data Requests (“DRs”) after said meeting and was sent to Liberty on September 5, 2023.

4. On September 5, 2023, Liberty filed with the Commission an Amended Application for Variance, Request for Waiver and Motion for Expedited Treatment.

5. On September 6, 2023, Staff filed a Status Report, wherein, Staff proposed to submit its recommendation by September 22, 2023.

6. On September 7, 2023, the Commission ordered Staff to file a recommendation or status report regarding the Amended Application by September 22, 2023.

7. As further described in the attached Memorandum, Staff investigated and analyzed Liberty's variance request through a thorough review of the Amended Application, through discovery, and review of applicable Commission rules. Liberty requested a variance from Commission Rules 20 CSR 4240-13.015(1)(C) and 20 CSR 4240-13.020(6), as well as a waiver of the 60-day notice requirement under 20 CSR 4240-4.017.

8. Commission Rule 20 CSR 4240-13.015(1)(C), states in relevant part:

(C) Billing period means a normal usage period of not less than twenty-six (26) nor more than thirty-five (35) days for a monthly billed customer nor more than one hundred (100) days for a quarterly billed customer, except for initial, corrected, or final bills.

9. Commission Rule 20 CSR 4240-13.020(6), states in pertinent part:

(6) A utility may bill its customers on a cyclical basis if the individual customer receives each billing on or about the same day of each billing period. If a utility changes a meter route or schedule which results in a change of nine (9) days or more of a billing cycle, notice shall be given to the affected customer at least fifteen (15) days prior to the date the customer receives a bill based on the new cycle.

10. Any variance of the above or Commission rules in Chapter 13 are subject to 20 CSR 4240-13.065(1) – (3), which states as follows:

(1) Any utility may file an application with the Commission seeking a variance from all or parts of Chapter 13, which may be granted for good cause shown.

(2) A utility filing an application for a variance with the commission shall mail, contemporaneously with the filing, copies of the application by first class mail to the newspaper with the largest circulation in each county within the utility's service area affected by the variance, the public counsel and each party in the utility's most recent rate case who represented residential customers.

(3) Any variance granted by the commission shall be reflected in a tariff.

11. Based upon Staff's investigation and analysis, as set forth in the attached Memorandum and incorporated by reference herein, Staff recommends the Commission approve Liberty's expedited request for a temporary variance as submitted in its Amended Application and subject to the following conditions:

A. In its next general rate case, Liberty will provide each tariffed rate class billing determinants (customer usage, number of bill and number of customers) by month, cycle with cycle dates that were utilized for billing purposes, and season (for the residential firm service, provide the first 30 Ccf and over 30 Ccf) to Staff in the following format: raw billing determinants, any and all adjustments separately (for proration, season, or any other reason) that were made to raw billing determinants, and the ending billing determinants. The ending monthly billing determinants should be the billing determinants Liberty utilizes to conduct its revenue requirement analysis in its general rate case.

B. Staff is concerned that the change in frequency of auto pay withdrawals may have an adverse impact on customers who may not have funds available on the new withdrawal dates. The Company's tariff sheet P.S.C. MO. No. 2, 1<sup>st</sup> Revised Sheet No. 20 allows for the Company to collect a \$15 charge for a "Check tendered to the Company which is dishonored for reasons other than bank error," which Staff believes could apply to failed auto pay withdrawals due to insufficient funds. The Company shall waive this fee for failed auto pay withdrawals for a period of 90 days after the transition.

C. Staff is concerned that a 60-day late fee waiver will not be enough time for disruptions to regular customer billing patterns to be fully resolved. For example, customers who receive a larger than expected bill in November will only have a 9-12 day grace period after the bill is due. Otherwise, the customer must contact Liberty to request an extension. Therefore, the Company shall waive late fees

for an additional thirty (30) days. A 90-day period will allow for one new normal billing cycle to take place after the transition, allowing the Company to verify that any issues with the transition have been resolved.

12. Staff further recommends Liberty follow the following recommendation that is prudent in order to mitigate potential impacts to customers:

Staff noted that information included in the direct letter to customers, such as the changes to auto-pay dates and details about possible changes to October and November bills, is not as detailed on the Company's website landing page. Staff suggests that the Company consider adding further elaboration on its website to mirror the letter to customers, particularly the request that auto pay customers review their bills to understand the adjusted bill payment dates.

13. It was noted during Staff's review of Liberty's Amended Application and discussion with Liberty that Liberty had not mailed a copy of the application to newspapers, but had notified customers through a letter and Office of Public Counsel ("OPC") through its Electronic Filing and Information System ("EFIS") filing. Staff agrees good cause exists to waive the requirement set forth in 20 CSR 4240.13.065(2), as customers and public counsel had received notice.

14. Liberty's Amended Application contained a request that the Commission waive the 60-day filing notice required by 20 CSR 4240-4.017(1). Liberty's Application provided a verified declaration that it had not had communication with the office of the commission (as defined by 20 CSR 4240-4.015(10)) within the prior 150 days regarding any substantive issues likely to be in this case, and, therefore, Staff agrees good cause exists, pursuant to 20 CSR 4240-4.017(1)(D), to waive the 60-day notice requirement.

15. Pursuant to 20 CSR 4240-13.065(3), Staff further recommends Liberty file a tariff reflecting the temporary variance as ordered by the Commission in this matter.

**WHEREFORE**, Staff respectfully submits this *Staff Recommendation* and attached Memorandum for the Commission's information and consideration, and hereby recommends the Commission approve Liberty's request for a temporary variance subject to the conditions set forth in paragraphs 11 and 15 and Order Liberty to follow the recommendations set forth in paragraph 12, and waive the 60-day notice requirement and the requirement of mailing to the local newspapers as set forth in paragraph 13.

Respectfully submitted,

**/s/ J. Scott Stacey**  
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**ATTORNEY FOR STAFF OF THE  
PUBLIC SERVICE COMMISSION**

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been transmitted by electronic mail to counsel of record this 22<sup>nd</sup> day of September, 2023.

**/s/ J. Scott Stacey**