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Issues: Industrial and Transportation

Customers, Special Contracts

Witness: Kim Cox

Sponsoring Party: MO PSC Staff

Type of Exhibit: Rebuttal Testimony

Case No.: GR-2014-0152

Date Testimony Prepared: July 30, 2014

MISSOURI PUBLIC SERVICE COMMISSION

REGULATORY REVIEW DIVISION

Tariff, Safety, Economic & Engineering Analysis

REBUTTAL TESTIMONY

OF

KIM COX

LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP. d/b/a LIBERTY UTILITIES

CASE NO. GR-2014-0152

Jefferson City, Missouri July 2014

** Denotes Highly Confidential Information **

PSC Exhibit No 12

Date 98 " Reporter 53P

File No

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BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Liberty Utilities (Midstates Natural Gas) Corp. d/b/s Liberty Utilities' Tariff Revisions Designed to Implement a General Rate Increase for Natural Gas Service in the Missouri Service Areas of the Company	a) s) File No. GR-2014-0152
AFFIDAVI	Т ОГ КІМ СОХ
STATE OF MISSOURI)) ss COUNTY OF COLE)	
preparation of the following Rebuttal Test of pages of Rebuttal Testimony to l in the following Rebuttal Testimony were	oath states: that she has participated in the imony in question and answer form, consisting the presented in the above case, that the answers that by her; that she has knowledge of the that such matters are true to the best of he
	Kim Cox
Subscribed and sworn to before me this 2	4th day of July, 2014.

Notary Public

LAURA BLOCH
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: June 21, 2015
Commission Number: 11203914

	1	REBUTTAL TESTIMONY
	2	OF
	3	KIM COX
	4	LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.
	5	d/b/a LIBERTY UTILITIES
~	6	CASE NO. GR-2014-0152
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1	REBUTTAL TESTIMONY
2	\mathbf{OF}
3	KIM COX
4	LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.
5	d/b/a LIBERTY UTILITIES
6	CASE NO. GR-2014-0152
7	Q. Are you the same Kim Cox who participated in Staff's Cost of Service report?
8	A. Yes I am.
9	EXECUTIVE SUMMARY
10	Q. What is the purpose of your rebuttal testimony?
11	A. The purpose of my rebuttal testimony is to address the Industrial and
12	Transportation customers' test year revenues and the Special Contracts that Liberty Utilities
13	(Midstates Natural Gas) Corp. d/b/a Liberty Utilities ("Liberty Utilities" or "Company") has
14	with Noranda Aluminum, Inc. ("Noranda") and General Mills.
15 16	TEST YEAR REVENUES FOR INDUSTRIAL AND TRANSPORTATION CUSTOMERS
17	Q. Did you contribute to Staff's Direct Revenue Requirement Cost of Service
8	Report regarding the revenues of Industrial and Transportation customers of Liberty?
9	A. Yes.
20	Q. What were the results of your analysis?
21	A. At the time of the Direct filing of this case Staff was not able to perform its
22	analysis due to the lack of, or timeliness of data provided by Liberty Utilities.
23	Q. Has Liberty Utilities provided the data necessary since Staff's direct filing?

1	A. Yes.
2	Q. Please explain the analysis.
3	A. Staff analyzed the Industrial and Transportation customers' test year usage and
4	revenues. Staff reviewed (1) any customer coming on, or leaving Liberty Utilities system
5	during the test year; (2) customers taking service from more than one rate class during the test
6	year; and (3) customers that may have been weather sensitive.
7	Q. Did Staff make any adjustments for these types of customers?
8	A. No. Based on the data provided by Liberty Utilities, Staff's analysis showed
9	that no adjustments to Industrial and Transportation customers' were needed.
10	Q. Has Staff's Direct filed revenues for Industrial and Transportation customers
11	changed?
12	A. Yes. Staff used actual revenues, twelve months ending March 2014 with the
13	exception of proposing ** ** for the Direct
14	filing. Staff is now using actual revenues, twelve months ending September 2013 with the
15	same ** ** This information was provided to Staff
16	witness, Mr. Kofi Boateng.
17	SPECIAL CONTRACTS - NORANDA AND GENERAL MILLS
18	Q. Did Liberty Utilities provide testimony for Noranda and General Mills in their
19	Direct filing?
20	A. Yes. Liberty Utilities witness, Mr. Chris Krygier provided Direct testimony,
21	starting on page 17, VII. Special Contracts.
22	Q. Did Mr. Krygier provide current contracts with Noranda and General Mills?



1	A. At page 17, Line 12, Mr. Krygier states "Attached to my testimony as	
2	Schedule CDK-4HC is the current contract with Noranda." And on page 18, line 12, Mr.	
3	Krygier states "Attached to my testimony as Schedule CDK-5HC is the contract that went	
4	into effect on March 1, 2005" with General Mills.	
5	Q. Has Staff reviewed the contracts that Mr. Krygier attached?	
6	A. Yes.	
7	Q. ****	
8	A. **	
9	**	
10	Q. Please explain.	
11	A. **	
12		
13		
14 15		
16	**	
17	Q. ****	
18	A. ** **	
19	Q. In Mr. Krygier's testimony he mentioned that Noranda and Liberty Utilities are	
20	negotiating an alternative mutually agreeable contract and that the Company would submit a	
21	new contract as a supplemental highly confidential schedule once it is finalized and executed.	
22	Has a new contract been submitted?	



1	A. Yes. A new Gas Transportation Agreement **	
2	** has been provided to the parties of this case.	
3	Q. Mr. Krygier goes on to say that entering into a contract prevents Noranda from	
4	switching to the Texas Eastern Transmission Company ("TETCO"). **	
5	**	
6	A. **	
7	**	
8	Q. Mr. Krygier states that having a special contract with Noranda is fair to both	
9	Noranda and Liberty Utilities' other customers. Does Staff agree?	
10	A. Staff does not agree that the current arrangement with Noranda is fair to	
11	Liberty Utilities' other customers.	
12	Q. Has Liberty Utilities provided any support for the rates paid by Noranda?	
13	A. No.	
14	Q. On page 19 of his Direct testimony, Mr. Krygier addresses the question of how	
15	Noranda's and General Mills' contracts were treated in the last rate case, docket No. GR-	
16	2010-0192. Mr. Krygier responded that in the Unanimous Stipulation and Agreement in that	
7	case, the signatories agreed that the revenues associated with special contracts should not be	
18	imputed in the case. What was Staff's Direct filing recommendation for special contracts in	
9	Case No. GR-2006-0387?	
20	A. **	
21		
22		
23		
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Rebuttal	Test	imony	of
Kim Co	X		

1		- Village
2	**	
3	Q.	What is Staff's recommendation for this case?
4	A.	**
5	-	
6	**	
7	Q.	Does this conclude your rebuttal testimony?
8	Α.	Yes, it does.

