

Exhibit No.: _____
Issues: Capital Expenditures NEMO &
WEMO Districts
Witness: Jeff McChristian
Type of Exhibit: Direct Testimony
Sponsoring Party: Liberty Utilities
(Midstates Natural Gas) Corp. d/b/a Liberty
Case No.: GR-2024-0106
Date Testimony Prepared: February 2024

**Before the Public Service Commission
of the State of Missouri**

Direct Testimony

of

Jeff McChristian

on behalf of

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty

February 9, 2024



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LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP. D/B/A LIBERTY
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
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1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Jeff McChristian. My business address is #2 Industrial Loop Hannibal,
4 Missouri, 63401.

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

6 A. I am employed by Liberty Utilities Service Corp. (“LUSC”) as the Director of
7 Operations – Gas for Liberty’s Central Region, which includes Liberty Utilities
8 (Midstates Natural Gas) Corp. (“Liberty” or the “Company”) and its affiliate The
9 Empire District Gas Company (“EDG”).

10 **Q. On whose behalf are you testifying in this proceeding?**

11 A. I am testifying on behalf of Liberty.

12 **Q. Please describe your educational background and professional experience.**

13 A. I joined the U.S. military following graduation from high school and served as Petty
14 Officer 3rd Class for four years. Following my honorable discharge from the Navy, I
15 have worked in the natural gas industry for twenty-six years and have been responsible
16 for operations matters. My duties and experience have included oversight and direction
17 of construction, capital budgets, measurement, and system integrity and code
18 compliance. I joined Liberty in June of 1997 as Construction Operator. I then worked
19 in the Measurement Department before being promoted to Operations Manager in 2013
20 and then Director of Operations- Gas in August 2021. Prior to joining Liberty, I worked

1 for Atmos Energy in the states of Missouri and Iowa.

2 **Q. What are your principal responsibilities?**

3 A. Liberty's gas operations are currently organized into three districts within Missouri:
4 Southeast Missouri ("SEMO"), Northeast Missouri ("NEMO"), and Western Missouri
5 ("WEMO"). I am responsible for the NEMO and WEMO natural gas utility district
6 operations for Liberty and EDG.

7 **Q. Have you previously testified in a proceeding before the Missouri Public Service
8 Commission ("Commission") or before any other utility regulatory agency?**

9 A. No, I have not.

10 **II. PURPOSE OF TESTIMONY**

11 **Q. What is the purpose of your Direct Testimony?**

12 A. My testimony provides an overview of certain investments in transmission and
13 distribution mains, services, meters, and measuring and regulating station investments
14 made by Liberty since the Company's last rate case, File No. GR-2018-0013.

15 **Q. Are you sponsoring any schedules with your testimony?**

16 A. Yes, I am sponsoring **Direct Schedule JM-1** which provides a list of NEMO and WEMO
17 capital investments organized by FERC account that Liberty has made to serve its
18 customers since the last rate case. Specifically, this schedule includes a description and
19 justification for each NEMO and WEMO FERC account that has seen an increase of
20 \$350,000 or more since the last rate case. A complete listing of all NEMO and WEMO
21 projects placed in service since the last rate case is contained in **Direct Schedule JM-2**.
22 Please refer to the Direct Testimony of Company witness Ronald Snider for discussion
23 of projects in the SEMO district.

1 **Q. Why does Liberty invest in projects on transmission and distribution systems?**

2 A. The Company's commitment to maintain and improve the reliability and safety of the
3 transmission and distribution system is evident in its reinvestment approach pertaining
4 to its infrastructure. This approach is designed to ensure that its transmission and
5 distribution systems are providing safe, reliable, and adequate service to customers.
6 Specifically, transmission and distribution reinforcements are driven by natural gas
7 safety regulations and compliance requirements, including Transmission Integrity
8 Management Plan ("TIMP") and Distribution Integrity Management Plan ("DIMP")
9 requirements, past reliability data, load growth accommodation, and the results of field
10 inspections. Due to replacement of deteriorated infrastructure, NEMO has zero active
11 leaks on its books.

12 **Q. How much investment has the Company made in such projects since the last rate
13 case?**

14 A. As shown within Direct Schedule JM-2, the total investment in the WEMO and
15 NEMO systems since the last rate case is approximately \$8,037,763 and \$22,903,176,
16 respectively. The NEMO district and WEMO district are designated as 8854 and 8852,
17 respectively.

18 **Q. Why does Liberty invest in projects involving services and meters?**

19 A. The Company provides new service lines and meters to expanding communities in our
20 service areas. Liberty has also replaced aged PVC service lines for various reasons such
21 as the lines being at the end of their useful life, observed leaks, and inability to purchase
22 repair fittings. Meters were replaced due to stop/dead meters, material change in load,
23 and in furtherance of the meter change out program. These projects help to ensure safe
24 and adequate service for our customers.

1 **Q. Why does Liberty invest in projects related to measuring and regulation stations?**

2 A. These projects also involve the replacement of older measuring and regulation stations
3 to ensure that the system properly regulates the pressure of natural gas and provides
4 safe service to our customers.

5 **Q. Can you provide some additional discussion related to WEMO's two largest
6 projects which have been completed since the Company's last rate case?**

7 A. Yes. In the WEMO district, the two largest projects were Asset IDs 8852-0401-20J83
8 and 8852-0401-22308.

9 • **Asset ID 8852-0401-20J83:** This project was placed in service on April 30,
10 2022 in Rich Hill, Missouri. This project replaced approximately 12.5 miles of
11 exposed or shallow steel pipeline. Prior to the project, the Company had
12 observed multiple dig-in damages to the line that had resulted in outages. A
13 farm tap was also replaced to confirm Maximum Allowable Operating Pressure
14 ("MAOP"). This project improved system safety and reliability. Total cost of
15 project is approximately \$3.8M.

16 • **Asset ID 8852-0401-22308:** This project was placed in service on September
17 30, 2022, and replaced several leak prone steel and PVC service lines with
18 modern polyethylene pipe for improved system safety and reliability. Total cost
19 of project is approximately \$351K.

20 **Q. Can you provide some additional discussion related to NEMO's two largest
21 projects which have been completed since the Company's last rate case?**

22 A. Yes. In the NEMO District, the two largest projects were Asset IDs 8854-0403-14J55
23 and 8854-0402-20J137.

- 1 • **Asset ID 8854-0403-14J55:** This project was placed in service on August 1,
2 2022 in the Kirksville area. This project replaced approximately 8,900 feet of
3 PVC, unprotected steel, and Aldyl A (leak prone) service lines for improved
4 system safety and reliability. Total cost of project is approximately \$2.0M.
- 5 • **Asset ID 8854-0402-20J137:** This project was placed in service on November
6 22, 2022 in the Hannibal area. This project replaced approximately 10,800 feet
7 of unprotected steel pipeline with 2-inch polyethylene pipe for improved system
8 safety and reliability. Total cost of project is approximately \$1.8M.

9 **III. CONCLUSION**

10 **Q. Do you have any closing remarks?**

11 A. Liberty provides safe and reliable natural gas distribution service, and the various
12 improvements in Liberty's infrastructure are vital to public safety and future growth in
13 our service areas. The investments described in **Direct Schedule JM-2** were prudently
14 incurred and necessary for Liberty to continue providing safe and reliable service.

15 **Q. Does this conclude your Direct Testimony?**

16 A. Yes, it does.

VERIFICATION

I, Jeff McChristian, under penalty of perjury, on this 9th day of February, 2024, declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Jeff McChristian