Exhibit No.:

Issue(s): Weather Normalization Adjustment Rider Witness/Type of Exhibit: Mantle/Direct Sponsoring Party: Public Counsel Case No.: GR-2024-0106

DIRECT TESTIMONY

OF

LENA M. MANTLE

Submitted on Behalf of the Office of the Public Counsel

LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP. D/B/A LIBERTY UTILITIES'

CASE NOS. GR-2024-0106

July 18, 2024

DIRECT TESTIMONY

OF

LENA M. MANTLE

LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP. d/b/a LIBERTY CASE NO. GR-2024-0106

1	Q.	Please state your name and business address
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- A. My name is Lena M. Mantle and my business address is P.O. Box 2230, Jefferson City, Missouri 65102. I am a Senior Analyst for the Office of the Public Counsel ("OPC").
- Q. Please briefly describe your experience and your qualifications.
- A. I have been employed by the OPC in my current position since August 2014. In this position, I have provided testimony and support in electric, natural gas, and water cases for the Public Counsel. Prior to my employment for the OPC, I worked for the Staff of the Missouri Public Service Commission ("Staff") from August 1983 until I retired in December 2012. During the time that I was employed at the Missouri Public Service Commission ("Commission"), I worked as an Economist, Engineer, Engineering Supervisor and Manager of the Energy Department.

Attached as Schedule LMM-D-1 is a brief summary of my experience with OPC and Staff along with a list of the Commission cases in which I filed testimony, Commission rulemakings in which I participated, and Commission reports to which I contributed. I am a Registered Professional Engineer in the State of Missouri.

Q. Do you have a recommendation for the Commission?

A. Yes. I recommend the Commission discontinue the Weather Normalization Adjustment Rider ("WNAR") of Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty ("Midstates").

Q. Why should the Commission discontinue Midstates' WNAR?

A. Midstates currently has effective tariff sheets implementing a WNAR. In this rate case it has filed proposed tariff sheets with changes to its WNAR. However, Midstates has not filed testimony requesting the Commission allow it to continue or modify its WNAR or even explaining the modifications it is requesting to its current WNAR. Midstates simply filed proposed tariff sheets with changes to how the WNAR would be calculated.

Q. Is Midstates required to file to continue or modify its WNAR?

A. Yes. Section 386.266 RSMo is the statute that allows Midstates to request the Commission's approval of a WNAR.¹ In particular, Section 386.266.3 RSMo states:

Subject to the requirements of this section, any gas or electrical corporation may make an application to the commission to approve rate schedules authorizing periodic rate adjustments outside of general rate proceedings to adjust rates of customers in eligible customer classes to account for the impact on utility revenues of increases or decreases in residential and commercial customer usage due to variations in either weather, conservation, or both. For purposes of this section: for electrical corporations, "eligible customer classes" means the residential class and classes that are not demand metered; and for gas corporations, "eligible customer classes" means the residential class and the smallest general service class. As used in this subsection, "revenues" means the revenues recovered through base rates, and does not include revenues collected through a rate adjustment mechanism authorized by this section or any other provisions of law. ²

¹¹⁷h.:

¹ While I am not an attorney, I do have extensive experience with the implementation of the rate adjustment mechanisms enabled by Section 386.266.

² The remainder of this subsection, 386.266.3 RSMo. applies only to electric utilities. It is as follows: This subsection shall apply to electrical corporations beginning January 1, 2019, and shall expire for electrical corporations on January 1, 2029. An electrical corporation may make a one-time application to the commission under this subsection if such corporation has provided notice to the commission under subsection 5 of section 393.1400, provided the corporation shall not concurrently utilize electric rate

 However, having a WNAR does not necessarily mean that a gas utility can modify the WNAR at its will. Section 386.266.5 RSMo states:

The commission shall have the power to approve, modify, or reject adjustment mechanisms submitted under subsections 1 to 4 of this section only after providing the opportunity for a full hearing in a general rate proceeding, including a general rate proceeding initiated by complaint. The commission may approve such rate schedules after considering all relevant factors which may affect the costs or overall rates and charges of the corporation, provided that it finds that the adjustment mechanism set forth in the schedules[.]

(Emphasis added)

Midstates did not request from the Commission a continuation of its WNAR. Midstates did not explain to the Commission why its WNAR needed modification. It simply filed proposed changes to its tariff sheets that implement its WNAR. For this reason, I am recommending the Commission discontinue Midstates WNAR on the effective date of the rates resulting from this general rate case.

Q. Do you have any other concerns with the WNAR?

A. Yes. Section 386.266.13 includes the following Commission requirement prior to the authorization of a WNAR.

The provisions of subsections 1 to 3 of this section shall take effect on January 1, 2006, and the commission shall have previously promulgated rules to implement the application process for any rate adjustment mechanism under subsections 1 to 3 of this section prior to the commission issuing an order for any such rate adjustment.

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This subsection plainly states that the Commission cannot grant a WNAR as allowed by subsection 3 until it has rules promulgated implementing the WNAR.

I am not aware that any such rule exists.

Q. Do rules exist for subsections 1 and 2 of section 386.266?

A. Yes. 20 CSR 4240-20.090 Fuel and Purchased Power Rate Adjustment Mechanisms implements subsection 1. 20 CSR 4240-20.091 Electric Utility Environmental Cost Recovery Mechanisms implements subsection 2 for electric utilities.

Q. Does this conclude your direct testimony?

A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Request of Liberty Utilities)	
(Midstates Natural Gas) Corp. d/b/a Liberty to)	
Implement a General Rate Increase for Natural)	Case No. GR-2024-0106
Gas Service in the Missouri Service Areas of the)	
Company)	

AFFIDAVIT OF LENA M. MANTLE

STATE OF MISSOURI)	
)	SS
COUNTY OF COLE)	

Lena M. Mantle, of lawful age and being first duly sworn, deposes and states:

- 1. My name is Lena M Mantle. I am a Senior Analyst for the Office of the Public Counsel.
- 2. Attached hereto and made a part hereof for all purposes is my direct testimony.
- 3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

Lena M. Mantle Senior Analyst

Subscribed and sworn to me this 18th day of July 2024.

TIFFANY HILDEBRAND
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES AUGUST 8, 2027
COLE COUNTY
COMMISSION #15637121

My Commission expires August 8, 2027.

Tiffany Hildebrand Notary Public