**FILED** September 22, 2014 Data Center **Missouri Public** Service Commission

Exhibit No.: Issue: Witness: Sponsoring Party: MoPSC Staff Type of Exhibit: Rebuttal Testimony Case No.: GR-2014-0152 Date Testimony Prepared:

Accounting Schedules Lisa K. Hanneken July 30, 2014

## **MISSOURI PUBLIC SERVICE COMMISSION**

¥.

#### **REGULATORY REVIEW DIVISION**

#### **UTILITY SERVICES - AUDITING**

#### **REBUTTAL TESTIMONY**

#### OF

## LISA K. HANNEKEN

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

## **CASE NO GR-2014-0152**

Jefferson City, Missouri July 2014

PSC	5	Exhi	bit No.	26	
Date	98	11	bit No. _ Repo	rters	JP
File N	10				

1		REBUTTAL TESTIMONY					
2	OF						
3		LISA K. HANNEKEN					
4 5		LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP. d/b/a LIBERTY UTILITIES'					
6		CASE NO. GR-2014-0152					
7	Q.	Please state your name and business address.					
8	А.	Lisa K. Hanneken, 111 N. 7 <sup>th</sup> Street, Suite 105, St. Louis, MO 63101.					
9	Q.	By whom are you employed and in what capacity?					
10	А.	I am employed by the Missouri Public Service Commission ("Commission") as a					
11	Utility Regulatory Auditor V in the Auditing Unit of the Utility Services Department, Regulatory						
12	Review Division.						
13	Q.	Are you the same Lisa K. Hanneken who contributed to Staff's Direct Revenue					
14	Requirement Cost of Service Report and filed Direct Testimony in this case?						
15	А.	Yes.					
16	Q.	What is the purpose of your rebuttal testimony in this proceeding?					
17	А.	My rebuttal testimony will address Staff's revised accounting schedules which					
18	will be filed concurrently with this rebuttal testimony.						
19	ACCOUNT	ING SCHEDULES					
20	Q.	Why is Staff filing revised accounting schedules at this time?					
21	А.	There are two main reasons why Staff has filed a set of revised accounting					
22	schedules with its rebuttal testimony.						

# Rebuttal Testimony of Lisa K. Hanneken

1

2

3

First, as with all rate cases, once other parties reviewed the schedules and provided further input and/or data, Staff agreed to make minor revisions to correct errors and account for valid concerns expressed by the parties.

4 Secondly, in Staff's Revenue Requirement Cost of Service Report (Report), Staff 5 discussed that in several areas it was still waiting to receive further data from Liberty Utilities 6 (Midstates Natural Gas) Corp. d/b/a Liberty Utilities ("Liberty Utilities" or "Company"). Since 7 the time of Staff's Report, Liberty Utilities has provided various items of new data to Staff, 8 allowing Staff to incorporate the new information into its revenue requirement calculations. This 9 resulted in changes to areas such as miscellaneous expense, governmental affairs expenses, and 10 rate base. However, overall, the largest impact on Staff's rate recommendation resulted from new 11 revenue data provided to Staff by Liberty Utilities. While the Staff did not receive the data from 12 Liberty Utilities in time to address the revision in Supplemental Direct testimony as initially 13 planned, Staff was able to subsequently analyze the new data and incorporate the results of that 14 analysis into its cost of service calculations included within the revised accounting schedules 15 filed with Staff's rebuttal testimony. More detailed descriptions of the revisions made to revenues based on additional data will be addressed by each individual Staff revenue witness as 16 17 part of their rebuttal testimony.

18

What revenue requirement resulted from Staff's revision calculations?

19

A. Overall, Staff is now recommending a decrease on a total company basis of

20 \$(559,439). This is broken down by district as follows:

Q.

# Rebuttal Testimony of Lisa K. Hanneken

District Name	Staff Proposed Increase/(Decrease) at Rebuttal	Staff Proposed Increase/(Decrease) at Direct	Overall Change from Direct
Northeast Missouri (NEMO)	\$668,808	\$(317,653)	\$986,461
Southeast Missouri (SEMO)	\$(1,298,651)	\$(3,557,406)	\$2,258,755
Western Missouri (WEMO)	<u>\$70,170</u>	<u>\$18,221</u>	<u>\$51,949</u>
Total Company	\$(559,439)	\$(3,856,734)	\$3,297,295

Does this conclude your rebuttal testimony?

2 3

4

1

A. Yes, it does.

Q.

#### 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 LISA K. HANNEKEN

STATE OF MISSOURI	)	
	)	SS.
COUNTY OF COLE	)	

Lisa K. Hanneken, of lawful age, on her oath states: that she has participated in the preparation of the foregoing Rebuttal Testimony in question and answer form, consisting of 3 pages to be presented in the above case; that the answers in the foregoing Rebuttal Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of her knowledge and belief.

Lisa K. Hanneken

Subscribed and sworn to before me this

day of July, 2014.

D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: December 12, 2016 Commission Number: 12412070

Notary Public