

Exhibit No.:
Issue(s): *Rate Design, Class Cost
of Service*
Witness: *Michael L. Stahlman*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Rebuttal Testimony*
Case No.: *GR-2024-0106*
Date Testimony Prepared: *August 22, 2024*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

TARIFF/RATE DESIGN DEPARTMENT

REBUTTAL TESTIMONY

OF

MICHAEL L. STAHLMAN

LIBERTY UTILITIES (Midstates Natural Gas) CORP.,

d/b/a Liberty

CASE NO. GR-2024-0106

Jefferson City, Missouri
August 2024

1 Q. What was the allocator you had a small issue with and what is your recommended
2 change to this allocator?

3 A. The “Peak and Average” allocator. Mr. Lyons excluded the interruptible customers
4 from the calculation of this allocator. While that can be acceptable in some circumstances,
5 I decided to include interruptible customers in this calculation.

6 Q. Why did you include interruptible customers in that allocator?

7 A. My understanding of the interruptible customers is that generally those customers
8 are not being interrupted, so Liberty Midstates system has been designed to handle all of its
9 customers load. To the extent there have been circumstances that could have caused
10 interruptible customers to reduce load, those have been associated with events between the
11 natural gas well head and the city gate which are not part of Liberty Midstates natural gas
12 distribution system.

13 Q. Did this drastically impact the resulting CCOS?

14 A. No, but it would have mitigated the amount that Large Volume customers were
15 paying above the system Rate of Return in Mr. Lyons Figure 1.

16 Q. Is there any other issue you had with Mr. Lyons’ CCOS?

17 A. Yes. Liberty Midstates proposes to consolidate the distribution base rates of its
18 Medium General Service, Large General Service, and Large Volume customers for its
19 Southeast Missouri rate district (SEMO) with its Northeast Missouri (NEMO) and
20 West Missouri (WEMO) rate district, but only performed one consolidated CCOS.
21 Separate CCOS studies should have been performed to verify that it would be acceptable to
22 merge these rate classes.

Update to CCOS

Q. Did you update your CCOS based on the inputs of other Staff witnesses?

A. Yes. The results of the updated NEMO/WEMO and SEMO CCOS continue to militate against consolidation of the rate districts.

Q. What was the largest impact of the rebuttal revisions on the CCOS results?

A. The largest impact is the change in the system average increase needed for the SEMO district. In direct, the CCOS indicated that the SEMO district needed an 11.7% increase. Currently, the CCOS indicates the SEMO rate district needs a 21.5% increase. Due to this large change, Staff now recommends that the rates of the SEMO LGS and Interruptible classes increase by 5% to mitigate the rate impact on the Residential, SGS and MGS customers.

Q. Was there an increase to the NEMO/WEMO district system average impact?

A. Yes, but this was only 1% more than direct.¹ Thus Staff is largely maintaining the same rate design as proposed in direct for those classes, taking into account the increase.

Q. What are Staff's current proposed rates based on the revised numbers given in rebuttal testimony?

A. The current proposed rates are in Table 1 below.

Table 1. Staff's Recommended Rate Structure For Liberty Midstates		Residential	Small General Service	Medium General Service	Large General Service	Interruptible
Liberty Midstates' NEMO/WEMO Districts	Customer Charge	\$ 27.50	\$ 35.00	\$ 155.00	\$ 750.00	\$ 650.00
	Delivery Charge (\$/Ccf)	-	0.19634	0.28789	0.17276	0.17002
	Winter Delivery Charge (Nov-Apr, \$/Ccf)	0.39643	-	-	-	-
	Summer Delivery Charge (May - Oct, \$/Ccf)	0.43923	-	-	-	-
Liberty Midstates' SEMO District	Customer Charge	\$ 20.00	\$ 30.00	\$ 175.00	\$ 750.00	\$ 750.00
	Delivery Charge (\$/Ccf)	0.29157	0.11975	0.29348	0.21448	0.21326

Q. Does Staff recommend any rate increase to the Special Contracts?

¹ System average impact at direct was 16.2%, the current CCOS indicates the new system average impact is 17.2%.

Rebuttal Testimony of
Michael L. Stahlman

1 A. No, Staff is not recommending that the Commission order Liberty Midstates to
2 renegotiate its Special Contracts at this time.²

3 Q. Does this conclude your rebuttal testimony?

4 A. Yes it does.

² See Staff Witness Justin Tevie's direct testimony for more information about Staff's recommendations concerning Special Contracts.

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 Gas Service in the)
Missouri Service Areas of the Company)

Case No. GR-2024-0106

AFFIDAVIT OF MICHAEL L. STAHLMAN

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COMES NOW MICHAEL L. STAHLMAN and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Rebuttal Testimony of Michael L. Stahlman*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.



MICHAEL L. STAHLMAN

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



Notary Public