



November 27, 2024

VIA ELECTRONIC FILING

Hon. Michelle L. Phillips
Secretary to the Commission
New York State Public Service Commission
3 Empire State Plaza
Albany, New York 12223-1350

Re: Case 24-G-____: Proceeding on Motion of the Commission as to the Rates, Charges, Rules, and Regulations of Liberty Utilities (St. Lawrence Gas) Corp. for Gas Service

Dear Secretary Phillips:

Liberty Utilities (St. Lawrence Gas) Corp. (Liberty SLG or the Company) submits this filing to initiate the above-referenced major rate case in accordance with the requirements of the New York State Public Service Commission (the Commission) and the rules and regulations of the Department of Public Service (DPS) to set revised rates for gas service in its territory. As explained in more detail in the supporting testimony and exhibits, the proposed rates will enable Liberty SLG to provide safe, adequate, and reliable gas service.

Summary of Need for Increased Rates

Liberty SLG is filing this rate proposal because the Company is not recovering its costs to provide gas utility service to its customers. The major components and drivers for the rate case are increases in plant-in-service, depreciation and amortization expense, and operation and maintenance (O&M) expenses not associated with pensions and other post-employment benefits (OPEB). Liberty SLG strives to operate as efficiently and economically as possible, but this rate case is necessary for the Company to recover its fair and reasonable costs of service, including impacts of inflationary pressure and continued capital investments to ensure a safe and reliable distribution system to serve its communities. Further, since the Company's last rate filing, it has experienced and anticipates continuing to experience increases in costs associated with materials, supplies, rising wages, and several new operations programs and initiatives being implemented over the next few years. Among other things, Liberty SLG continues to make investments and commit resources to innovative projects essential to align the Company with the objectives and requirements of the New York State Climate Leadership and Community Protection Act (CLCPA). The foregoing cost drivers are explained in more detail in the accompanying testimony.



Key Highlights of This Rate Case

The Company's single-year rate proposal is filed with an initial effective date of January 1, 2025, with the expectation that those rates will be suspended through October 31, 2025, to allow for the Commission's review. Given that expectation, the Company's proposed rate year is November 1, 2025 – October 31, 2026 (the Rate Year). The historic test year supporting the filing is July 1, 2023 – June 30, 2024 (the Test Year).

Liberty SLG seeks to increase operating revenues by \$2,174,020 (or 6.12% of total revenues, or 11.45% of delivery revenues) for the 12 months ending October 31, 2026. The Company revenue deficiency is based on a proposed rate of return on equity (ROE) of 9.9% (which the filing shows is on the lower range of reasonable ROEs given current market conditions) and a capital structure of 48% common equity, 50.82% long-term debt, and 1.18% customer deposits.

This filing is designed to address the priorities shared among the Company and its customers and stakeholders. The appropriate capital investments underlying the Company's instant rate proposal allows for reliability, improved customer satisfaction, and further supports stable and safe operations. Accordingly, to continue to provide the level of service expected and deserved by customers, capital investments remain a primary driver of the requested rate increase. In 2025, the Company plans to invest approximately \$6.9 million in necessary capital projects, capital expenses, and material spending.

The Company's rate filing also describes proposed changes to customer service initiatives and measurement/reporting of customer satisfaction – and addresses Liberty SLG's commitments to expanding its low-income assistance programs (including enhancing the existing Low-Income Discount Program and introducing a new Arrearage Management Program).

The rate filing also provides detailed explanations of Liberty SLG's proposals to advance the objectives of the CLCPA, including the Company's commitment to further greenhouse gas (GHG) emission reductions. The accompanying testimony includes a wholesale review of the GHG emissions impacts associated with all programs, initiatives, and investments the Company is proposing in this rate filing – including an assessment of the impact of such programs on disadvantaged communities.

Rate Design and Bill Impacts

Using the consolidated revenue requirement, Liberty SLG determined the best way, informed by an embedded cost-of-service study included with this filing, to allocate the revenue deficiency across its customer base with careful consideration of the impacts to customers.

If the Company's proposals are approved without modification, a typical SC-1 Residential Service heating customer (using an average of 81 therms of gas per month) receiving commodity from the Company would see an increase of 2.5% or \$5.67 per month on the total bill (an increase of 5.7% on the delivery only portion of the bill), compared to present rates. A typical SC-2 Small General Firm Service or Commercial heating customer (using an average of 549 therms of gas per month), receiving commodity from the Company, would see a decrease of 1.3% or \$7.87 per



month on the total bill (an increase of 1.8% on the delivery only portion of the bill), compared to present rates. Average Large Commercial (SC-2L) customers (using an average of 76,649 therms of gas per month) receiving commodity from the company would see a decrease of 4.2% or \$1,808.80 per month on the total bill (an increase of 1.4% on the delivery only portion of the bill), compared to present rates, depending on their usage. Average Industrial (SC-3) customers (using an average of 218,455 therms of gas per month) receiving commodity from the Company would see an increase of 2.2% or \$2,169.63 per month on the total bill (an increase of 36% on the delivery only portion of the bill), compared to present rates.

Information Accompanying this Rate Filing

Enclosed are the following materials issued and transmitted for filing by Liberty SLG in accordance with the requirements of the New York State Public Service Law (the PSL) and relevant implementing regulations:

1. List of Revised Tariff Leaves for Liberty Utilities (St. Lawrence Gas) Corp. PSC NO. 1 GAS to become effective January 1, 2025.¹ Although the revised tariff leaves are proposed to be effective on that date, the Company understands that, after customary suspension periods, they will become effective November 1, 2025.
2. Summary of Written Testimony.
3. Notice of Proposed Rulemaking under the N.Y. State Administrative Procedure Act.
4. Method of Service Form Consenting to Electronic Service of Documents.

Notice of filing will be published in newspapers in accordance with the Commission's requirements set forth in 16 NYCRR § 720-8.1. Proof of publication of the notice will be filed upon completion.

Contacts for Proceeding

Jeffrey R. Greenblatt
Director, Legal Services
Liberty Utilities Service Corp.
(516) 243-2142
jeffrey.greenblatt@libertyutilities.com

Erica L. Menard
Senior Director, Rates & Regulatory Affairs
Liberty Utilities Service Corp.
(603) 361-3475
erica.menard@libertyutilities.com

¹ The revised tariff leaves and statements are individually prepared and will be separately filed through the Commission's tariff filing system.



Jeffrey D. Kuhn
Aubrey A. Ohanian
Attorney for Liberty SLG
Harris Beach PLLC
(518) 427-9700
jkuhn@harrisbeach.com
aohanian@harrisbeach.com

Conclusion

The prepared written testimony and exhibits of Liberty SLG's witnesses and the enclosed revised tariff leaves constitute the Company's direct case in support of these rate filings. The testimony, exhibits, and tariff leaves submitted herein explain the need for the Company's proposed changes to rates and services. The Company looks forward to working with the DPS Staff and other interested parties to implement the new rate plan and advance investments that will allow the Company to provide safe, reliable, and adequate gas service while earning a reasonable return.

Sincerely,

/s/ Jeffrey R. Greenblatt

Jeffrey R. Greenblatt
Director, Legal Services
Liberty Utilities (East Region)

Liberty Utilities (St. Lawrence Gas) Corp.
Case 24-G-_____

List of Revised Tariff Leaves

The tariff leaves, filed to become effective on January 1, 2025, are listed below, issued by Liberty Utilities (St. Lawrence Gas) Corp. (Liberty SLG or the Company), and enclosed for filing in accordance with the requirements of the New York State Public Service Commission (the Commission) and the rules and regulations of the Department of Public Service (DPS).

TARIFF LEAVES:

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding No.</u>
3	3	2
8	1	0
66	1	0
67	1	0
68	1	0
268	5	4
269	3	2
270	5	4
274	6	5
275	3	2
276	6	5
278.3	4	3
278.4	2	1
278.5	4	3
283	5	4
284	3	2
285	6	5
290	3	2
314	3	2
321	3	2

SUMMARY OF PROPOSED CHANGES:

<u>Leaf No.</u>	<u>Reason</u>
3	Levelized payment plan – delete non-residential to include residential
8	Levelized payment plan – delete non-residential to include residential
66	Levelized payment plan – delete non-residential to include residential
67	Levelized payment plan – delete non-residential to include residential
68	Levelized payment plan – delete non-residential to include residential
268	Proposed rates
269	Update bank balance carrying cost for proposed ROR
270	Proposed rates and proposed Arrearage Management Program (AMP)
274	Proposed rates
275	Update bank balance carrying cost for proposed ROR
276	Proposed rates
278.3	Proposed rates
278.4	Update bank balance carrying cost for proposed ROR
278.5	Proposed rates
283	Proposed rates
284	Update bank balance carrying cost for proposed ROR
285	Proposed rates
290	Update bank balance carrying cost for proposed ROR
314	Update bank balance carrying cost for proposed ROR
321	Update bank balance carrying cost for proposed ROR

Liberty Utilities (St. Lawrence Gas) Corp.
Case 23-W-_____

<u>Summary of Written Testimony</u>			
Subject Matter	Overview of Topics Discussed in Testimony	Witness(es)	Job Title
Management	Provides an overview of the Company's rate request and broader filing.	Mark Murray	President – Liberty SLG
Revenue Requirement	Provides the Company's overall revenue requirements for base rates and the calculations supporting the increase.	Tyler Culbertson	Director of Rates & Regulatory Affairs – Liberty Utilities Service Corp. (LUSC)
		Elizabeth Koelbl	Analyst III, Rates & Regulatory Affairs – LUSC
		Amy Boynton	Manager, Accounting – LUSC
Capital, Operations, Gas Supply, & Safety	Provides information relating to: (1) the Company's operations, including expenses, capital projects, safety initiatives and other aspects of the Company's internal operations and infrastructure; (2) the Company's safety and performance metrics, including leak management and damage prevention; and (3) an explanation of gas procurement practices employed by the Company and our natural gas purchasing practices, which include the Company's use of supply, transportation, and storage assets.	Dan Burke	Director, Operations – Liberty SLG
		Paul Hamilton	Manager, Gas Supply – LUSC
		Ryan Hayes	Senior Manager, Engineering & Resource Planning – Liberty SLG
		John Patton	Vice President, Technical Services – LUSC
Regulatory	Proposes two new regulatory mechanisms: (1) a long-term debt reconciliation mechanism; and (2) a mechanism to recover the costs associated with the Company's Long-Term Plan filing and any resulting programs or costs resulting from that proceeding through a new surcharge.	Erica Menard	Senior Director of Rates & Regulatory Affairs – LUSC
		Kimberly Baxter	Senior Manager of Rates & Regulatory Affairs – Liberty SLG

<u>Summary of Written Testimony</u>			
Subject Matter	Overview of Topics Discussed in Testimony	Witness(es)	Job Title
Cost of Capital	Provides recommendations regarding: (1) the Company's Return on Equity (ROE) to be recovered through rates; and (2) the reasonableness of the Company's cost of debt and capital structure that should be used for ratemaking purposes.	John Cochran	Senior Managing Director for the Power, Renewables & Utility Practice – FTI Consulting, Inc.
Depreciation	Supports and explains the Depreciation Study performed for the Company's gas plant.	Ned Allis	Vice President – Gannett Fleming Valuation and Rate Consultants, LLC (Gannett Fleming)
		Glen Friel	Assistant Project Manager – Gannett Fleming
Customer Care	Describes the Company's proposed changes to customer service initiatives and measurement / reporting on customer satisfaction. Addresses the Company's commitments to expand low-income assistance programs. Provides an update on the Company's recent implementation of Customer First.	Christine Downing	Director of Customer Experience, East Region – LUSC
Cybersecurity	Explains Liberty SLG's cybersecurity program and describes the investment plans to ensure the continuation of the safe, secure, and reliable operations of its gas distribution system.	Shawn Eck	Director of IT Security, Risk, & Compliance – LUSC
CLCPA	Explains how the Company's proposals in this rate filing are consistent with and advance the New York State Climate Leadership and Community Protection Act (CLCPA). Also explains the Company's commitment to furthering greenhouse gas (GHG) emission reductions. Provides a wholesale review of the GHG emissions impacts associated with all programs, initiatives, and	Mark Murray	President – Liberty SLG
		Kimberly Drago	Director of Key Account and Energy Programs – LUSC
		John Rilett	Vice President of Business Model and Technology Pathways – Algonquin Power & Utilities Corp.

Summary of Written Testimony

Subject Matter	Overview of Topics Discussed in Testimony	Witness(es)	Job Title
	investments the Company is proposing as part of this rate filing, including an assessment of how such programs relate to “Disadvantaged Communities.”		
Embedded Cost of Service & Rate Design	Presents the results of the embedded cost of service study for the Company and the Company’s proposed rate design and rate calculations.	Bickey Rimal	Assistant Vice President – Concentric Energy Advisors, Inc. (Concentric)
		Gregg Therrien	Vice President – Concentric
		Kelly Porter	Project Manager – Concentric

Liberty Utilities (St. Lawrence Gas) Corp.
Case 24-G-_____

SAPA Notice

PROPOSED RULEMAKING

HEARING(S) SCHEDULED

Major Gas Rate Filing

I.D. No. PSC-

PURSUANT TO THE PROVISIONS OF THE State Administrative Procedure Act, NOTICE is hereby given of the following proposed rule:

Proposed action: The Commission is considering a proposal filed by Liberty Utilities (St. Lawrence Gas) Corp. (Liberty SLG) to make various changes in the rates, charges, rules, and regulations contained in its Schedule for Gas Service – PSC NO. 1 GAS.

Statutory authority: Public Service Law (PSL) §§ 65 (1) and 66 (12).

Subject: Proposed major rate increase in Liberty SLG’s annual base revenues of approximately \$2,174,020 (or 6.12% in total operating revenues).

Purpose: To ensure safe and adequate gas service at just and reasonable rates charged to customers without undue preferences.

Public hearing(s) will be held at: [_____]

Interpreter Service: Interpreter service will be made available to hearing impaired persons, as no charge, upon written request submitted within reasonable time prior to the scheduled public hearing. The written request must be addressed to the agency representative designated in the paragraph below.

Substance of proposed rule: The Commission is considering a proposal filed by Liberty Utilities (St. Lawrence Gas) Corp. (Liberty SLG) on November 27, 2024, to make changes in the rates, charges, rules, and regulations contained in Liberty SLG’s Schedule for Gas Service – PSC NO. 1 GAS, to increase its annual gas delivery revenues by \$2,174,020 (an 11.7% increase in delivery revenues, or a 6.1% increase in total revenues) for the rate year ending October 31, 2026. The requested increase in gas delivery revenues result in a monthly bill increase of \$5.67 (5.7% increase on the delivery bill, 2.5% increase on total bill) for a residential gas heating customer using 81 Therms per month. The major drivers of the revenue increase include, but are not limited to, increases in plant-in-service, depreciation and amortization expense, and operation and

maintenance expenses not associated with pensions and other post-employment benefits. The initial effective date of the filed tariff leaves is January 1, 2025.

The full text of the petition and the full record of the proceeding may be reviewed online at the Department of Public Service web page: www.dps.ny.gov. The Commission may adopt, reject or modify, in whole or in part, the action proposed and may resolve related matters.

Text of proposed rule and any required statements and analyses may be obtained by filing a Document Request Form (F-96) located on our website <http://www.dps.ny.gov/f96dir.htm>. For questions, contact: [_____].

Data, views or arguments may be submitted to: Michelle Phillips, Secretary, Public Service Commission, 3 Empire State Plaza, Albany, New York 12223-1350, (518) 474-6517, email: secretary@dps.ny.gov.

Public comment will be received until: Five days after the last scheduled public hearing.

Regulatory Impact Statement, Regulatory Flexibility Analysis, Rural Area Flexibility Analysis and Job Impact Statement

Statements and analyses are not submitted with this notice because the proposed rule is within the definition contained in section 102 (2) (a) (ii) of the State Administrative Procedure Act.

(24-G-_____)

Method of Service

Name:	
Company/Organization:	
Mailing Address:	
Company/Organization you represent, if different from above:	
E-Mail Address:	
Case/Matter Number:	

Request Type

- New Petition/Application - I am filing a new petition/application which requires action by the Commission.
- Service List request – I request to be on the service list for the matter/case.
- Other – Type of request _____

Service Information (Select one option below)

- Electronic Service and Waiver – Consent in Case/Matter Identified Above
As duly authorized by the Participant identified above that I represent, I knowingly waive on behalf of that Participant any right under PSL §23(1) to be served personally or by regular mail with Commission orders that affect that Participant and will receive all orders by electronic means in the above Case. If participating individually, I knowingly waive any PSL §23(1) right to service of orders personally or by regular mail and will receive all orders by electronic means in the above Case. This consent remains in effect until revoked.

- Electronic Service and Waiver – Global Consent in All Cases/Matters
As duly authorized by the Participant identified above that I represent, I knowingly waive on behalf of that Participant any right under PSL §23(1) to be served personally or by regular mail with Commission orders that affect that Participant and will receive all orders by electronic means in all Cases where it participates. If participating individually, I knowingly waive any PSL §23(1) right to service of orders personally or by regular mail, and will receive all orders by electronic means in all Cases where I participate. This consent remains in effect until revoked.
Note: Due to the design of our system, this consent attaches to the individual named here and not to the party that may be represented by that individual. Therefore, individuals who represent multiple parties should be aware that a global consent will affect all matters in which they appear on behalf of any party.

- I do **not** consent to receive orders electronically

E-Mail Preference (Select one option below) – For Case specific request

E-Mail notifications include a link to filed and issued documents.

- Notify me of Commission Issued Documents in this case/matter.
- Notify me of Both Commission Issued Documents and Filings in this case/matter
- Do not send me any notifications of filed or issued documents

Submitted by:	Date:
---------------	-------