EXHIBIT

Exhibit No.:
Issue(s): Special Contract Revenues
Witness/Type of Exhibit: Meisenheimer/Surrebuttal
Sponsoring Party: Public Counsel
Case No.: GR-2014-0152

SURREBUTTAL TESTIMONY

OF

BARBARA MEISENHEIMER

Submitted on Behalf of
the Office of the Public Counsel

LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.
D/B/A LIBERTY UTILITY

Case No. GR-2014-0152

August 15, 2014

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities' Tariff Revisions Designed To Implement a General Rate Increase for Natural Gas Service in the Missouri Service Areas of the Company	))))))	Case No. GR-2014-0152

AFFIDAVIT OF BARBARA A. MEISENHEIMER

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Barbara A. Meisenheimer, of lawful age and being first duly sworn, deposes and states:

1. My name is Barbara A. Meisenheimer. I am Chief Utility Economist for the Office of the Public Counsel.

2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony.

3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

Barbara A. Meisenheimer

Subscribed and sworn to me this 15th day of August, 2014.

NOTARY PUBLIC NOTARY SEAL STATE OF MISSOURI

JERENE A. BUCKMAN
My Commission Expires
August 23, 2017
Cole County
Commission #13754037

Jerene A. Buckman
Notary Public

My Commission expires August 23, 2017.

SURREBUTTAL TESTIMONY

OF

BARBARA A. MEISENHEIMER

LIBERTY UTILITIES

CASE NO. GR-2014-00152

Q. Please state your name, title, and business address.

A. Barbara A. Meisenheimer, Chief Utility Economist, Office of the Public Counsel, P.O. Box 2230, Jefferson City, Missouri 65102.

Q. Have you testified previously in this case?

A. Yes. I filed rebuttal testimony on July 30, 2014.

Q. What is the purpose of your testimony?

A. My surrebuttal testimony responds to the rebuttal testimony of Christopher Krygier on the treatment of special contract revenues proposed by Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities ("Liberty" or "Company").

Q. At page 5 of rebuttal testimony, Company witness Christopher Krygier suggests that the negotiated price in the proposed Noranda special contract is the product of an arm's length transaction between the Company and Noranda. Is it necessary also to consider the impact of the negotiated price on the Company's other customers?

A. Yes. Mr. Krygier's statement does not acknowledge that customers' interests were not fully represented in the negotiations between the Company and Noranda.

Q. Staff has proposed to use tariff rates when calculating the current and proposed class revenues associated with special contract customer volumes. Do you agree with this approach in cases in which the Company does not demonstrate that a continued discounted rate is justified?

A. Yes. Prior to allowing the Company to charge other customers for any discount it gives to special contract customers, the Company should be required to justify that the discount is necessary to retain the customer and that other customers receive a net benefit from providing the discounted rate. This is an essential protection for the Company's other ratepayers.

Q. Does this conclude your testimony?

A. Yes.