Exhibit No.: Issue(s): Witness: Sponsoring Party: Type of Exhibit: *Case No.: GR-2024-0106* Date Testimony Prepared: August 22, 2024

*Revenues - Weather* Francisco Del Pozo MoPSC Staff Rebuttal Testimony

# **MISSOURI PUBLIC SERVICE COMMISSION**

# **INDSUTRY ANALYSIS DIVISION**

## **TARIFF/RATE DESIGN DEPARTMENT**

# **REBUTTAL TESTIMONY**

### OF

# **FRANCISCO DEL POZO**

# LIBERTY UTILITIES (Midstates Natural Gas) CORP., d/b/a Liberty

# **CASE NO. GR-2024-0106**

Jefferson City, Missouri August 2024

1	REBUTTAL TESTIMONY		
2	OF		
3	FRANCISCO DEL POZO		
4	LIBERTY UTILITIES (Midstates Natural Gas) CORP.,		
5	d/b/a Liberty		
6	CASE NO. GR-2024-0106		
7	Q. Please state your name and business address.		
8	A. My name is Francisco Del Pozo, and my business address is P.O. Box 360,		
9	Jefferson City, Missouri, 65102.		
10	Q. Are you the same Francisco Del Pozo that provided direct testimony in this case?		
11	A. Yes.		
12	Q. What is the purpose of your rebuttal testimony?		
13	A. The purpose of my rebuttal testimony is to respond to concerns with the weather		
14	variables that Liberty Utilities (Midstates Natural Gas) Corp., d/b/a Liberty		
15	("Liberty Midstates")'s witness Mr. Eric Fox used to calculate weather normal for the		
16	weather-normalization process adjustments.		
17	Q. Which aspects of the weather variables used by Liberty Midstates witness,		
18	Mr. Fox are you going to address?		
19	A. I am addressing two issues: (1) the weather station used for the SEMO division		
20	and (2) the time period of temperature observations of the weather data used to calculate		
21	Liberty Midstates weather normalization.		
22	WEATHER STATION		
23	Q. What weather stations did Mr. Fox use for the SEMO division?		

## Rebuttal Testimony of Francisco Del Pozo

Mr. Fox used the Kirksville Regional Airport (Kirksville)<sup>1</sup> weather station 1 A. 2 located four miles south of Kirksville town, Adair County, Missouri. 3 О. Does Staff agree with Mr. Fox's use of the Kirksville weather station to 4 determine adjustments to sales and revenues for the SEMO division? 5 A. No. The Kirksville weather station is not a proper weather station for calculating climate normals of the SEMO division. As I mentioned in my Direct Testimony, the ranking 6 7 method to calculate normal weather estimates of daily normal temperature values requires 8 records of the most extreme temperatures in each month of the 30-year normal, period of 9 January 1, 1993, through December 31, 2022. The Kirksville Regional airport's most recent 10 continuous period for recording temperature began in June 1998. Staff's attempts to substitute 11 in the airport temperatures for the Kirksville city's temperatures were unviable<sup>2</sup>. 12 Q. Do you have any alternative station in this case? 13 Yes, the Columbia Regional Airport weather station for calculating climate A. 14 normal of the SEMO division. Columbia, has sufficient and consistent daily data, and should 15 still reasonably capture the temperature trends. Additionally, Columbia does lie approximately between Liberty's West and Northeast service areas. 16 Do you have any recommendations in this case? 17 Q. Yes, I recommend reliance on the weather data recorded in the 18 A. 19 Columbia Regional Airport weather station for calculating climate normal of the 20 SEMO division

<sup>&</sup>lt;sup>1</sup> Station ID: 234549.

<sup>&</sup>lt;sup>2</sup> Starting February 7, 2020 and continuing through today the Kirksville weather station has ceased reporting the daily temperatures (although some temperatures are reported, there are not enough for a statistical representation).

### 1 **<u>TIME PERIOD</u>**

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- 2 Q. What is the time period that Liberty Midstates uses to calculate normal3 weather variables?
  - A. The time period used is 2003 to  $2022^3$ .
- Q. Why does Staff have concerns with the Liberty Midstates using 20-year period
  of day weather data for its calculated daily degree days?
- 7 A. A climate normal is defined as the arithmetic mean of a climatological 8 element computed over three consecutive decades, ideally, the data record for 9 such a 30-year period should be free of any inconsistencies in observational practices 10 (e.g., changes in station location, instrumentation, time of observation, etc.) and be serially 11 complete (i.e. no missing values). When present, inconsistencies can lead to a non-climatic 12 bias in one period of a station's record relative to another. Since the weather data from earlier 13 years do not show the same trend with more recent data, 30-year model will consistently capture 14 the relationship between weather conditions and historical customer usage.
- 15 C

# **CONCLUSION**

Q.

Q.

A.

16

What is your recommendation?

A. I recommend that Commission order reliance on the weather normal Staff
 derived from daily weather data from the Midwestern Regional Climate Center<sup>4</sup> as the basis for
 weather normalization adjustments in this case.

Does this conclude your rebuttal testimony?

- 20 21
- Yes, it does

<sup>&</sup>lt;sup>3</sup> Correction to Eric Fox Direct Testimony "The normal HDD are calculated for the years 2003 through 2022; not ending in 2023 as stated in my direct testimony". Response to MPSC Data Request 0312. <sup>4</sup> https://mrcc.purdue.edu/about

#### BEFORE THE PUBLIC SERVICE COMMISSION

#### OF THE STATE OF MISSOURI

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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 Gas Service in the Missouri Service Areas of the Company

Case No. GR-2024-0106

#### **AFFIDAVIT OF FRANCISCO DEL POZO**

STATE OF MISSOURI	)	
	)	SS.
COUNTY OF COLE	)	

COMES NOW FRANCISCO DEL POZO and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing Rebuttal Testimony of Francisco Del Pozo; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.



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 20th day of August 2024.

D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: April 04, 2025 Commission Number: 12412070

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Notary Public