Exhibit No.:

Issue(s): Revenues
Witness: Marina Stever
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** 

# **MARINA STEVER**

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

CASE NO. GR-2024-0106

Jefferson City, Missouri August 22, 2024

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1		REBUTTAL TESTIMONY	
2		OF	
3		MARINA STEVER	
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 Marina Stever, 200 Madison Street, Jefferson City, MO 65101.	
9	Q.	Are you the same Marina Stever that filed Direct Testimony in this case?	
10	A.	Yes.	
11	Q.	What is the purpose of your rebuttal testimony?	
12	A.	The purpose of my rebuttal testimony is to provide updated billed rate revenue	
13	adjustments for the residential, small general firm, medium general firm, large general firm		
14	and interruptible rate classes for Liberty Utilities (Midstates Natural Gas) Corp., d/b/a Liberty		
15	("Liberty Midstates"). Adjustments have been applied to the update period billing determinants		
16	of Liberty Midstates and will be the basis of Staff's recommend rate designs.		
17	Q.	Through this testimony, do you provide any recommendations that should be	
18	specifically reflected in the Commission's Report and Order in this case?		
19	A.	Yes, I recommend that the Commission Order reflect Staff's updated adjusted	
20	rate revenue along with the billing determinants as provided in my testimony.		
21	RATE REV	ENUES AND BILLING DETERMINANTS	
22	Q.	What rate classes did Staff normalize and annualize?	

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- A. Staff normalized and annualized billing determinants for the residential, small general firm ("SGF"), medium general firm ("MGF"), large general firm ("LGF"), and interruptible ("INT") rate classes.<sup>1</sup>
  - Q. What rate revenue adjustments did Staff make to the rate classes?
  - A. Staff made the following adjustments to the rate classes:
    - a. Update period adjustments;
    - b. Rate switchers;
    - c. 365 days adjustment;
    - d. Weather normalization; and
    - e. Customer growth
  - Q. How did Staff calculate its update period adjustment?
- A. Initially, Staff requested the billing determinants for the update period from January 1, 2023, through December 31, 2023.<sup>2</sup> Staff then calculated the revenue for the 12 months ending December 31, 2023. The update period adjustment is the difference of billed usage and revenue through December 31, 2023, compared to the billed usage and revenue through the 12 months ending December 31, 2022. In Liberty Midstates' initial response to Data Request ("DR") 0209, the bill counts were identical for all districts and all rate classes provided November 2022 and November 2023, as well as December 2022 and December 2023. On July 18, 2024, Liberty Midstates provided corrected bill counts for those months that may have been affected by the implementation of their new billing system.<sup>3</sup>
  - Q. Did Staff make an adjustment for customer growth?
- A. Yes, Staff did make an adjustment for customer growth after receiving the corrected bill counts for the update period. Additionally, on August 8<sup>th</sup>, Liberty Midstates

<sup>&</sup>lt;sup>1</sup> Staff witness Justin Tevie discusses the transportation class in his direct testimony.

<sup>&</sup>lt;sup>2</sup> Data Request Response 0209.0, Missouri Public Service Commission Data Request- 0209 CONFIDENTIAL.xlsx.

<sup>&</sup>lt;sup>3</sup> Missouri Public Service Commission Data Request - 0209 REVISED CONFIDENTIAL.xlsx.

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provided additional bill counts and usage for all classes and all districts for January 2024 and February 2024.<sup>4</sup>

Gas customers often, but do not always, fluctuate seasonally over a 12-month period. Some customers leave the system during the spring and summer months and come back on the system during the fall and winter months. For this reason, Staff calculated a monthly customer growth factor for residential and small general firm customers that considers seasonal fluctuation. This customer growth factor is calculated by taking the bill count of the final month of each season from the data provided<sup>5</sup> and dividing that by the weather normalized monthly bill count. The customer growth factor for that month is then applied to the weather normalized monthly usage (Ccf).<sup>6</sup> For example, if the bill count in February 2024 is 100 and the weather normalized bill count for January 2023 is 99, then the customer growth factor for that month would be 1.0101. Furthermore, if the weather normalized usage in January 2023 is 200, then the customer growth adjusted usage would be 202.0202 Ccf. Since seasonality did not appear to be present in the other rate classes, Staff applied a customer growth factor that divides the February 2024 bill count by the monthly bill count. This customer growth factor was applied to the most previously adjusted usage. For example, if a class in a specific district did not need a weather normalization adjustment, then the customer growth factor would be applied to the update period usage for that particular district's class.

## **CONCLUSION**

Q. What is your recommendation?

<sup>&</sup>lt;sup>4</sup> DR 0209 Midstates Consumption Jan – Feb 2024 CONFIDENTIAL

<sup>&</sup>lt;sup>5</sup> October 2023 for summer and February 2024 for winter.

<sup>&</sup>lt;sup>6</sup> Staff witness Hari K. Poudel, PhD provided the monthly weather normalization adjustment that also accounts for rate switchers and the 365-Days-Adjustment.

Rebuttal Testimony of Marina Stever

- A. I am recommending the Commission base its awarded revenue requirement and billing determinants on Staff's updated rate revenue adjustments and billing determinants as attached.<sup>7</sup>
  - Q. Does this conclude your rebuttal testimony?
- 5 A. Yes, it does

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<sup>&</sup>lt;sup>7</sup> Schedule MS-r1-Confidential

#### BEFORE THE PUBLIC SERVICE COMMISSION

#### OF THE STATE OF MISSOURI

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 MARINA STEVER					
STATE OF MISSOURI ) ) ss. COUNTY OF COLE )					
COMES NOW MARINA STEVER and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing <i>Rebuttal Testimony of Marina Stever</i> ; and that the same is true and correct according to her best knowledge and belief.					
Further the Affiant sayeth not.	ARINA STEVER				

JURAT

In the Matter of the Request of Liberty

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 \_\_\_\_\_\_\_ 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

Muziellankin Notary Public Case No. GR-2024-0106

**SCHEDULE MS-r1** 

HAS BEEN DEEMED

**CONFIDENTIAL** 

IN ITS ENTIRETY