

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Verified Application and)	
Petition of Liberty Energy (Midstates) Corp.)	<u>Case No. GO-2014-0006</u>
d/b/a Liberty Utilities to Change Its Infrastructure)	Tariff File No. YG-2014-0004
System Replacement Surcharge.)	

STAFF STATEMENT OF POSITION ON ISSUES

COMES NOW the Staff (“Staff”) of the Missouri Public Service Commission (“Commission”), by and through the undersigned counsel, and for its Statement of Position on Issues in response to the Commission’s *Order Establishing Procedural Schedule and Other Procedural Requirements* (the “Order”) issued herein on September 13, 2013, respectfully states as follows:

1. The Order required a List of Issues to be filed in this case on September 19, 2013. Pursuant to the Order, the parties (Staff, Liberty Energy (Midstates) Corp. d/b/a Liberty Utilities, and The Office of the Public Counsel) filed a List of Issues and Order of Opening Statements, Witnesses and Cross-Examination (the “List of Issues”) on September 19, 2013.

2. The List of Issues set forth the following as *Issues for Commission Determination*:

1. Should the Commission approve an incremental ISRS (infrastructure system replacement surcharge) revenue requirement increase for Liberty Utilities in this case?

2. (i) What amount of incremental ISRS revenue requirement increase should the Commission approve for Liberty Utilities in this case (total and by district), and (ii) what composite/cumulative ISRS rate should

Liberty Utilities be authorized to file for each customer class by district based on such increase?

3. As stated in the *Staff Updated Report on Infrastructure System Replacement Surcharge for Liberty Utilities* filed on September 20, 2013 and in the *Staff Exhibit List of Prefiled Exhibits* filed on September 23, 2013, Staff was informed by the Company of certain information on September 19, 2013 which will likely necessitate Staff adjusting its figures, but was informed too late to include those adjustments in Staff's prefiled *Updated Report* which was required to be filed on September 20, 2013. Staff intends to present those adjustments, if any, at the hearing. Therefore, the figures set forth below will likely change somewhat. However, since the Order required the parties to file Position Statements on September 24, 2013, Staff respectfully submits the following as its Statement of Position on each of the issues as set forth in the List of Issues, based on its prefiled *Updated Report*:¹

Issue 1: Should the Commission approve an incremental ISRS (infrastructure system replacement surcharge) revenue requirement increase for Liberty Utilities in this case?

Staff Position: Yes, the Commission should approve an incremental ISRS revenue requirement increase for Liberty Utilities in this case, although not as much as Liberty Utilities sought in its filing herein.

Issue 2: (i) What amount of incremental ISRS revenue requirement increase should the Commission approve for Liberty Utilities in this case (total and by district)

Staff Position: The Commission should approve an incremental ISRS revenue requirement increase in the amount of annual pre-tax revenues of \$608,589 (total increase this case),

¹ If it is able to do so, Staff will file an updated Statement of Position prior to the hearing to reflect any adjusted figures.

consisting of \$31,956 for the WEMO district, \$185,181 for the SEMO district, and \$391,452 for the NEMO district. Such an increase would result in a cumulative ISRS Revenue Requirement for Liberty Utilities of \$1,360,949.

Issue 2: (ii) what composite/cumulative ISRS rate should Liberty Utilities be authorized to file for each customer class by district based on such increase?

Staff Position: Liberty Utilities should be authorized to file composite ISRS rates for each customer class by district as shown on Schedule JM-1, as follows:

<u>Northeast District</u>	<u>ISRS Charge</u>
Firm residential	\$3.25
Small Firm GS	\$3.25
Medium Firm GS	\$14.32
Large Firm GS	\$71.61
Interruptible Large Volume	\$71.61
 <u>Southeast District</u>	
Firm Residential	\$1.05
Small Firm GS	\$1.05
Medium Firm GS	\$7.67
Large Firm GS	\$38.34
Interruptible Large Volume	\$38.34
 <u>West District</u>	
Firm Residential	\$2.00
Small Firm GS	\$2.00
Medium Firm GS	\$9.93
Large Firm GS	\$49.66

WHEREFORE, Staff respectfully requests the Commission accept this Statement of Position in response to the *Order Establishing Procedural Schedule and Other Procedural Requirements*.

Respectfully submitted,

/s/ Jeffrey A. Keevil

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 24th day of September, 2013.

/s/ Jeffrey A. Keevil