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November 24, 2021

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

Dear Secretary Phillips:

The following and enclosed tariff leaves, issued by Mark E. Saltsman, Vice President and General Manager, are transmitted for filing in compliance with the requirements of the State of New York Public Service Commission (the "Commission"):

First Revised Leaf No. 141, 165, 268, 269, 270, 274, 275, 276, 281, 283,
284, 285, 290, 295, 311, 314, 315, 320, 321, 322

PSC No. 1 – GAS

Effective January 1, 2022

These tariff leaves are being submitted so that Liberty Utilities (St. Lawrence Gas) Corp.'s ("Liberty SLG" or the "Company") tariff will comply with the changes being proposed in the major rate case, which is being filed contemporaneously with this submission. Although the revised tariff leaves are proposed to be effective January 1, 2022, the Company understands that, after customary suspension periods, they will likely become effective November 1, 2022.

Liberty SLG serves approximately 17,000 customers in St. Lawrence, Franklin, and Lewis counties in the following service classifications:

- SC-1 Residential Sales and Transportation
- SC-2 Small General Firm Service Sales and Transportation
- SC-3 Large General Firm Service Sales and Transportation
- SC-4 Interruptible Sales and Transportation
- SC-5 Interruptible Transportation – Individually Negotiated Agreements

Notice of the tariff changes will be published the weeks of November 29 and December 6, 13, and 20, 2021. Proof of Publication will be filed with the Commission when available.



Six copies of Testimony and Exhibits with Workpapers are being delivered to Department of Public Service trial Staff today in support of the Company's request for changes in the rates.

The Company is filing to increase its gas revenues by \$3,447,000 or 9.48% of operating revenues. The cost increases are attributable to:

1. increased operating costs associated with the Company's responsibility to provide natural gas distribution service in a safe and reliable manner;
2. capital investments to replace the Company's aging and obsolete computer and software systems, which will improve its customer experience while also meeting the requirements of the Commission's new Integrated Energy Data Resource initiative;
3. investments associated with innovative projects essential to align the Company with the goals of the New York State Climate Leadership and Community Protection Act ("CLCPA"); and
4. continued response to the economic pressures and recovery from the COVID-19 pandemic.

The main drivers necessitating the request for increased rates are new and enhanced operation and maintenance ("O&M") programs to continue the safe and reliable distribution of natural gas and comply with new and existing regulations and laws (\$435,000), an increase in depreciation expense (\$950,000), payroll and overhead for the benefit of the current workforce and the addition of new positions to manage new requirements associated with the O&M programs listed above (\$670,000), and other incremental increases, including inflation, to allow the Company to earn a lawful and reasonable rate of return.

Below are some highlights included in the filing:

New and Enhanced Operating Programs for Safety and Reliability

Bridge Inspections – the Company currently performs visual inspections of its gas pipelines on 10 bridge crossings including one on the U.S. portion of the Seaway International Bridge in Massena. To provide an increased level of safety and reliability for our customers, Liberty SLG proposes to hire qualified pipe inspectors to perform close proximity inspections.

In-line inspections – propose to perform a baseline assessment of a critical 8", high pressure, polyethylene coated steel pipeline installed under the Grasse River in Massena, NY in 1991.

Right-of-Way Vegetation Management – a rotating three-year program was designed, and is proposed in this proceeding, to comply with the Transmission Right-of-Way Management Plan filed with the Commission.



Station Rehabilitation – age of infrastructure and an increased commitment to the environment and safety create the need for new processes and a plan to rehabilitate the 35 border/district regulator stations in the Company’s service territory.

System Analysis – Liberty SLG plans to hire an engineering firm to perform system analysis on all its high and intermediate pressure distribution mains in response to activities related to Case 20-G-0131.

Improved Customer Experience

The filing describes the Company’s plan to upgrade its systems as part of an enterprise-wide transition to Customer First including a Customer Information System, Asset Management application, and accounting system.

Expansion Area

This filing addresses the expansion area self-supporting mechanism as established in Case 18-G-0133 and proposes a path forward to a fair and equitable merger with the Company’s legacy area.

Customer Affordability

The Company proposes an enhanced low-income program with an arrearage forgiveness component.

Renewable Natural Gas (“RNG”)

This filing outlines Liberty SLG’s initiatives to utilize and expand its existing infrastructure for new technologies being developed and considered to meet its parent company’s own recently announced “Net Zero by 2050” goal while also furthering the State’s goals outlined in the CLCPA. In addition, this filing address certain aspects of RNG and the interconnection with the Company’s distribution system.

In accordance with the requirements of 16 NYCRR 61.3, the Company provides the following information:

- A. The changes are described more fully on the proposed revised leaves to PSC No. 1-Gas and in the following comments.

The basic purposes of the filing are to:

1. recover increased costs that will be incurred in the rate year; and
2. maintain a reasonable rate of return on the Company’s assets devoted to the provision of utility service.



B. All bills in Service Classification Nos. 1, 2 and 3 will increase. The number of bills issued in October 2021 in these classifications totaled 16,938.

Bills in Service Classification No. 4 may or may not increase as they are based on Service Classification No. 3 rates, but are market based. The number of bills issued in Service Classification No. 4 totaled 10.

Bills in Service Classification No. 5 will increase due to an increase in the Iroquois Surcharge Rate. There are 2 bills in Service Classification No. 5.

Liberty SLG currently has the fourth lowest residential gas distribution rates in New York State. The requested increased revenues will result in a bill impact of approximately 13.0 percent for an average residential heating customer, approximately 18.0 percent for an average commercial customer, and an average of 5.0 percent for the industrial service class.

Our legal counsel in this proceeding will be:

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Please direct inquiries through her office or directly to me.

Sincerely,
Liberty Utilities (St. Lawrence Gas) Corp.

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