

Exhibit No.: _____
Issues: WNAR Tariff
Witness: Meagan Grafton
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: Liberty Utilities
(Midstates Natural Gas) Corp. d/b/a Liberty
Case No.: GR-2024-0106
Date Testimony Prepared: August 2024

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

Rebuttal Testimony

of

Meagan Grafton

on behalf of

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

August 22, 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 Meagan Grafton. My business address is 602 South Joplin Ave., Joplin,
4 MO 64801.

5 Q. **Are you the same Meagan Grafton, who provided direct testimony in this matter
6 on behalf of Liberty Utilities (Midstates Natural Gas) Corp. (“Liberty” or the
7 “Company”)?**

8 A. Yes.

9 Q. **What is the purpose of your rebuttal testimony in this proceeding before the
10 Missouri Public Service Commission (“Commission”)?**

11 A. I will be addressing OPC Witness Lena Mantle’s direct testimony regarding Liberty
12 Midstates’ Weather Normalization Adjustment Rider (“WNAR”).

13 II. **OPC WITNESS MANTLE’S RECOMMENDATION TO DISCONTINUE THE
14 COMPANY’S WNAR TARIFF SHOULD BE REJECTED**

15 Q. **Does the Company agree with Ms. Mantle’s recommendation for the Commission
16 to discontinue the WNAR?**

17 A. No, the Company disagrees and recommends the Commission leave the mechanism in
18 place and reject Ms. Mantle’s request.

1 **Q. Please provide some background on the Company's WNAR.**

2 A. In the Company's last general rate case, Case No. GR-2018-0013, the parties entered
3 into, and the Commission approved, a Unanimous Stipulation and Agreement that
4 included adoption of a Weather Normalization Adjustment Rider applicable to both the
5 Company's Residential and Small General Service ("SGS") classes and set out certain
6 conditions. *See* Case No. GR-2018-0013, Order Approving Stipulation and Agreement,
7 eff. June 16, 2018, and Stipulation at para.2(C). The statutory underpinning for the
8 WNAR is section 386.266.3, RSMo., which states that "...any gas corporation may
9 make an application to the commission to approve rate schedules authorizing periodic
10 rate adjustments outside of general rate proceedings to reflect the non-gas revenue
11 effects of increases or decreases in residential and commercial customer usage due to
12 variations in either weather, conservation, or both."

13 **Q. How does the Company's WNAR function?**

14 A. The billing mechanism adjusts a customer's bill based on variations in weather. The
15 purpose of a weather normalization rider is to minimize the effect of weather on bills,
16 keeping them as low as possible.

17 **Q. How has the Company's WNAR been operating since it was approved in 2018?**

18 A. The WNAR is operating effectively and as intended.

19 **Q. Do other Missouri-regulated public utilities have a similar WNAR?**

20 A. Yes, two large Missouri-regulated gas utilities and Liberty Midstates' affiliate The
21 Empire District Gas Company ("EDG") currently have similar adjustment mechanisms
22 in place. *See* Spire Missouri East and Spire Missouri West WNAR, Schedule 9, Sheet
23 Nos. 13 – 13.9; Union Electric Company d/b/a Ameren Gas Service Schedule 2, Sheet
24 Nos. 32 – 32.2; EDG Schedule 2, Sheet Nos. 66 – 68.

1 **Q. In OPC witness Mantle’s direct testimony in this case, Ms. Mantle recommends**
2 **the Commission discontinue Liberty Midstates’ WNAR. What is Ms. Mantle’s**
3 **stated reason for discontinuing the Company’s statutorily based rate adjustment**
4 **mechanism, WNAR?**

5 A. In OPC’s opinion, the Company should have requested the Commission allow it to
6 continue or modify its WNAR. Mantle direct at page 2, lines 1 – 7.

7 **Q. What is Ms. Mantle’s basis for her alleged requirement that the Company request**
8 **continuation of its WNAR?**

9 A. It is not clear from Ms. Mantle’s testimony. Although I am not a lawyer, there is nothing
10 in the enabling statute (section 386.266.3, RSMo.) requiring a utility to request
11 continuation of its WNAR-type mechanism. The applicability section of the
12 Company’s WNAR tariff approved by the Commission also does not state nor imply
13 that the Company is required to request permission to continue and or modify the
14 WNAR (Sheet No. 67, *emphasis added*):

15 **APPLICABILITY**

16 The Weather Normalization Adjustment (“WNA”) Rider is applicable to each
17 ccf of gas delivered under the terms of the residential and small general service
18 (“SGS”) rate schedules of Liberty Utilities (Midstates Natural Gas) Corp’s d/b/a
19 Liberty Utilities (“Liberty”) *until such time as it may be discontinued or*
20 *modified by order of the Commission in a general rate case.* The Northeast
21 and West District and the Southeast District will have separate rider rates that
22 will be applied as a separate line item on a customer’s bill.

1 **Q. Does Ms. Mantle provide an alternative to the WNAR in her direct testimony that**
2 **would allow the Company to account for revenue variations due to weather and**
3 **conservation as authorized by statute?**

4 A. No.

5 **Q. You mentioned previously that Liberty Midstates' sister utility EDG also has a**
6 **Commission-approved WNAR in place. Is the language similar in both Liberty**
7 **Midstates and EDG WNAR tariffs?**

8 A. Yes. The language is similar, but the filing cadence differs. EDG requires an annual
9 WNAR filing while Liberty Midstates requires a semi-annual filing.

10 **Q. Would alignment of EDG's and Midstates' filing cadences for the WNAR to both**
11 **be annual reconciliations be beneficial?**

12 A. Yes, the Company believes alignment for an annual filing cadence in both EDG and
13 Liberty Midstates is beneficial to avoid frequent rate changes and to reduce the
14 administrative burden of a second reconciliation for the Company, Staff, other parties,
15 and the Commission.

16 **Q. Does this conclude your rebuttal testimony at this time?**

17 A. Yes.

VERIFICATION

I, Meagan Grafton, under penalty of perjury, on this 22nd day of August, 2024, declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Meagan Grafton