

BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of
Liberty Utilities (St. Lawrence Gas) Corp.

Cases 24-G-0668

April 1, 2025

Prepared Testimony of:

Staff Gas System Planning and
Reliability Panel

Davide Maioriello
Utility Supervisor

Nicholas Brennan
Utility Analyst Trainee

Andrew Riebel
Utility Engineering Specialist 3

Office of Energy System Planning
and Performance

State of New York
Department of Public Service
Three Empire State Plaza
Albany, New York 12223-1350

1 Q. Members of the Staff Gas System Planning and
2 Reliability Panel (Panel or SGSPR) please state
3 your names, employer, and business address.

4 A. Our names are Davide Maioriello, Nicholas
5 Brennan and Andrew Riebel. We are employed by
6 the New York State Department of Public Service,
7 referred to as the Department. Our business
8 address is Three Empire State Plaza, Albany, NY
9 12223-1350.

10 Q. Mr. Maioriello, please state your position at
11 the Department.

12 A. I am a Utility Supervisor within the Gas System
13 Planning and Reliability Section of the Office
14 of Energy System Planning and Performance.

15 Q. Please summarize your educational and
16 professional experience.

17 A. I attended Hudson Valley Community College and
18 graduated with an Associate of Applied Science
19 in Construction Technology degree. I continued
20 my education at the State University of New York
21 Institute of Technology and, in May 1999,
22 graduated with a Bachelor of Science in Civil
23 Engineering Technology. From February 2000 to
24 February 2003, I was employed by SPEC

1 Consulting, LLC as a Project Engineer. My work
2 involved project management and coordination,
3 engineering, as well as various computer-aided
4 design projects. From February 2003 to December
5 2005, I worked for the City of Albany
6 Engineering Division where I was responsible for
7 several tasks, including inspections of major
8 roadway projects and other municipal
9 construction projects. I also engaged in permit
10 processing and utility work inspections. In
11 December 2005, I joined the Department and since
12 that time I have performed various engineering
13 analyses of projects and associated capital
14 budgets, operations and maintenance, referred to
15 as O&M, expenses and programs, distribution
16 system reliability needs, capacity and demand
17 requirements, and review of various petitions
18 and tariff filings of gas and electric utility
19 companies in New York State.

20 Q. Please describe your duties in the Office of
21 Energy System Planning and Performance.

22 A. My responsibilities within the office focus on
23 the analysis of natural gas utility policy
24 issues, including distribution system

1 reliability and planning, capacity asset
2 management, gas purchasing practices, gas system
3 reliability, and issues related to the
4 restructuring of the natural gas industry and
5 use of natural gas in New York State.

6 Q. Have you previously provided testimony in a
7 proceeding before the Commission?

8 A. Yes. I have provided testimony in the following
9 rate proceedings: Cases 22-G-0065 and 19-G-0066,
10 regarding Consolidated Edison Company of New
11 York, Inc.; Cases 05-G-1494 and 14-G-0494,
12 regarding Orange and Rockland Utilities, Inc.;
13 Cases 05-G-1635, 08-G-1392 and 15-G-0382,
14 regarding St. Lawrence Gas Company, Inc.; Cases
15 06-G-1185, 16-G-0059 and 19-G-0309, regarding
16 The Brooklyn Union Gas Company d/b/a National
17 Grid NY; Cases 19-G-0309, 06-G-1186, 16-G-0058
18 and 19-G-0310, regarding KeySpan Gas East
19 Corporation d/b/a National Grid; Cases 07-G-
20 0141, 16-G-0257 and 23-G-0627, regarding
21 National Fuel Gas Distribution Corporation;
22 Cases 08-G-0609, 12-E-0201, 12-G-0202, 17-G-
23 0239, 20-G-0381, 23-G-0225, 23-G-0226, and 24-G-
24 0323, regarding Niagara Mohawk Power Corporation

1 d/b/a National Grid; Cases 09-G-0716 and 19-G-
2 0379, regarding New York State Electric & Gas
3 Corporation; Cases 19-G-0381 and 09-G-0718,
4 regarding Rochester Gas and Electric
5 Corporation; Case 14-G-0319, regarding Central
6 Hudson Gas & Electric Corporation; and Case 24-
7 G-0447, regarding Corning Natural Gas
8 Corporation.

9 Q. Mr. Brennan, please state your position at the
10 Department.

11 A. I am a Utility Analyst Trainee, assigned to the
12 Gas System Planning and Reliability Section of
13 the Department's Office of Energy System
14 Planning and Performance.

15 Q. Please briefly describe your educational
16 background and professional experience.

17 A. In 2011, I received a Bachelor of Arts in
18 English from Fordham University. In 2016, I
19 received a Master of Arts in British and
20 American Literature from Hunter College. In
21 2019, I received a Master of Arts in Early
22 Modern Studies from the State University of New
23 York at Albany. I began working for the
24 Department in November 2023 as a member of the

1 Gas System Planning and Reliability Section of
2 the Department's Office of Energy System
3 Planning and Performance.

4 Q. Have you provided testimony in previous New York
5 State Public Service Commission, referred to as
6 the Commission, proceedings?

7 A. Yes. I submitted testimony in Case 23-G-0627
8 regarding proposals from NFGD for research,
9 development, and demonstration projects, and
10 renewable natural gas, referred to as RNG,
11 projects. I submitted testimony in Case 24-G-
12 0323 regarding proposals from the Niagara Mohawk
13 Power Corporation d/b/a National Grid for non-
14 pipe alternatives, referred to as NPAs,
15 reliability projects, RNG interconnections, and
16 energy transfer stations for the injection of
17 both compressed natural gas and RNG into that
18 company's distribution system.

19 Q. Mr. Riebel, please state your position at the
20 Department.

21 A. I am a Utility Engineering Specialist 3,
22 assigned to the Gas System Planning and
23 Reliability Section of the Office of Energy
24 System Planning and Performance.

1 Q. Mr. Riebel, please state your educational
2 background and professional experience.

3 A. I received a Bachelor of Science in Mechanical
4 Engineering from Syracuse University in 1989.
5 In 1990, I started working for the Department as
6 a Junior Engineer. I have worked in a variety
7 of sections of the Department, including gas and
8 electric rates, competitive markets, energy and
9 the environment, gas supply and policy, pipeline
10 safety and reliability and currently with the
11 gas system planning and reliability section.

12 Q. Mr. Riebel, what are your current duties in the
13 Gas System Planning and Reliability Section?

14 A. My duties include monitoring and reviewing gas
15 utility plans for meeting gas demand with
16 adequate supply and capacity. This takes place
17 throughout the year with an emphasis on the
18 upcoming heating season. Other responsibilities
19 include reviewing utility tariff and Gas
20 Transportation Operating Procedures filings,
21 conducting analysis of data, drafting reports,
22 memoranda, and testimony of my findings, and
23 participating in proceedings that relate to the
24 natural gas industry, including rate case

1 filings.

2 Q. Have you previously testified in proceedings
3 before the Commission?

4 A. Yes. I have previously submitted testimony in
5 numerous rate cases over the course of my career
6 at the Department. Recent examples include
7 Cases 19-G-0379 and 22-G-0318 regarding New York
8 State Electric & Gas Corporation; Cases 19-G-
9 0381 and 22-G-0320 regarding Rochester Gas &
10 Electric Corporation; Cases 20-G-0101 and 21-G-
11 0394 regarding Corning Natural Gas Corporation;
12 Cases 21-G-0073 and 24-G-0061 regarding Orange
13 and Rockland Utilities, Inc.; and Cases 23-G-
14 0419 and 24-G-0462 regarding Central Hudson Gas
15 & Electric Corporation.

16 **Summary of the Testimony**

17 Q. What is the purpose of the Panel's testimony in
18 these proceedings?

19 A. Our testimony will address the Commission's
20 directives pertaining to gas system planning and
21 provide Staff's recommendations regarding
22 proposals of Liberty Utilities (St. Lawrence
23 Gas) Corp., which we will refer to as Liberty
24 SLG or the Company, regarding the following

1 items: 1) the Company's ability to serve its
2 firm customers on a peak design day; 2)
3 reliability focused capital expenditure
4 projects; 3) NPAs; 4) the Company's Long-Term
5 Gas Plan; and 5) RNG.

6 Q. In this testimony, will the Panel refer to, or
7 otherwise rely upon, any information produced
8 during the discovery phase of this proceeding?

9 A. Yes. We will refer to, and rely upon, several
10 responses to information requests, referred to
11 as IRs, all of which we include in
12 Exhibit__ (SGRSP-1), and reference by the
13 designation assigned by the Department (for
14 example, DPS-100).

15 Q. Are you sponsoring any other exhibits in support
16 of your testimony?

17 A. No.

18 Q. What is the Rate Year in these proceedings?

19 A. The Rate Year is the 12-month period ending
20 October 31, 2026.

21 **Design Day Demand and Supply**

22 Q. Describe the Liberty SLG gas system, including
23 the source of the natural gas and where it
24 enters the Company's service territory.

1 A. Page 7 of the Direct Testimony for the Company's
2 Capital, Operations, Gas Supply, and Safety
3 Panel, or COGSSP, states that the Liberty SLG
4 gas system is located in the northern part of
5 New York State and serves customers within St.
6 Lawrence, Franklin, and Lewis Counties. As
7 described on page 20 of COGSSP the Company
8 states that contracted gas supply is delivered
9 from Canada and enters the Company's four city
10 gates through the TransCanada and Iroquois
11 Pipelines. Due to the northern location of this
12 service territory, the customers experience some
13 of the coldest weather in the State.

14 Q. Did you review the Company's hydraulic modeling
15 of its distribution system?

16 A. Yes, we reviewed the modeling and looked at how
17 different segments of the distribution system
18 respond to various conditions, including on a
19 design day. Our review included numerous
20 scenarios within the Company's model, covering
21 all regions of the service territory.

22 Q. What is a design day?

23 A. A design day can be defined as the coldest
24 average daily temperature that a gas company has

1 historically experienced for which that utility
2 needs to be prepared to reliably serve its firm
3 customer demand.

4 Q. What do the Company's modeling results show?

5 A. The results of the modeling scenarios indicated
6 that sections of the distribution system
7 experienced drops in pipeline pressures that
8 approached or exceeded 50 percent when subjected
9 to design day conditions. This was due to the
10 increased demand on the system during these
11 extreme conditions. The Company explained it
12 considers pressure drops of that magnitude a
13 concern which, while not an imminent problem
14 with serving customers along those sections, is
15 still something it plans to remedy with projects
16 which we will discuss later in our testimony.
17 The modeling indicated that, once reliability
18 capital projects are implemented, the decreased
19 pressure issues and concern over the ability to
20 reliably deliver gas to customers during design
21 conditions would no longer exist.

22 Q. Is the Company prepared to serve its firm
23 customer demand on a design day?

24 A. Yes. Based on our review of the gas system

1 modeling the Company has demonstrated its
2 ability to serve its firm customers on a design
3 day.

4 **Reliability Focused Capital Projects**

5 Q. Does the Company include any reliability related
6 projects as part of its capital budget presented
7 in the rate filing?

8 A. Yes, it does. The Company included various
9 projects that are focused on the reliability of
10 the gas system and have been proposed in the
11 capital budgets from calendar year, or CY, 2025
12 through CY 2028.

13 Q. What concerns does the panel have with the
14 system reliability budgets included in rate
15 filing?

16 A. We are concerned with system reliability
17 projects for CY 2026 through CY 2028 with
18 associated capital expenditure budgets of
19 \$68,652, \$72,084, and \$75,688, respectively.
20 According to its response to DPS-569, the
21 Company states that it established these budgets
22 as placeholder budgets for yet to be determined
23 projects. We have a concern regarding the yet
24 to be defined system reliability projects

1 because there is no justification supporting the
2 need for that level of capital spending at this
3 time.

4 Q. What does the Panel recommend?

5 A. We recommend the Commission deny the proposed
6 system reliability capital expenditures for CY
7 2026 through CY 2028 with proposed budgets of
8 \$68,652, \$72,084, and \$75,688, respectively.

9 Q. Does the Panel have other concerns with proposed
10 capital programs or projects?

11 A. Yes. We have concerns with two additional
12 projects.

13 Q. Please identify the first project.

14 A. According to DPS-571, the Company highlights its
15 large capital-intensive project described as the
16 Oswegatchie River crossing project to install an
17 additional 1,850 feet of main in CY 2027 to
18 provide redundancy to customers in the City of
19 Oswegatchie, at a cost of \$4,261,764. In its
20 response the Company did not suggest, nor is the
21 Panel aware of, any system pressure issues in
22 this area that would support the need for this
23 project.

24 Q. Please identify the second project.

1 A. The Chateaugay Reinforcement project for CY
2 2028, according to the Company's response to
3 DPS-570, will add redundancy in the Village of
4 Chateaugay by creating a looping of the
5 distribution system at a cost of \$700,000.

6 Again, the Company did not suggest, nor is the
7 Panel aware of, any system pressure issues in
8 this area that support the need for this
9 project.

10 Q. What concerns does the Panel have with these
11 specific capital projects?

12 A. Both the Oswegatchie River crossing project and
13 the Chateaugay Reinforcement project should not
14 be included in the capital budget since the
15 justification for the projects appear to be
16 redundancy builds that are not based on a
17 modeling need. Additionally, in light of the
18 Climate Leadership and Community Protection Act,
19 or CLCPA, emission reduction goals and the fact
20 that building codes for new construction will
21 require electrification of new construction
22 starting on January 1, 2026, gas demand and the
23 reliance on natural gas should be diminishing in
24 the future. The All-Electric Building Act,

1 adopted as part of the State budget in 2023 in
2 Part RR of Chapter 56 of the Laws of 2023,
3 requires building codes for new construction
4 projects below seven stories to be electrified
5 starting in 2026 and new construction above
6 seven stories tall to be electrified starting in
7 2029.

8 Q. What does the Panel recommend?

9 A. We recommend the Commission reduce the requested
10 capital expenditure request for CY 2027 and CY
11 2028 by \$4.3 million and \$0.7 million
12 respectively.

13 Q. Should the Company be pursuing NPAs rather than
14 the traditional infrastructure projects you
15 discuss above?

16 A. Yes. Gas utilities should be proactively
17 considering non-traditional solutions to solve
18 system issues, including forecast reliability
19 concerns that show pressure reductions. We will
20 discuss this more in a later on in our
21 testimony.

22 Q. Are the capital adjustments reflected in the net
23 plant model?

24 A. No, the adjustments were not included in the net

1 plant model at this time, as it largely affects
2 the years subsequent to the Rate Year. Any
3 amounts that would have otherwise affected the
4 Rate Year are immaterial in nature.

5 **Non-Pipe Alternatives**

6 Q. Did the Company propose any NPA projects for the
7 Rate Year?

8 A. No.

9 Q. Has the Company implemented NPA screening
10 criteria into its capital planning procedures?

11 A. Yes. The Company evaluates capital projects for
12 NPA suitability according to Liberty SLG's
13 Proposals for Non-Pipe Alternative Screening and
14 Suitability Criteria, which the Company filed on
15 August 10, 2022. This filing was in response to
16 the Order Adopting Gas System Planning, referred
17 to as the Planning Order, issued on May 12,
18 2022, in Case 20-G-0131, Proceeding on Motion of
19 the Commission in Regard to Gas Planning
20 Procedures.

21 Q. Did any of the infrastructure projects listed in
22 the Company's capital budget filed in this rate
23 proceeding qualify for NPA solicitation
24 opportunities?

1 A. No. The Company's response to DPS-476 indicated
2 that none of the six projects associated with
3 system reliability from the Company's CY 2025
4 capital expenditures budget qualified for NPAs.
5 This is because each of the projects addresses
6 an immediate system need related to safety,
7 reliability, and service obligation and the
8 timing is such that each project has expected
9 construction commencing within 12 months and
10 expects to be completed within 24 months. For
11 projects that exist outside of the Rate Year the
12 Company did not address whether non-traditional
13 alternative solutions would be considered.

14 Q. Does the Panel have any concerns regarding the
15 Company's progress relating to NPA
16 solicitations?

17 A. Yes. While we understand that the Company is
18 using NPA suitability criteria to look at
19 alternatives to traditional infrastructure
20 projects, to date this has not resulted in any
21 such projects being replaced with NPA solutions
22 because of the limited time available to perform
23 customer outreach and solicitations for
24 alternatives. The Company needs to modify its

1 NPA process and procedures to allow enough
2 foresight into traditional capital solutions and
3 allow the opportunity of determining if any of
4 the system issues can be met with non-
5 traditional solutions.

6 Q. What does the Panel recommend?

7 A. We recommend the Commission require the Company
8 to revise its capital planning review and
9 procedures to look three years ahead at
10 potential areas of its gas system that could
11 lead to pressure concerns as a proactive
12 analysis for improving applicability of NPAs
13 that would help contribute toward CLCPA emission
14 reduction goals. Additionally, the Commission
15 should also require the Company to coordinate
16 with the local electric providers to proactively
17 address potential electric distribution issues
18 due to increased electricity demand as a result
19 of NPA solutions.

20 Q. Does the Company document NPA screening outcomes
21 as part of its capital reporting processes?

22 A. No, it does not.

23 Q. What does the Panel recommend?

24 A. We recommend the Commission require the Company

1 to document the outcome of the NPA screening
2 results for each project or program and be
3 included as part of the Company's project
4 justification documentation.

5 **Gas Planning Proceeding - Long Term Plan**

6 Q. Has the Commission issued any new directives
7 regarding gas system planning since the
8 Company's last rate filing?

9 A. Yes. In the Planning Order, the Commission
10 established a new natural gas system planning
11 process for the major gas utilities in the New
12 York State, also referred to as Local
13 Distribution Companies, or LDCs.

14 Q. Are there any specific directives regarding the
15 long-term planning process that are specifically
16 applicable to Liberty SLG?

17 A. Yes. Both Liberty SLG and Corning Natural Gas
18 Corporation filed a joint petition on May 17,
19 2024, to modify and streamline the process for
20 filing their upcoming gas-long term plans
21 consistent with the Planning Order in
22 recognition of their smaller size compared to
23 other investor-owned gas utilities in New York.
24 On October 17, 2024, the Commission issued its

1 Order on Joint Petition Regarding the Process
2 for Upcoming Long-Term Gas Plans in Case 20-G-
3 0131, referred to as the 2024 Order. In the
4 2024 Order, the Commission recognized the
5 differences between these smaller gas utilities
6 and the larger utilities in the State. The 2024
7 Order discusses the reduction of both the scope
8 of work to be performed as well as the
9 associated cost of that work for these smaller
10 utilities. The Commission acknowledged that the
11 two LDCs' plans will necessarily feature
12 different approaches than the State's larger gas
13 utilities. Both Liberty SLG and Corning Natural
14 Gas Corporation were directed to file their
15 long-term plans by January 31, 2025.

16 Q. Did the Company file its long-term plan?

17 A. Yes. Consistent with the 2024 Order, the
18 Company filed its initial long-term plan in Case
19 24-G-0630, on January 31, 2025. We will refer
20 to this filing as the LTP.

21 Q. What is the status of the LTP?

22 A. The LTP is currently under review in Case 24-G-
23 0630.

24 Q. Did Liberty SLG make any proposals related to

1 the LTP in its rate filing?

2 A. Yes. The Company Regulatory Panel discusses the
3 upcoming filing and states on page 10 of its
4 testimony that it is contracting with an outside
5 consultant to complete the plan and will also
6 incur costs associated with a separate
7 independent consultant selected by Staff to
8 review Liberty SLG's plan. The Company is
9 seeking recovery of these costs outside of the
10 revenue requirement, through deferral and a
11 surcharge mechanism.

12 Q. How is the Company proposing to collect the
13 costs associated with the LTP in its rate
14 filing?

15 A. As stated on page 11 of the Regulatory Panel
16 testimony, the Company is seeking a new
17 surcharge for LTP costs. These would include
18 costs of its consultant, the cost of the
19 independent consultant, and any other costs
20 incurred resulting from the long-term planning
21 process. The Company proposes to defer these
22 costs as they are incurred and states that any
23 program costs would need to be approved and
24 separately petitioned prior to inclusion in the

1 long-term plan surcharge. In response to DPS-
2 442, the Company indicates it plans to begin the
3 surcharge in the Rate Year effective November 1,
4 2025.

5 Q. Does the Panel agree with the Company's proposal
6 for a long-term plan cost deferral and
7 surcharge?

8 A. The Staff Policy Panel will address
9 recommendations related to the Long-Term Plan
10 requests.

11 **Renewable Natural Gas**

12 Q. What is RNG?

13 A. RNG is methane produced from biomass, such as
14 the gas product from landfills and anaerobic
15 digesters, and, therefore, are a renewable
16 energy resource. Since RNG is created as a
17 byproduct of decomposition, RNG is virtually
18 inexhaustible in duration but limited in the
19 amount of energy that is available at any point
20 in time.

21 Q. What are the benefits of RNG?

22 A. RNG sources can potentially provide additional
23 localized supply and pressure support, improving
24 supply diversity and reliability, within the

1 distribution system. These sources also have
2 the potential to reduce methane emissions, which
3 would help to achieve the CLCPA's goals.
4 Additionally, the Climate Action Council
5 released its Final Scoping Plan on December 19,
6 2022, which outlined several recommendations and
7 actions including the need to further study the
8 use of RNG on page 350. Further, the Climate
9 Action Council noted that alternative fuels may
10 have a role in the transition of the natural gas
11 industry. The Climate Action Council's Final
12 Scoping Plan, on page 361, also recognized the
13 role that renewable fuels may play "to meet
14 customer needs for space heating or process use
15 where electrification is not yet feasible or to
16 decarbonize the gas system as it transitions."
17 The Climate Action Council recognizes renewable
18 fuels as playing an important part in the
19 transition to electrification.

20 Q. Does the Company have any experience with RNG?

21 A. Yes. According to the response to DPS-387,
22 Liberty SLG already receives RNG from multiple
23 dairy farms in its service territory. The
24 Company currently receives approximately 848

1 MMBtu, or one million British thermal units, per
2 day from three RNG producers and expects an
3 additional production facility to go into
4 service on December 31, 2025, and produce an
5 incremental 250 MMBtu per day of RNG for
6 injection into the distribution system.

7 Q. How are interconnection costs funded?

8 A. As described on page 8 of Company's COGSS Panel,
9 all RNG project construction and interconnection
10 costs incurred by the Company are fully
11 reimbursed by each project's respective
12 developer and ultimately not paid for by
13 ratepayers. Additionally, RNG supply contracts
14 allow the Company to purchase the RNG at a five
15 percent discount to the Company's Monthly Index
16 price.

17 Q. Does the Company purchase environmental
18 attributes associated with the RNG supply?

19 A. No. The agreements the Company has in place
20 with producers do not include purchasing
21 attributes associated with the RNG.

22 Additionally, in the Company's response to DPS-
23 387, the Company recognizes that New York does
24 not have a program in place to allow gas

1 utilities to sell renewable attributes.

2 Q. Is the Company proposing any RNG projects or
3 interconnections with producers in this rate
4 filing?

5 A. No. The Company's CLCPA Panel indicates that it
6 is not proposing any additional RNG-related
7 projects in this case.

8 Q. Does the Panel have any concerns and/or
9 recommendations with the RNG interconnections?

10 A. Yes. Staff is supportive of the Company
11 pursuing RNG supply projects where the costs are
12 not borne by ratepayers. Specifically, this
13 includes requiring the developer to pay the
14 costs of infrastructure to connect the RNG to
15 the utility, ensuring ratepayer protections
16 since costs are not recovered from customers.
17 Additionally, the Company has negotiated a
18 discount on the gas supply in comparison to
19 traditional gas supply, which Staff is
20 supportive of. Accordingly, we recommend that
21 the Commission not allow the Company to provide
22 upfront ratepayer funding for any future RNG
23 interconnections or projects, even if these
24 costs are eventually reimbursed by the

1 developer, and also require that any such
2 procurement of RNG is purchased at a discount as
3 compared to the cost of traditional gas supply.
4 We also recommend that the Commission direct the
5 Company to file with the Secretary the following
6 information within 60 days of entering into a
7 contract for RNG for each such contract: 1)
8 purchase terms and conditions; 2) the total
9 volume of RNG it purchased; and 3) supplier
10 name(s) for purchased RNG.

11 Q. Does this conclude your testimony?

12 A. Yes, it does.

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