

**Liberty Utilities (Midstates Natural Gas) Corp.
d/b/a Liberty Utilities**

**Missouri Public Service Commission
Case No. GR-2014-0152**

Cost of Service Model

**Please Refer to Schedule/Workpaper Listing
for Sponsoring Witness(s)**

February 2014

Liberty Exhibit No. 9
Date 9/8/14 Reporter SJP
File No. _____

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Missouri Public Service Commission (Case No. GR-2014-0152)
Cost of Service (COS)
Schedule/Workpaper Listing with Sponsoring Witness(s)

Line No.	Schedule or Workpaper	Schedule or Workpaper Description	Sponsoring Witness(s)
1	Schedule COS - 1	Cost of Service and Revenue Deficiency Summary	James Fallert
2	Schedule COS - 2	Summary of Normalized Margin Revenue at Present Rates	Christopher D. Krygier
3	Schedule COS - 3	Summary of Normalized Margin Revenue at Proposed Rates and Classifications	Christopher D. Krygier
4	WP 3-1	Rate Design	Christopher D. Krygier
5	Schedule COS - 4	Operation and Maintenance Expenses	James Fallert
6	WP 4-1	Operation and Maintenance Expenses Per Books	James Fallert
7	WP 4-2	Jackson, MO Office Rent Adjustment	James Fallert
8	WP 4-3	Rate Case Expense Adjustment	James Fallert
9	WP 4-4	Corporate Cost Adjustment	Christopher D. Krygier
10	WP 4-5	Dues, Fees, Advertising Expense Adjustment	James Fallert
11	WP 4-6	Reclassify Purchased Gas Cost	James Fallert
12	WP 4-7	Uncollectible Expense Normalization and Adjustment	James Fallert
13	WP 4-8	Atmos CSA Adjustment (Labor & Depreciation)	James Fallert
14	WP 4-9	Wage & Benefits Annualization Adjustment	James Fallert
15	WP 4-10	Non-Recoverable Costs	James Fallert
16	Schedule COS - 5	Taxes Other Than Income Taxes	James Fallert
17	WP 5-1	Taxes Other Than Income Taxes for Missouri and Admin & General Offices	James Fallert
18	WP 5-2	Ad Valorem Adjustment	James Fallert
19	Schedule COS - 6	Depreciation and Amortization Expense	James Fallert
20	WP 6-1	Jackson, MO Office Depreciation Expense Adjustment	James Fallert
21	WP 6-2	Kirksville, MO Depreciation Expense Adjustment	James Fallert
22	WP 6-3	Southeast Missouri Division Depreciation Adjustment	James Fallert
23	WP 6-4	Northeast Missouri Division Depreciation Adjustment	James Fallert
24	WP 6-5	Western Missouri Division Depreciation Adjustment	James Fallert
25	Schedule COS - 7	Rate Base and Return Calculation	James Fallert
26	WP 7-1	Net Plant	James Fallert
27	WP 7-2	General Office Allocation of Net Plant	James Fallert

28	WP 7-3	Rate Base Computation of Accumulated Deferred Income Taxes ("ADIT")	James Fallert
29	WP 7-3-1	Western Missouri Division ADIT Adjustment	James Fallert
30	WP 7-3-2	Southeastern Missouri Division ADIT Adjustment	James Fallert
31	WP 7-3-3	Northeastern Missouri Division ADIT Adjustment	James Fallert
32	WP 7-3-4	Jackson, MO Division ADIT Adjustment	James Fallert
33	WP 7-4	Customer Advances and Customer Deposits	James Fallert
34	WP 7-4-1	Customer Advances	James Fallert
35	WP 7-4-2	Customer Deposits	James Fallert
36	WP 7-5	Underground Stored Gas	James Fallert
37	WP 7-6	Prepayments	James Fallert
38	WP 7-7	Cash Working Capital	James Fallert
39	WP 7-8	Computation of Rate Base Deduction per Acquisition Order	James Fallert
40	WP 7-9	Energy Efficiency Regulatory Asset	James Fallert
41	Schedule COS - 8	Computation of State and Federal Income Taxes	James Fallert
42	Schedule COS - 9	Capital Structure and Cost of Capital	Robert Hevert
43	WP 9-1-1	Capital Balances	Robert Hevert
44	WP 9-2-1	Interest Rates	Robert Hevert
45	Schedule COS - 10	Interest Expense on Security Deposit Adjustment	James Fallert

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Missouri Jurisdiction
Cost of Service and Revenue Deficiency
Twelve Months Ended September 30, 2013 with updates to April 30, 2014

Line No.	Description (a)	Reference (b)	NEMO ¹ (c)	SEMO ² (d)	WEMO ³ (e)	Total Missouri (f)
1	NonGas Operation & Maintenance Exp.	Schedule 4	\$ 3,817,969	\$ 5,251,203	\$ 932,634	\$ 10,001,923
2						
3	Taxes Other Than Income Taxes	Schedule 5	572,985	715,156	192,892	1,481,032
4						
5	Depreciation & Amortization Expense	Schedule 6	2,503,002	2,551,926	387,933	5,442,861
6						
7	Interest Expense on Customer Deposits	Schedule 10	23,614	31,304	5,179	60,097
8						
9	Return on Rate Base	Schedule 7	3,083,113	3,523,391	496,879	7,103,383
10						
11	Income Tax Proforma	Schedule 8	1,450,226	1,657,322	233,720	3,341,268
12						
13	Total Cost of Service (Sum of Lns. 1 - 11)		<u>\$ 11,450,909</u>	<u>\$ 13,730,301</u>	<u>\$ 2,249,236</u>	<u>\$ 27,430,563</u>
14						
15						
16	Base Revenue at Present Rates	Schedule 2	\$ 9,056,379	\$ 10,452,377	\$ 1,574,238	\$ 21,082,995
17						
18	Revenue Deficiency (Ln. 13 - Ln. 16)		<u>\$ 2,394,530</u>	<u>\$ 3,277,924</u>	<u>\$ 674,998</u>	<u>\$ 6,347,569</u>
19						
20	Notes:					
21	1. NEMO is the abbreviation for Northeast Missouri.					
22	2. SEMO is the abbreviation for Southeast Missouri.					
23	3. WEMO is the abbreviation for Western Missouri.					

Line No.	Description	Base Count Number of Bills	Present Base Customer Charge Volumes Mcf	ISRS	Present Mcf Base Rate	Normalizing Volume Mcf adjustments	Normalizing base count adjustments	Volume impact base count adjustments	Industrial Volume Mcf adjustments	Total MO Adjusted Counts	Total MO Adjusted Mcf Volumes	Total MO Normalized Present Margin Rev	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	
1	NEMO-DIV 70 & 97												
2	Residential Gas Service	191,960	1,233,649	22.68	3.16	1.1546	(35,086)	(2,327)	(14,449)	-	189,633	1,184,114	6,267,295
3	Small General Gas Service Com	24,429	32,253	22.68	3.16	0.5778	(10,271)				24,429	21,982	643,947
4	Medium General Service Com	3,243	363,839	100.00	13.94	1.8615	(1,255)				3,243	362,584	1,044,457
5	Large General Gas Service Com	67	26,966	500.00	69.71	1.1713					67	26,966	69,756
6	Small General Gas Service Schools	449	568	22.68	3.16	0.5778					449	568	11,931
7	Medium General Service Schools	386	44,710	100.00	13.94	1.8615					386	44,710	127,209
8	Large General Gas Service Schools	6	65,681	500.00	69.71	1.1713					6	65,681	80,350
9	Small General Service Ind	-	-	22.68	3.16	0.5778					-	-	-
10	Medium General Service Ind	100	27,963	100.00	13.94	1.8615					100	27,963	63,447
11	Large General Gas Service Ind	64	102,952	500.00	69.71	1.1713					64	102,952	157,050
12	Interruptible Ind	7	15,567	500.00	69.71	1.1713					7	15,567	22,222
13	Small General Service Trans	18	20	22.68	3.16	0.5778					18	20	477
14	Medium General Service Trans	18	928	100.00	13.94	1.8615					18	928	3,778
15	Large General Gas Service Trans	59	234,237	500.00	69.71	1.1713					59	234,237	307,975
16	Total Sales	220,806	2,149,334				(46,612)	(2,327)	(14,449)	-	218,479	2,088,273	8,799,892
17	Other Revenues												
18	Transportation												-
19													-
20	Special Transportation												152,233
21	Forfeited Discounts (acct 487)												15,881
22	Misc Other Revenues (acct 488,493)												88,373
23													-
24	Total Other Revenues												256,487
25													-
26	TOTAL - NEMO	220,806	2,149,334				(46,612)	(2,327)	(14,449)	-	218,479	2,088,273	9,056,379
27													-
28	SEMO - DIVISION 72												
29	Residential Gas Service	335,725	1,727,033	13.75	1.04	0.8735	(57,477)	(3,107)	(15,468)	-	332,618	1,654,088	6,364,266
30	Small General Gas Service Com	22,170	15,802	13.75	1.04	0.4536	(12,524)				22,170	3,279	329,382
31	Medium General Service Com	7,605	513,328	100.00	7.56	1.6607	(1,972)				7,605	511,355	1,667,202
32	Large General Gas Service Com	105	78,864	500.00	37.82	1.4356					105	78,864	169,688
33	Small General Gas Service Schools	867	682	13.75	1.04	0.4536					867	682	13,132
34	Medium General Service Schools	757	35,652	100.00	7.56	1.6607					757	35,652	140,630
35	Large General Gas Service Schools	-	-	500.00	38.72	1.4356					-	-	-
36	Small General Service Ind	-	-	13.75	1.04	0.4536					-	-	-
37	Medium General Service Ind	211	41,367	100.00	7.56	1.6607					211	41,367	91,393
38	Large General Gas Service Ind	86	81,115	500.00	37.82	1.4356					86	81,115	162,701
39	Interruptible Ind	59	50,893	500.00	37.82	1.4356					59	50,893	104,794
40	Small General Service Trans	20	72	13.75	1.04	0.4536					20	72	328
41	Medium General Service Trans	6	460	100.00	7.56	1.6607					6	460	1,410
42	Large General Gas Service Trans	144	530,261	500.00	37.82	1.4356					144	530,261	838,689
43	Total Sales Revenue	367,755	3,075,528				(71,973)	(3,107)	(15,468)	-	364,648	2,988,087	9,883,614
44	Other Revenues												
45	Transportation												-
46													-
47	Special Transportation												232,883
48	Forfeited Discounts (acct 487)												11,210
49	Misc Other Revenues (acct 488)												324,671
50	Total Others Revenues												568,763
51													-
52	Total SEMO	367,755	3,075,528				(71,973)	(3,107)	(15,468)	-	364,648	2,988,087	10,452,377
53													-
54	WEMO-DIV 29 & 71												
55	Residential Gas Service	39,438	231,152	20.17	1.97	1.0682	(1,382)	(754)	(4,391)	-	38,684	225,379	1,097,214
56	Small General Gas Service Com	5,944	6,562	20.17	1.97	0.5944	(2,103)				5,944	4,459	134,251
57	Medium General Service Com	392	38,407	100.00	9.78	2.2190	(145)				392	38,262	127,937
58	Large General Gas Service Com	35	29,867	500.00	48.92	1.5115					35	29,867	64,355
59	Small General Gas Service Schools	142	228	20.17	1.97	0.5944					142	228	136
60	Medium General Service Schools	89	4,997	100.00	9.78	2.2190					89	4,997	11,088
61	Large General Gas Service Ind	11	1,300	500.00	48.92	1.5115					11	1,300	8,004
62	Interruptible	59	50,893	500.00	48.92	1.5115					59	50,893	109,311
63	Total Sales Revenue	46,110	363,406				(3,630)	(754)	(4,391)	-	45,125	355,385	1,552,295
64	Other Revenues												
65	Special Transportation												-
66	Forfeited Discounts (acct 487)												2,465
67	Misc Other Revenues (acct 488)												19,479
68	Total Others Revenues												21,944
69													-
70	Total WEMO	46,110	363,406				(3,630)	(754)	(4,391)	-	45,125	355,385	1,574,238
71	Total Missouri												
72	Total Sales	634,671	5,588,268				(122,215)	(6,188)	(34,308)	-	628,252	5,431,745	20,235,800
73	Total Other Revenues												847,194
74	Total Missouri	634,671	5,588,268				(122,215)	(6,188)	(34,308)	-	628,252	5,431,745	21,082,995

Missouri Jurisdiction

Summary of Normalized Margin Revenue at Proposed Rates
 Twelve Months Ended September 30, 2013

Line No.	Description	Base Count Number of Bills	Proposed Volumes Mcf	Proposed Base Customer Charge	Proposed Mcf Base Rate	Normalizing Volume adjustments	Normalizing base count adjustments	Volume impact base count adjustments	Industrial Volume adjustments	Total MO Adjusted Counts	Total MO Adjusted Mcf Volumes	Total MO Normalized Proposed Margin Rev
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	NEMO-DIV 70 & 97											
2	Residential Gas Service	191,960	1,233,649	32.87	-	1.4688	(35,086)	(2,327)	(14,449)	189,633	1,184,114	7,972,464
3	Small General Gas Service Com	24,429	32,253	32.87	-	0.7350	(10,271)			24,429	21,982	819,138
4	Medium General Service Com	3,243	363,839	144.94	-	2.3680	(1,255)			3,243	362,584	1,328,639
5	Large General Gas Service Com	67	26,966	724.73	-	1.4900				67	26,966	88,736
6	Small General Gas Service Schools	449	568	32.87	-	0.7350				449	568	15,176
7	Medium General Service Schools	386	44,710	144.94	-	2.3680				386	44,710	161,821
8	Large General Gas Service Schools	6	65,681	724.73	-	1.4900				6	65,681	102,213
9	Small General Service Ind	-	-	32.87	-	0.7350				-	-	-
10	Medium General Service Ind	100	27,963	144.94	-	2.3680				100	27,963	80,710
11	Large General Gas Service Ind	64	102,952	724.73	-	1.4900				64	102,952	199,782
12	Interruptible Ind	7	15,567	724.73	-	1.4900				7	15,567	28,268
13	Small General Service Trans	18	20	32.87	-	0.7350				18	20	606
14	Medium General Service Trans	18	928	144.94	-	2.3680				18	928	4,806
15	Large General Gas Service Trans	59	234,237	724.73	-	1.4900				59	234,237	391,772
16	Total Sales	220,806	2,149,334			(46,612)	(2,327)	(14,449)	-	218,479	2,088,273	11,194,131
17	Other Revenues											
18	Transportation	-	-	-	-	-	-	-	-	-	-	-
19												
20	Special Transportation	-	-	-	-	-	-	-	-	-	-	152,233
21	Forfeited Discounts (acct 487)	-	-	-	-	-	-	-	-	-	-	15,881
22	Misc Other Revenues (acct 488,493)	-	-	-	-	-	-	-	-	-	-	88,373
23												
24	Total Other Revenues	-	-	-	-	-	-	-	-	-	-	256,487
25												
26	TOTAL - NEMO	220,806	2,149,334			(46,612)	(2,327)	(14,449)	-	218,479	2,088,273	11,450,618
27												
28	SEMO - DIVISION 72											
29	Residential Gas Service	335,725	1,727,033	19.70	-	1.1632	(57,477)	(3,107)	(15,468)	332,618	1,654,088	8,476,609
30	Small General Gas Service Com	22,170	15,802	19.70	-	0.6040	(12,524)			22,170	3,279	438,729
31	Medium General Service Com	7,605	513,328	143.23	-	2.2115	(1,972)			7,605	511,355	2,220,127
32	Large General Gas Service Com	105	78,864	716.19	-	1.9117				105	78,864	225,964
33	Small General Gas Service Schools	867	682	19.70	-	0.6040				867	682	17,492
34	Medium General Service Schools	757	35,652	143.23	-	2.2115				757	35,652	187,269
35	Large General Gas Service Schools	-	-	716.19	-	1.9117				-	-	-
36	Small General Service Ind	-	-	19.70	-	0.6040				-	-	-
37	Medium General Service Ind	211	41,367	143.23	-	2.2115				211	41,367	121,705
38	Large General Gas Service Ind	86	81,115	716.19	-	1.9117				86	81,115	216,659
39	Interruptible Ind	59	50,893	716.19	-	1.9117				59	50,893	139,548
40	Small General Service Trans	20	72	19.70	-	0.6040				20	72	437
41	Medium General Service Trans	6	460	143.23	-	2.2115				6	460	1,877
42	Large General Gas Service Trans	144	530,261	716.19	-	1.9117				144	530,261	1,116,831
43	Total Sales Revenue	367,755	3,075,528			(71,973)	(3,107)	(15,468)	-	364,648	2,988,087	13,163,248
44	Other Revenues											
45	Transportation	-	-	-	-	-	-	-	-	-	-	-
46												
47	Special Transportation	-	-	-	-	-	-	-	-	-	-	232,883
48	Forfeited Discounts (acct 487)	-	-	-	-	-	-	-	-	-	-	11,210
49	Misc Other Revenues (acct 488)	-	-	-	-	-	-	-	-	-	-	324,671
50	Total Others Revenues	-	-	-	-	-	-	-	-	-	-	568,763
51												
52	Total SEMO	367,755	3,075,528			(71,973)	(3,107)	(15,468)	-	364,648	2,988,087	13,732,011
53												
54	WEMO-DIV 29 & 71											
55	Residential Gas Service	39,438	231,152	31.77	-	1.5327	(1,382)	(754)	(4,391)	38,684	225,379	1,574,429
56	Small General Gas Service Com	5,944	6,562	31.77	-	0.8529	(2,103)			5,944	4,459	192,644
57	Medium General Service Com	392	38,407	157.52	-	3.1839	(145)			392	38,262	183,569
58	Large General Gas Service Com	35	29,867	787.61	-	2.1688				35	29,867	92,341
59	Small General Gas Service Schools	142	228	31.77	-	0.8529				-	228	194
60	Medium General Service Schools	89	4,997	157.52	-	3.1839				-	4,997	15,909
61	Large General Gas Service Ind	11	1,300	787.61	-	2.1688				11	1,300	11,484
62	Interruptible	59	50,893	717.42	-	2.1688				59	50,893	152,705
63	Total Sales Revenue	46,110	363,406			(3,630)	(754)	(4,391)	-	45,125	355,385	2,223,276
64	Other Revenues											
65	Special Transportation	-	-	-	-	-	-	-	-	-	-	-
66	Forfeited Discounts (acct 487)	-	-	-	-	-	-	-	-	-	-	2,465
67	Misc Other Revenues (acct 488)	-	-	-	-	-	-	-	-	-	-	19,479
68	Total Others Revenues	-	-	-	-	-	-	-	-	-	-	21,944
69												
70	Total WEMO	46,110	363,406			(3,630)	(754)	(4,391)	-	45,125	355,385	2,245,220
71	Total Missouri											
72	Total Sales	634,671	5,588,268			(122,215)	(6,188)	(34,308)	-	628,252	5,431,745	26,580,655
73	Total Other Revenues	-	-	-	-	-	-	-	-	-	-	847,194
74	Difference to COS-1 (rounding)	-	-	-	-	-	-	-	-	-	-	2,714
75	Total Missouri	634,671	5,588,268			(122,215)	(6,188)	(34,308)	-	628,252	5,431,745	27,430,563

Line No.	Current rates			ISRS			Total Base Rates			Revenue Increase (COS-1)			Proposed Rates		
	NEMO	SEMO	WEMO	NEMO	SEMO	WEMO	NEMO	SEMO	WEMO	NEMO	SEMO	WEMO	NEMO	SEMO	WEMO
1	Delivery Charge (Fixed)														
2	\$22.68	\$13.75	\$20.17	\$3.16	\$1.04	\$1.97	\$25.84	\$14.79	\$22.14	27.21%	33.17%	43.48%	\$ 32.87	\$ 19.70	\$ 31.77
3	\$22.68	\$13.75	\$20.17	\$3.16	\$1.04	\$1.97	\$25.84	\$14.79	\$22.14	27.21%	33.17%	43.48%	\$ 32.87	\$ 19.70	\$ 31.77
4	\$100.00	\$100.00	\$100.00	\$13.94	\$7.56	\$9.78	\$113.94	\$107.56	\$109.78	27.21%	33.17%	43.48%	\$ 144.94	\$ 143.23	\$ 157.52
5	\$500.00	\$500.00	\$500.00	\$69.71	\$37.82	\$48.92	\$569.71	\$537.82	\$548.92	27.21%	33.17%	43.48%	\$ 724.73	\$ 716.19	\$ 787.61
6	\$500.00	\$500.00	\$500.00	\$69.71	\$37.82	\$0.00	\$569.71	\$537.82	\$500.00	27.21%	33.17%	43.48%	\$ 724.73	\$ 716.19	\$ 717.42
7															
8	Distribution Charge (per ccf)														
9	\$0.11546	\$0.08735	\$0.10682							27.21%	33.17%	43.48%	\$ 0.14688	\$ 0.11632	\$ 0.15327
10	\$0.05778	\$0.04536	\$0.05944							27.21%	33.17%	43.48%	\$ 0.07350	\$ 0.06040	\$ 0.08529
11	\$0.18615	\$0.16607	\$0.22190							27.21%	33.17%	43.48%	\$ 0.23680	\$ 0.22115	\$ 0.31839
12	\$0.11713	\$0.14356	\$0.15115							27.21%	33.17%	43.48%	\$ 0.14900	\$ 0.19117	\$ 0.21688
13	\$0.11713	\$0.14356	\$0.15115							27.21%	33.17%	43.48%	\$ 0.14900	\$ 0.19117	\$ 0.21688
14															
15	ISRS														
16	\$3.16	\$1.04	\$1.97				\$0.00	\$0.00	\$0.00	0.00%	0.00%	0.00%	\$ -	\$ -	\$ -
17	\$3.16	\$1.04	\$1.97				\$0.00	\$0.00	\$0.00	0.00%	0.00%	0.00%	\$ -	\$ -	\$ -
18	\$13.94	\$7.56	\$9.78				\$0.00	\$0.00	\$0.00	0.00%	0.00%	0.00%	\$ -	\$ -	\$ -
19	\$69.71	\$37.82	\$48.92				\$0.00	\$0.00	\$0.00	0.00%	0.00%	0.00%	\$ -	\$ -	\$ -
20	\$69.71	\$37.82	\$0.00				\$0.00	\$0.00	\$0.00	0.00%	0.00%	0.00%	\$ -	\$ -	\$ -

	NEMO	SEMO	WEMO	Overall
24	\$ 9,056,379	\$ 10,452,377	\$ 1,574,238	\$ 21,082,995
25	(256,487)	(568,763)	(21,944)	(847,194)
26	\$ 8,799,892	\$ 9,883,614	\$ 1,552,295	\$ 20,235,800
27	\$ 2,394,530	\$ 3,277,924	\$ 674,998	\$ 6,347,452
28	27.21%	33.17%	43.48%	31.37%

29
 30 Note: All values calculated on this Workpaper assume inclusion of \$1.33M of ISRS Revenues.

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Missouri Jurisdiction
Operation and Maintenance Expenses
Twelve Months Ended September 30, 2013 with updates to April 30, 2014

Line No.	Description	Reference	NEMO			SEMO	WEMO	Total Missouri
			Div 70	Div 97	Total Div 70 & 97	Total Div 72	Total Div 71 & 29	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Total Non-gas Operation and Maintenance Expense - Per Book	WP 4-1	\$ (155,041)	\$ 3,560,735	\$ 3,381,723	\$ 4,797,267	\$ 781,167	\$ 8,960,275
2								
3	Adjustments to Operation & Maintenance Expenses:							
4	Jackson, MO Office Rent Adjustment	WP 4-2	\$ (760)	\$ (7,957)	\$ (8,717)	\$ (12,786)	\$ (1,587)	\$ (23,091)
5	Rate Case Expense	WP 4-3	-	50,453	50,453	73,720	9,160	133,333
6	Corporate Allocation	WP 4-4	(904)	(9,467)	(10,371)	(15,211)	(1,888)	(27,471)
7	Dues, Fees, Meals, Advertising	WP 4-5	-	(12,839)	(12,839)	(22,100)	(2,237)	(37,176)
8	Reclassify Purchased Gas Cost	WP 4-6	172,384	274,752	447,135	683,230	61,006	1,191,372
9	Bad Debt Expense	WP 4-7	(5,943)	7,004	1,061	36,134	11,952	49,147
10	Atmos CSA Cost - Labor	WP 4-8	-	(316,854)	(316,854)	(464,728)	(57,691)	(839,274)
11	Atmos CSA Cost - Depreciation	WP 4-8	-	(73,774)	(73,774)	(108,204)	(13,432)	(195,410)
12	Wage & Benefits Annualization	WP 4-9	-	371,481	371,481	291,565	146,859	809,905
13	Amortization of Energy Efficiency Regulatory Asset	WP 7-9	-	1,772	1,772	5,418	952	8,142
14	Remove Relocation Expenses	WP 4-10	-	(8,933)	(13,102)	(13,102)	(1,626)	(27,830)
15	Total Adjustments (Sum of Lns. 4 - 14)		\$ 164,777	\$ 275,638	\$ 436,246	\$ 453,936	\$ 151,466	\$ 1,041,649
16								
17	Total Adjusted Operation and Maintenance Expenses (Ln. 1 + Ln. 15)		\$ 9,736	\$ 3,836,373	\$ 3,817,969	\$ 5,251,203	\$ 932,634	\$ 10,001,923

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
 Missouri Jurisdiction
 Operation and Maintenance Expenses
 Twelve Months Ended Sept 30, 2013

Schedule COS-4
 WP 4-1

Line No.	FERC Acct (a)	Description (b)	NEMO			SEMO	WEMO			Total Missouri (j)
			Div 70 (c)	Div 97 (d)	Total Div 70 & 97 (e)	Total Div 72 (f)	Div 71 (g)	Div 29 (h)	Total Div 71 & 29 (i)	
1		Manufactured Gas Production Expenses								
2		<u>Operation</u>								
3	7330	Gas Mixing Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	7350	Miscellaneous Production Expenses	-	171	171	-	-	-	-	171
6		Total Operation	\$ -	\$ 171	\$ 171	\$ -	\$ -	\$ -	\$ -	\$ 171
8		<u>Maintenance</u>								
9	7420	Maintenance of Production Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11		Total Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13		Total Production Expenses	\$ -	\$ 171	\$ 171	\$ -	\$ -	\$ -	\$ -	\$ 171
15		Natural Gas Storage Expenses								
16	8200	Measuring & Regulating Station Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	8260	Rents	-	-	-	-	-	-	-	-
18	8410	Operation Labor and Expenses	-	-	-	118	-	-	-	118
20		Total Storage Expenses	\$ -	\$ -	\$ -	\$ 118	\$ -	\$ -	\$ -	\$ 118
22		Transmission Expenses								
23		<u>Operation</u>								
24	8510	Operating Supervision & Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	8520	Communication System Expenses	-	-	-	-	-	-	-	-
26	8560	Mains Expense	-	-	-	-	-	-	-	-
27	8570	Measuring & Regulating Station Equipment	-	-	-	-	-	-	-	-
28	8580	Transmission and Compression of Gas by Others	(172,384)	(274,752)	(447,135)	(683,230)	(61,006)	-	(61,006)	(1,191,372)
30		Total Operation	\$ (172,384)	\$ (274,752)	\$ (447,135)	\$ (683,230)	\$ (61,006)	\$ -	\$ (61,006)	\$ (1,191,372)
32		<u>Maintenance</u>								
33	8610	Maintenance Supervision & Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	8630	Maintenance of Mains	-	23,971	-	35,158	4,365	-	4,365	39,523
35	8640	Maintenance of Compressor Station Equipment	-	-	-	-	-	-	-	-
36	8650	Maintenance of Measuring & Regulating Equipment	-	-	-	-	-	-	-	-
37	8670	Maintenance of Other Equipment	-	-	-	-	-	-	-	-
39		Total Maintenance	\$ -	\$ 23,971	\$ -	\$ 35,158	\$ 4,365	\$ -	\$ 4,365	\$ 39,523
41		Total Transmission Expenses	\$ (172,384)	\$ (250,780)	\$ (447,135)	\$ (648,072)	\$ (56,642)	\$ -	\$ (56,642)	\$ (1,151,849)

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
 Missouri Jurisdiction
 Operation and Maintenance Expenses
 Twelve Months Ended Sept 30, 2013

Schedule COS-4
 WP 4-1

Line No.	FERC Acct	Description	NEMO			SEMO	WEMO			Total
			Div 70	Div 97	Total Div 70 & 97	Total Div 72	Div 71	Div 29	Total Div 71 & 29	Missouri
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
88		<u>Customer Service Expenses</u>								
89	9070	Supervision	\$ -	\$ (332)	\$ (332)	\$ -	\$ -	\$ -	\$ -	\$ (332)
90	9080	Customer Assistance Expenses	-	174,613	174,613	203,907	30,367	-	30,367	408,887
91	9090	Informational and Instructional Advertising Expenses	12	29,346	29,358	52,379	5,028	-	5,028	86,765
92	9100	Misc Customer Service & Informational Expenses	10	200	211	1,043	36	-	36	1,290
93										
94		Total Customer Service Expenses	\$ 22	\$ 203,827	\$ 203,850	\$ 257,329	\$ 35,431	\$ -	\$ 35,431	\$ 496,609
95										
96		<u>Sales Promotion Expenses</u>								
97	9110	Supervision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
98	9120	Demonstrating & Selling Expenses	-	151	151	221	27	-	27	399
99	9130	Advertising	-	7,611	7,611	8,400	975	-	975	16,986
100	9150	Supervision	-	-	-	-	-	-	-	-
101	9160	Miscellaneous Sales Expense	-	554	554	774	93	-	93	1,421
102										
103		Total Sales Promotion Expenses	\$ -	\$ 8,316	\$ 8,316	\$ 9,395	\$ 1,095	\$ -	\$ 1,095	\$ 18,806
104										
105		<u>Administrative and General Expenses</u>								
106	9200	Administrative and general salaries	\$ (287)	\$ 302,069	\$ 301,782	\$ 376,384	\$ 43,715	\$ -	\$ 43,715	\$ 721,881
107	9210	Office Supplies & Expense	(248)	407,467	407,219	506,865	75,174	-	75,174	989,258
108	9220	Administrative expense Transferred	5,289	(262,706)	(257,417)	(368,708)	(42,088)	-	(42,088)	(668,213)
109	9230	Outside Services	6,552	1,118,376	1,124,928	1,561,928	193,667	-	193,667	2,880,524
110	9240	Property Insurance - Debits	166	153,552	153,718	206,332	25,614	-	25,614	385,664
111	9250	Injuries and Damages	-	-	-	-	-	-	-	-
112	9260	Employee Welfare/Pensions	1,352	637,672	639,024	867,497	139,026	-	139,026	1,645,547
113	9270	Franchise Requirements	-	-	-	-	-	-	-	-
114	9280	Regulatory Commission Expense	-	-	-	-	-	-	-	-
115	9290	Duplicate Charges	-	-	-	-	-	-	-	-
116	9300	Miscellaneous General	-	-	-	-	-	-	-	-
117	9301	General Advertising Expenses	-	-	-	-	-	-	-	-
118	9302	Miscellaneous General	156	17,355	17,512	22,938	2,867	-	2,867	43,316
119	9310	Rents	-	945	945	9,121	21	-	21	10,087
120										
121										
122		Total Administrative and General Expenses	\$ 12,980	\$ 2,374,731	\$ 2,387,711	\$ 3,182,357	\$ 437,995	\$ -	\$ 437,995	\$ 6,008,064
123										
124		Total Non-Gas Operation & Maintenance Expense - Unadjusted	\$ (155,041)	\$ 3,560,735	\$ 3,381,723	\$ 4,797,267	\$ 781,167	\$ -	\$ 781,167	\$ 8,960,275

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
 Missouri Jurisdiction
 Jackon, MO Remove Office Rent
 Twelve Months Ended Sept 30, 2013

Schedule COS-4
 WP 4-2

Line
No.

1						
2		Months of Rent Exper	Amount	Total Rent	Expensed - 52%	
3	Building 1	12	\$3,140	\$37,680	\$19,594	
4	Building 2	12	\$1,500	\$18,000	\$9,360	
5	Building 3	8	\$1,500	\$12,000	\$6,240	
6			\$6,140	\$67,680	\$35,194	
7						
8	4-Factor					
9	NEMO					
10	<u>Div 70</u>	<u>Div 97</u>	<u>NEMO</u>	<u>SEMO</u>	<u>WEMO</u>	Total
11	2.16%	22.61%	24.77%	36.33%	4.51%	65.61%
12						
13						
14						
15	(\$760)	(\$7,957)	(\$8,717)	(\$12,786)	(\$1,587)	(\$23,091)
16						

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Missouri Jurisdiction
Twelve Months Ended September 30, 2013
Estimated Rate Case Expense

Schedule COS-4
 WP 4-3

Line No.	Description (a)	Estimated Amount (b)	Total (c)
1	Outside Services/Consulting:	\$ 335,000	
2	Employee Expenses (airfare, lodging, meals, etc.)	15,000	
3	Miscellaneous Expense (printing, postage, advertising, etc)	50,000	
4			
5	Total	<u>\$ 400,000</u>	
6	Amortize over three years	<u>3</u>	
7	Annual Amortization	<u>\$ 133,333</u>	
8			
9	Adjustment to include Annual Amortization of Rate Case Expense		<u>\$ 133,333</u>
10			
11	Missouri Only Allocation:		
12	NEMO	37.84%	\$50,453
13	SEMO	55.29%	\$73,720
14	WEMO	6.87%	\$9,160
15		100.00%	<u>\$133,333</u>

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Missouri Jurisdiction
Twelve Months Ended September 30, 2013
Corporate Expense Adjustment

Schedule COS-4
 WP 4-4

Line

No.

1

2

Midstates Allocation of Corporate Costs:

3

4

Corporate Costs:

5

APUC 5,396

6

LUC \$24,336

7

LABS \$12,138

8

Total \$ 41,870

9

10

11

4 - Factor

12

NEMO

13

<u>Div 70</u>	<u>Div 97</u>	<u>NEMO</u>	<u>SEMO</u>	<u>WEMO</u>	Total
2.16%	22.61%	24.77%	36.33%	4.51%	65.61%

14

15

16

17

18

(\$904)	(\$9,467)	(\$10,371)	(\$15,211)	(\$1,888)	(\$27,471)
---------	-----------	------------	------------	-----------	------------

19

20

21

22

23

24

References:

25

1) Workpaper - Expense Adjustment - Corporate Costs (APUC).xls

26

2) Workpaper - Expense Adjustment - Corporate Costs (LABS).xls

27

3) Workpaper - Expense Adjustment - Corporate Costs (LUC).xls

28

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
 Missouri Jurisdiction
 Twelve Months Ended September 30, 2013
 Dues, Fees, Advertising, Misc.

Schedule COS-4
 WP 4-5

Line No.		[1]	8850	8854	8853	8852	Total
1	FERC		SSC / GO	NEMO	SEMO	WEMO	
2	9214	Dues & Memberships					
3		Removed - Direct		\$ 2,174	\$ 1,277	\$ 290	\$ 3,741
4		Removed - Allocated					
5		4 Factor		24.77%	36.33%	4.51%	65.61%
6		Allocated Portion \$	18,438	4,567	6,699	832	12,097
7		Total D&M Removed		\$ 6,741	\$ 7,975	\$ 1,122	\$ 15,838
8							
9	9216	Meals					
10		Removed - Direct		\$ -	\$ 1,533	\$ -	\$ 1,533
11		Removed - Allocated					
12		4 Factor		24.77%	36.33%	4.51%	65.61%
13		Allocated Portion	-	-	-	-	-
14		Total Meals Removed		\$ -	\$ 1,533	\$ -	\$ 1,533
15							
16	9302	Misc.					
17		Removed - Direct		\$ -	\$ 2,625	\$ 46	\$ 2,671
18		Removed - Allocated					
19		4 Factor		24.77%	36.33%	4.51%	65.61%
20		Allocated Portion \$	6,111	1,514	2,220	276	4,009
21		Total Misc. Removed		\$ 1,514	\$ 4,845	\$ 322	\$ 6,680
22							
23	9130	Advertising					
24		Removed - Direct		\$ 225	\$ 1,352	\$ -	\$ 1,577
25		Removed - Allocated					
26		4 Factor		24.77%	36.33%	4.51%	65.61%
27		Allocated Portion \$	17,600	4,360	6,394	794	11,548
28		Total Misc. Removed		\$ 4,585	\$ 7,747	\$ 794	\$ 13,125
29							
30		Total		\$ 12,839	\$ 22,100	\$ 2,237	\$ 37,176

31
 32
 33
 34

Footnotes:
 [1] - Shared Service Center / General Office refers to the Jackson, MO office and employees.
 Reference: Workpaper - Expense Adjustment - Advertising, Dues, Meals, Misc..xlsx

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Missouri Jurisdiction
Twelve Months Ended September 30, 2013
Reclassify Purchased Gas Cost

Schedule COS-4
 WP 4-6

Line No.	NEMO			SEMO	WEMO	Total Missouri	
	Div 70	Div 97	Total Div 70 & 97	Total Div 72	Total Div 71 & 29		
1							
2	8050 Transmission and Compres:	\$ 172,384	\$ 274,752	\$ 447,135	\$ 683,230	\$ 61,006	\$ 1,191,372
3							
4							
5	Reference: Links to each rate division Income Statement.						
6							

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Missouri Jurisdiction
Twelve Months Ended September 30, 2013
Atmos CSA Cost Removal
 (in conjunction with wage annualization)

Schedule COS-4
 WP 4-8

Line No.	Month	Labor	Depreciation	Other Labor		
1						
2		Shared Services				
3	Month	Labor	Depreciation	Other Labor		
4	Oct-12	\$225,189	\$56,192	\$30,541		
5	Nov-12	\$174,574	\$64,672	\$40,465		
6	Dec-12	\$136,332	\$43,905	\$62,630		
7	Jan-13	\$178,467	\$45,087	\$28,248		
8	Feb-13	\$162,592	\$44,260	\$23,284		
9	Mar-13	\$168,433	\$43,721	\$21,883		
10	Apr-13	\$8,677	\$0	\$17,871		
11	Total	\$1,054,263	\$297,836	\$224,922		
12						
13		SSC Labor + Other Labor	NEMO	SEMO	WEMO	Total
14		4 Factor	24.77%	36.33%	4.51%	65.61%
15		Allocation	\$316,854	\$464,728	\$57,691	\$839,274
16						
17		Depreciation	NEMO	SEMO	WEMO	Total
18		4 Factor	24.77%	36.33%	4.51%	65.61%
19		Allocation	\$73,774	\$108,204	\$13,432	\$195,410

Footnote:

[1] - Atmos CSA costs were originally charged to Outside Services, FERC Account No. 9230

24

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Missouri Jurisdiction
Wage & Benefits Annualization Adjustment

Schedule COS-4
 WP 4-9

Line No.		8857	8854	8853	8852	
		NEMO	NEMO	SEMO	WEMO	
1						
2	Actuals in Test Year	70	97	72	71	Total
3	Direct Wages	\$0	\$583,265	\$985,106	\$166,596	\$1,734,967
4	Jackson Allocated Wages	(\$287)	\$215,902	\$250,703	\$28,067	\$494,385
5	Total Wages	(\$287)	\$799,167	\$1,235,809	\$194,663	\$2,229,353
6						
7	Footnote:					
8	[1] - In the test year, the Jackson, MO shared services were allocated to NEMO/SEMO/WEMO, hence why Jackson shows \$0.					
9	[2] - Test year benefits captured in other FERC accounts					
10						
11	2014 Wages/Benefits					(4 Factored)
12	Direct	NEMO	NEMO	SEMO	WEMO	Jackson
13	Total 2014 Wages	\$0	\$641,999	\$846,568	\$213,859	\$1,514,790
14	Overtime Wages as Percent of Payroll	3%	\$0	\$19,260	\$25,397	\$6,416
15						\$51,073
16						
17		NEMO	NEMO	SEMO	WEMO	
18	4 Factor Jackson 2014 Wages	2.16%	22.61%	36.33%	4.51%	65.61%
19	Amount to 4 Factor	\$32,719	\$342,494	\$550,323	\$68,317	\$993,854
20						
21	Total 2014 Wages	\$32,719	\$1,003,753	\$1,422,288	\$288,592	\$2,747,353
22	Wages Adjustment	\$33,006	\$204,586	\$186,479	\$93,928	\$518,000
23	Incremental Benefits	56%	\$18,600	\$115,289	\$105,085	\$52,931
24	Total Wages/Benefits Adjustment	\$51,606	\$319,875	\$291,565	\$146,859	\$809,905
25						
26	Footnote:					
27	[1] - Benefits calculated only on incremental wage increase.					
28	Reference: Highly Confidential Employee Cost Detail.					

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Missouri Jurisdiction
Twelve Months Ended September 30, 2013
Non-Recoverable Costs

Schedule COS-4
WP 4-10

Line
No.
1
2
3
4
5
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12

Relocation Expenses \$36,063

Allocation	NEMO	SEMO	WEMO	Total
4 Factor	24.77%	36.33%	4.51%	65.61%
Total	<u>\$8,933</u>	<u>\$13,102</u>	<u>\$1,626</u>	<u>\$23,661</u>

Reference: Workpaper - Expense Adjustment - Remove Relocation Expenses.xls

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Missouri Jurisdiction
Taxes Other Than Income Taxes
Twelve Months Ended September 30, 2013 with updates to April 30, 2014

Taxes Other Than Income Taxes Acct 4081

Line No.	Description (a)	Ref	NEMO			SEMO	WEMO			Total Missouri (i)
			Div 70 (b)	Div 97 (c)	Total Div 70 & 97 (d)	Total Div 72 (e)	Div 71 (f)	Div 29 (g)	Total Div 71 & 29 (h)	
1	FICA	WP 5-1	\$ -	\$ 92,176	\$ 92,176	\$ 132,042	\$ 16,405	\$ -	\$ 16,405	\$ 240,622
2	Federal Unemployment	WP 5-1	-	1,879	1,879	2,626	326	-	326	4,831
3	State Unemployment	WP 5-1	-	2,767	2,767	3,964	492	-	492	7,223
4	Benefit Load	WP 5-1								
5	Allocated Taxes Other	WP 5-1	11,369	(23,969)	(12,600)	33,467	20,523	-	20,523	41,390
6	Ad Valorem	WP 5-1	-	630,369	630,369	654,330	128,228	-	128,228	1,412,928
7										
8										
9										
10										
11	Total Per Books		\$ 11,369	\$ 703,222	\$ 714,591	\$ 826,429	\$ 165,975	\$ -	\$ 165,975	\$ 1,706,995
12										
13	Adjustments:									
14	Ad Valorem - Missouri Payments	WP 5-2	\$ -	\$ 459,882	\$ 459,882	\$ 513,090	\$ 146,010	\$ -	\$ 146,010	\$ 1,118,982
15	Ad Valorem Allocated Payments	WP 5-2	-	10,705	10,705	15,701	1,949		1,949	28,355
16										
17										
18	Total AdValorem Taxes Paid		\$ -	\$ 470,587	\$ 470,587	\$ 528,791	\$ 147,959	\$ -	\$ 147,959	\$ 1,147,337
19	Less Per Book Missouri Expense		-	(630,369)	(630,369)	(654,330)	(128,228)	-	(128,228)	(1,412,928)
20										
21										
22	Ad Valorem Tax Adjustment		\$ -	\$ (159,782)	\$ (159,782)	\$ (125,539)	\$ 19,731	\$ -	\$ 19,731	\$ (265,590)
23										
24			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25				0	0				0	-
26	Total Adjustments		\$ -	\$ (159,782)	\$ (159,782)	\$ (125,539)	\$ 19,731	\$ -	\$ 19,731	\$ (265,590)
27										
28										
29	Total Taxes Other Than Income		\$ 11,369	\$ 543,440	\$ 554,809	\$ 700,890	\$ 185,706	\$ -	\$ 185,706	\$ 1,441,405
30	Taxes, As Adjusted									
31										
32										
33	Calculation of Payroll Tax Adjustment:									
34	Labor Adjustment		\$ -	\$ 237,592	\$ -	\$ 186,479	\$ 93,928	\$ -	\$ 93,928	\$ 518,000
35	Normalized Payroll Tax		7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%
36			\$ -	\$ 18,176	\$ 18,176	\$ 14,266	\$ 7,186	\$ -	\$ 7,186	\$ 39,627
37										
38	Total Taxes Other Than Income		\$ 11,369	\$ 561,616	\$ 572,985	\$ 715,156	\$ 192,891	\$ -	\$ 192,892	\$ 1,481,032

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Taxes Other Than Income Taxes for Missouri and Admin & General Offices
Twelve Months Ended September 30, 2013

Taxes Other - Account 4080, 4082

Line No	Account	NEMO			SEMO	WEMO			(k)	(l)	(m)	Div 91	Grand Total	
		Div 70	Div 97	Total Div 70 & 97	Total Div 72	Div 71	Div 29	Total Div 71 & 29						
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
41	Municipal, Property & Franchise Tax:													
42	0400-69-5680-4080		\$ -	\$ 655,536	\$ 655,536	\$ 869,701	\$ 171,228	\$ -	\$ 171,228					\$ 1,696,465
43	0401-69-5680-4080		-	(215,083)	(215,083)	(215,984)	(43,000)	-	(43,000)					(474,067)
44	0403-69-5680-4080		-	189,916	189,916	-	-	-	-					189,916
45	0405-69-5680-4080		-	-	-	613	-	-	-					613
46			-	-	-	-	-	-	-					-
47	Total Municipal, Property & Franchise Tax		\$ -	\$ 630,369	\$ 630,369	\$ 654,330	\$ 128,228	\$ -	\$ 128,228	\$ -	\$ -	\$ -	\$ -	\$ 1,412,928
48														
49														
50	Miscellaneous:													
51	0401-75-7695-4081 Tx Oth Inc Tx-Misc		\$ 11,369	\$ (23,969)	\$ (12,600)	\$ 33,467	\$ 20,523	\$ -	\$ 20,523					\$ 41,390
52														
53	Total Miscellaneous		\$ 11,369	\$ (23,969)	\$ (12,600)	\$ 33,467	\$ 20,523	\$ -	\$ 20,523	\$ -	\$ -	\$ -	\$ -	\$ 41,390
54														
54			\$ 11,369	\$ 703,222	\$ 714,591	\$ 826,429	\$ 165,975	\$ -	\$ 165,975	\$ -	\$ -	\$ -	\$ -	\$ 1,706,995

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Missouri Jurisdiction
Twelve Months Ended September 30, 2013
Property Tax Adjustment (ad valorem)

Schedule COS-5
 WP 5-2

Line No.		<u>NEMO</u>	<u>SEMO</u>	<u>WEMO</u>	<u>Total</u>
1	Books per Test Year	\$ 630,369	\$ 654,330	\$ 128,228	\$ 1,412,928
2	2013 Paid	459,882	513,090	146,010	1,118,982
3	Jackson Office Building Allocated Taxes	10,705	15,701	1,949	28,355
4					
5	Proposed Adjustment	<u>\$ (159,782)</u>	<u>\$ (125,539)</u>	<u>\$ 19,731</u>	<u>\$ (265,590)</u>
6					
7					
8					
9					
10	Reference: Workpaper - Expense Adjustment - Property Taxes (Ad Valorem).xlsx				
11					

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Missouri Jurisdiction
Rate Base and Return Calculation
Twelve Months Ended September 30, 2013 with updates to April 30, 2014

Line No.	Description (a)	NEMO (b)	SEMO (c)	WEMO (d)	Total Missouri (e)	reference
1	Net Original Cost of Plant	\$43,916,214	\$50,121,750	\$7,025,217	\$101,063,181	WP 7-1
2						
3	Accumulated Deferred Income Tax	(\$2,502,877)	(\$1,624,092)	(\$401,072)	(4,528,041)	WP 7-3
4						
5	Customer Advances for Construction [1]	3,598	(48,164)	(8,932)	(53,498)	WP 7-4
6						
7	Customer Deposits [1]	(555,617)	(736,576)	(121,849)	(1,414,042)	WP 7-4
8						
9	Storage Gas [1]	1,655,502	2,346,697	417,694	4,419,893	WP 7-5
10						
11	Energy Efficiency Reg. Asset	10,635	32,508	5,710	48,852	WP 7-9
12						
13	Working Capital:					
14	Prepayments [1]	65,695	96,355	11,962	174,012	WP 7-6
15						
16	Cash Requirements	477,246	656,400	116,579	1,250,226	WP 7-7
17						
18	Total Rate Base	<u>\$43,070,396</u>	<u>\$50,844,879</u>	<u>\$7,045,309</u>	<u>\$100,960,583</u>	
19						
20	Adjustments:					
21	Rate Base Offset per Acquisition Order	<u>(5,101,021)</u>	<u>(7,453,368)</u>	<u>(926,110)</u>	<u>(\$13,480,500)</u>	WP 7-8
22	Adjusted Rate Base	<u>\$37,969,375</u>	<u>\$43,391,510</u>	<u>\$6,119,198</u>	<u>\$87,480,083</u>	
23						
24	Proforma ROR	<u>8.12%</u>	<u>8.12%</u>	<u>8.12%</u>	<u>8.12%</u>	Schedule COS-9
25	Return on Rate Base	<u>\$3,083,113</u>	<u>\$3,523,391</u>	<u>\$496,879</u>	<u>\$7,103,383</u>	

[1] 13 Month Average

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Missouri Jurisdiction
Net Plant
Twelve Months Ended September 30, 2013 with updates to April 30, 2014

Line No.	Description	Div 70	Div 97	NEMO Div 70 & 97	SEMO Div 72	Div 71	Div 29	WEMO Div 71 & 29	Missouri	reference
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
<u>GROSS PLANT</u>										
1	Missouri Direct	\$0	\$49,291,928	\$49,291,928	\$54,436,978	\$8,824,812	\$0	\$8,824,812	\$112,553,717	deprec WPs
2										
3										
4	MidSt GO Division 91 alloc	526,367	5,509,794	\$6,036,161	8,853,198	1,099,035	0	\$1,099,035	15,988,394	WP 7-2
5										
6										
7	Total Gross Plant	526,367	54,801,722	55,328,089	63,290,176	9,923,846	0	9,923,846	128,542,111	
8										
<u>9 ACCUMULATED DEPRECIATION</u>										
10	Missouri Direct	-	(\$11,021,718)	(\$11,021,718)	(12,596,185)	(2,827,591)	-	(2,827,591)	(26,445,494)	WP-7-2-1
11										
12										
13	MidSt GO Division 91 alloc	(34,023)	(356,134)	(\$390,157)	(572,241)	(71,038)	0	(\$71,038)	(1,033,436)	WP 7-2
14										
15										
16	Total Accumulated Depr	(34,023)	(11,377,852)	(11,411,875)	(13,168,426)	(2,898,629)	0	(2,898,629)	(27,478,930)	
17										
18	MO Jurisdictional Net Plant	\$492,344	\$43,423,870	\$43,916,214	\$50,121,750	\$7,025,217	\$0	\$7,025,217	\$101,063,181	

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Missouri Jurisdiction
General Office Allocation of Net Plant
Twelve Months Ended September 30, 2013 with updates to April 30, 2014

Line No.	Acct No.	Description	MidStates General Office (e) <u>Division 91</u>	Allocated to Missouri (g)
(a)	(b)			
1		Total Gross Plant	24,368,837	
2		Allocation to:		
3		Rate division 070 (NEMO)	526,367	
4		Rate division 097 (NEMO)	5,509,794	
5		Rate division 072 (SEMO)	8,853,198	
6		Rate division 071 (WEMO)	1,099,035	
7		Rate division 029 (WEMO)	0	
8				
9		Gross Plant alloc to Missouri	<u>\$ 15,988,394</u>	<u>\$ 15,988,394</u>
10				
11				
12	1080	Total Accumulated Depr	\$ (1,575,119)	
13		Allocation to:		
14		Rate division 070 (NEMO)	(34,023)	
15		Rate division 097 (NEMO)	(356,134)	
16		Rate division 072 (SEMO)	(572,241)	
17		Rate division 071 (WEMO)	(71,038)	
18		Rate division 029 (WEMO)	0	
19				
20		Accum Depr alloc to Missouri	<u>\$ (1,033,436)</u>	<u>\$ (1,033,436)</u>
21				
22		Alloc Factor to:		
23		Rate division 070 (NEMO)	2.16%	
24		Rate division 097 (NEMO)	22.61%	
25		Rate division 072 (SEMO)	36.33%	
26		Rate division 071 (WEMO)	4.51%	
27		Rate division 029 (WEMO)	0.00%	
28			<u>65.61%</u>	
29				
30				
31		Total Division Net Plant	<u>22,793,718</u>	
32				
33		Net Plant allocated to Missouri	<u>\$ 14,954,958</u>	<u>\$ 14,954,958</u>

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
 Deferred Income Tax Projected April 30, 2014
 WEMO

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			<u>Adjusted Book Value</u>	<u>Tax Value</u>	<u>Probability of Realization of Future Tax Benefit</u>	<u>Deductible TD (Taxable TD) Expected to be Realized</u>	<u>Effective Tax Rate</u>	<u>Future Tax Asset Current</u>	<u>Non Current</u>	<u>Future Tax Liability Current</u>	<u>Non Current</u>
	Plant-in-Service ¹	\$	8,800,141								
	Accum. Deprec.		(2,827,591)								
	Fed. Fixed Assets	\$	5,972,549	\$	5,094,583	100.0%	\$ (877,967)	33.18%	\$ -		\$ (291,269)
	State Fixed Assets	\$	5,972,549	\$	5,094,583	100.0%	\$ (877,967)	5.21%	\$ -		\$ (45,771)
	Fed & State AIAC			\$	8,932	100.0%	\$ 8,932	38.39%	\$ 3,429		
								\$ -	\$ 3,429	\$ -	\$ (337,039)
	Net Asset (Liability)										\$ (333,610)

Footnotes - See page 2

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
 Deferred Income Tax Projected April 30, 2014
 Details

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¹ Per adjusted book balances (excludes Land and Land rights) WP 6-8

² Computation of Net Tax Value

Tax PIS Based on Tax Estimate WP 7-3-5/WP7-3-6

Net Unadjusted Cost Tax Basis

Reductions

Basis Reductions WP 7-3-5/WP7-3-6

Tax A/D Based on Tax Estimate WP 7-3-5/WP7-3-6

Net Reductions

Net tax value of plant-in-service

FEDERAL	STATE
\$ 5,687,475	\$ 5,687,475
-	-
-	-
-	-
-	-
<hr/>	<hr/>
\$ 5,687,475	\$ 5,687,475
\$ -	\$ -
(592,892)	(592,892)
<hr/>	<hr/>
\$ (592,892)	\$ (592,892)
<u>\$ 5,094,583</u>	<u>\$ 5,094,583</u>

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
 Deferred Income Tax Projected April 30, 2014
 SEMO

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		<u>Adjusted Book Value</u>	<u>Tax Value</u>	<u>Probability of Realization of Future Tax Benefit</u>	<u>Deductible TD (Taxable TD) Expected to be Realized</u>	<u>Effective Tax Rate</u>	<u>Future Tax Asset</u>		<u>Future Tax Liability</u>	
							<u>Current</u>	<u>Non Current</u>	<u>Current</u>	<u>Non Current</u>
	Plant-in-Service:	\$ 54,001,415 ¹								
	Accum. Deprec.	(12,596,185) ¹								
	Fed. Fixed Assets	\$ 41,405,230	\$ 38,542,003 ²	100.0%	\$ (2,863,227)	33.18%	\$ -		\$ (949,886)	
	State Fixed Assets	\$ 41,405,230	\$ 38,542,003 ²	100.0%	\$ (2,863,227)	5.21%	\$ -		\$ (149,268)	
	Fed & State AIAC		\$ 48,164	100.0%	\$ 48,164 ⁴	38.39%	\$ 18,490			
							\$ -	\$ 18,490	\$ -	\$ (1,099,154)
	Net Asset (Liability)						\$ (1,080,664)			

Footnotes - See page 2

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
 Deferred Income Tax Projected April 30, 2014
 Details

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¹ Per adjusted book balances (excludes Land and Land rights)

WP 6-5

² Computation of Net Tax Value

Tax PIS Based on Tax Estimate

WP 7-3-5/WP7-3-6

FEDERAL	STATE
\$ 42,808,689	\$ 42,808,689
-	-
-	-
-	-
-	-
\$ 42,808,689	\$ 42,808,689
\$ -	\$ -
(4,266,686)	(4,266,686)
(4,266,686)	(4,266,686)
<u>\$ 38,542,003</u>	<u>\$ 38,542,003</u>

Net Unadjusted Cost Tax Basis

Reductions

Basis Reductions

Tax A/D Based on Tax Estimate

WP 7-3-5/WP7-3-6

WP 7-3-5/WP7-3-6

Net Reductions

Net tax value of plant-in-service

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
 Deferred Income Tax Projected April 30, 2014
 Details

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¹ Per adjusted book balances (excludes Land and Land rights)

WP 6-6

² Computation of Net Tax Value

Tax PIS Based on Tax Estimate

WP 7-3-5/WP7-3-6

	FEDERAL	STATE
	\$ 36,317,440	\$ 36,317,440
		-
		-
		-
		-
Net Unadjusted Cost Tax Basis	\$ 36,317,440	\$ 36,317,440
<u>Reductions</u>		
Basis Reductions	\$ -	\$ -
Tax A/D Based on Tax Estimate	(3,809,127)	(3,789,167)
Net Reductions	(3,809,127)	(3,789,167)
Net tax value of plant-in-service	<u>\$ 32,508,313</u>	<u>\$ 32,528,273</u>

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Deferred Income Tax Projected April 30, 2014
MidStates General Office

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		<u>Adjusted Book Value</u>	<u>Tax Value</u>	<u>Probability of Realization of Future Tax Benefit</u>	<u>Deductible TD (Taxable TD) Expected to be Realized</u>	<u>Effective Tax Rate</u>	<u>Future Tax Asset</u>		<u>Future Tax Liability</u>	
							<u>Current</u>	<u>Non Current</u>	<u>Current</u>	<u>Non Current</u>
	Plant-in-Service	\$ 24,368,837 ¹								
	Accum. Deprec.	(1,575,119) ¹								
9	Fed. Fixed Assets	\$ 22,793,718	\$ 18,897,221 ²	100.0%	\$ (3,896,497)	33.18%	-		\$ (1,292,677)	
11	State Fixed Assets	\$ 22,793,718	\$ 18,897,221 ²	100.0%	\$ (3,896,497)	5.21%	-		\$ (203,135)	
13	Fed & State AIAC		\$ -	100.0%	\$ - ⁴	38.39%	\$ -	-		
							\$ -	\$ -	\$ -	\$ (1,495,812)
	Net Asset (Liability)						\$ (1,495,812)			
24	Allocation 4-Factor									
25	NEMO									
26	<u>Div 70</u>	<u>Div 97</u>	<u>NEMO</u>	<u>SEMO</u>	<u>WEMO</u>	Total				
27	2.16%	22.61%	24.77%	36.33%	4.51%	65.61%				
31	(\$32,310)	(\$338,203)	(\$370,513)	(\$543,428)	(\$67,461)	(\$981,402)				

Footnotes - See page 2

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
 Deferred Income Tax Projected April 30, 2014
 Details

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¹ Per adjusted book balances (excludes Land and Land rights)
² Computation of Net Tax Value
 Tax PIS Based on Tax Estimate

WP 6-6
 WP 7-3-7/WP7-3-8

FEDERAL	STATE
\$ 24,368,837	\$ 24,368,837
-	-
-	-
-	-
-	-
<u>\$ 24,368,837</u>	<u>\$ 24,368,837</u>
\$ -	\$ -
WP 7-3-7/WP7-3-8	WP 7-3-7/WP7-3-8
(5,471,616)	(5,471,616)
<u>(5,471,616)</u>	<u>(5,471,616)</u>
<u>\$ 18,897,221</u>	<u>\$ 18,897,221</u>

Net Unadjusted Cost Tax Basis
Reductions
 Basis Reductions
 Tax A/D Based on Tax Estimate

Net Reductions
 Net tax value of plant-in-service

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Missouri Jurisdiction
Customer Advances & Deposits
Updated to Thirteen Month Average September 30, 2013

Line No.	Description	Div 70	Div 97	NEMO Div 70 & 97	SEMO Div 72	Div 71	Div 29	WEMO Div 71 & 29	Total Missouri	reference
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	Customer Advances	\$0	\$3,598	\$3,598	(\$48,164)	(\$8,932)	\$0	(\$8,932)	(\$53,498)	WP 7-4-1
2	Customer Deposits	\$0	(\$555,617)	(\$555,617)	(\$736,576)	(\$121,849)	\$0	(\$121,849)	(\$1,414,042)	WP 7-4-2
3										
4	Total	\$0	(\$552,019)	(\$552,019)	(\$784,740)	(\$130,781)	\$0	(\$130,781)	(\$1,467,540)	

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Missouri Jurisdiction
Customer Advances
Updated to Thirteen Month Average September 30, 2013

Customer Advances - Acct 2520

Line No.	Balances	Div 70	Div 97	NEMO Div 70 & 97	SEMO Div 72	Div 71	Div 29	WEMO Div 71 & 29	Missouri	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
1	September - 2012		0	4,887	4,887	(47,628)	(8,883)	0	(8,883)	(\$51,624)
2	October - 2012		0	4,887	4,887	(47,628)	(8,883)	0	(8,883)	(\$51,624)
3	November - 2012		0	4,887	4,887	(47,628)	(8,883)	0	(8,883)	(\$51,624)
4	December - 2012		0	4,887	4,887	(47,628)	(8,883)	0	(8,883)	(\$51,624)
5	January - 2013		0	4,887	4,887	(47,628)	(8,883)	0	(8,883)	(\$51,624)
6	February - 2013		0	4,887	4,887	(47,628)	(8,883)	0	(8,883)	(\$51,624)
7	March - 2013		0	4,887	4,887	(47,628)	(8,883)	0	(8,883)	(\$51,624)
8	April - 2013		0	4,887	4,887	(47,628)	(8,883)	0	(8,883)	(\$51,624)
9	May - 2013		0	4,887	4,887	(47,628)	(8,883)	0	(8,883)	(\$51,624)
10	June - 2013		0	4,887	4,887	(47,628)	(8,883)	0	(8,883)	(\$51,624)
11	July - 2013		0	4,887	4,887	(47,628)	(8,883)	0	(8,883)	(\$51,624)
12	August - 2013		0	4,887	4,887	(47,628)	(8,883)	0	(8,883)	(\$51,624)
13	September - 2013		0	(11,871)	(11,871)	(54,597)	(9,516)	0	(9,516)	(\$75,983)
14	13 Month Avg - 9-30-2013		\$0	\$3,598	\$3,598	(\$48,164)	(\$8,932)	\$0	(\$8,932)	(\$53,498)

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Missouri Jurisdiction
Customer Deposits
Updated to Thirteen Month Average September 30, 2013

Customer Deposits - Acct 2350

Line No.	Balances	Div 70	Div 97	NEMO Div 70 & 97	SEMO Div 72	Div 71	Div 29	WEMO Div 71 & 29	Missouri
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	September - 2012	0	(518,708)	(518,708)	(735,581)	(123,743)	0	(123,743)	(1,378,032)
2	October - 2012	0	(552,014)	(552,014)	(758,758)	(125,248)	0	(125,248)	(1,436,020)
3	November - 2012	0	(563,072)	(563,072)	(764,050)	(128,158)	0	(128,158)	(1,455,280)
4	December - 2012	0	(566,776)	(566,776)	(737,063)	(124,000)	0	(124,000)	(1,427,838)
5	January - 2013	0	(566,404)	(566,404)	(734,328)	(121,097)	0	(121,097)	(1,421,829)
6	February - 2013	0	(566,518)	(566,518)	(727,554)	(120,488)	0	(120,488)	(1,414,559)
7	March - 2013	0	(576,674)	(576,674)	(739,285)	(123,475)	0	(123,475)	(1,439,433)
8	April - 2013	0	(571,926)	(571,926)	(737,923)	(123,533)	0	(123,533)	(1,433,382)
9	May - 2013	0	(557,709)	(557,709)	(733,714)	(121,982)	0	(121,982)	(1,413,405)
10	June - 2013	0	(556,210)	(556,210)	(732,330)	(121,650)	0	(121,650)	(1,410,189)
11	July - 2013	0	(539,633)	(539,633)	(722,032)	(117,221)	0	(117,221)	(1,378,885)
12	August - 2013	0	(541,481)	(541,481)	(722,419)	(116,802)	0	(116,802)	(1,380,701)
13	September - 2013	0	(545,902)	(545,902)	(730,447)	(116,642)	0	(116,642)	(1,392,991)
14	13 Month Avg - 9-30-2013	\$0	(\$555,617)	(\$555,617)	(\$736,576)	(\$121,849)	\$0	(\$121,849)	\$ (1,414,042)

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Missouri Jurisdiction
Storage Gas
Updated to Thirteen Month Average September 30, 2013

Underground Storage Per Books - Acct 1641

Line No.	Balance (a)	Div 70 (b)	Div 97 (c)	NEMO Div 70 & 97 (d)	SEMO Div 72 (e)	Div 71 (f)	Div 29 (g)	WEMO Div 71 & 29 (h)	MO (i)	
1	September - 2012	\$ 183,338	\$ 2,025,057	\$ 2,208,395	\$ 2,619,497	\$ 468,082	\$ -	\$ 468,082	\$ 5,295,973	
2	October - 2012		306,256	2,275,408	2,581,664	3,059,176	547,259	0	547,259	6,188,099
3	November - 2012		306,256	2,635,898	2,942,154	3,299,405	626,424	0	626,424	6,867,983
4	December - 2012		306,256	1,792,759	2,099,015	2,954,170	432,205	0	432,205	5,485,390
5	January - 2013		306,256	1,792,759	2,099,015	2,954,170	432,205	0	432,205	5,485,390
6	February - 2013		306,256	938,664	1,244,920	2,053,956	233,216	0	233,216	3,532,093
7	March - 2013		306,256	(147,529)	158,728	185,038	35,328	0	35,328	379,093
8	April - 2013		306,256	276,451	582,707	705,252	141,369	0	141,369	1,429,328
9	May - 2013		0	889,264	889,264	1,352,668	246,897	0	246,897	2,488,830
10	June - 2013		0	1,298,162	1,298,162	2,004,547	373,375	0	373,375	3,676,084
11	July - 2013		0	996,297	996,297	2,567,682	498,454	0	498,454	4,062,433
12	August - 2013		0	1,207,614	1,207,614	3,092,820	650,931	0	650,931	4,951,365
13	September - 2013		0	3,213,594	3,213,594	3,658,681	744,273	0	744,273	7,616,548
14	13 Month Avg - 9-30-2013		\$179,010	\$1,476,492	\$1,655,502	\$2,346,697	\$417,694	\$0	\$417,694	\$4,419,893

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Missouri Jurisdiction
Prepayments - Account 1650
Updated to Thirteen Month Average September 30, 2013

Prepayments - Account 1650

Line	Sub Acct	Descrip	Balance Sep-12	Balance Oct-12	Balance Nov-12	Balance Dec-12	Balance Jan-13	Balance Feb-13	Balance Mar-13	Balance Apr-13	Balance May-13	Balance Jun-13	Balance Jul-13	Balance Aug-13	Balance Sep-13	13 Month Average
1		General Ledger Balances:														
2	1650	Prepays	322,138	346,265	242,414	158,825	303,655	323,215	382,171	308,276	207,995	173,825	139,654	196,411	343,043	265,222
3																
4		Total	<u>322,138</u>	<u>346,265</u>	<u>242,414</u>	<u>158,825</u>	<u>303,655</u>	<u>323,215</u>	<u>382,171</u>	<u>308,276</u>	<u>207,995</u>	<u>173,825</u>	<u>139,654</u>	<u>196,411</u>	<u>343,043</u>	<u>265,222</u>
5																
6																
7																
8		Allocation Summary:														
9		Allocation of Missouri Shared Service Center Prepays to WEMO / SEMO / NEMO														
10									Kirksville / NEMO		70	2.16%	5,729			
11									WEMO		71	4.51%	11,962			
12									SEMO		72	36.33%	96,355			
13									NEMO		97	22.61%	59,967			
14													65.61%	\$	174,012	
15									All Other				34.39%		91,210	
16									Total				100.00%		265,222	
17									Check						-	
18																
19		GRAND TOTAL PREPAYMENTS ALLOCATED TO MO													TOTAL	\$ 174,012

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
 Missouri Jurisdiction
 Computation of Rate Base Deduction per Acquisition Order
 Updated through end of Update Period April 30, 2014

Schedule COS-7
 WP 7-8

Amount	(16,340,000)	\$	(16,340,000)
Months	<u>120</u>		
Amount /month	<u>(136,167)</u>		
	<u>fiscal year</u>		
Started Operations (08 / 2012 - 12 / 2012)			5
Amortization through end of Test Year (01 / 2013 - 09/2013)			9
Amortization through end of Update Period (10 / 2013 - 04 / 2014)			7
Total Months			<u>21</u>
Amortized amount	\$	(2,859,500)	<u>(2,859,500)</u>
Rate Base Reduction			<u>\$ (13,480,500)</u>
Missouri Only Allocation Factors:			
Kirkville / NEMO	70	3.35%	\$ (451,597)
WEMO	71	6.87%	\$ (926,110)
SEMO	72	55.29%	\$ (7,453,368)
NEMO	97	34.49%	\$ (4,649,424)
		100.00%	\$ (13,480,500)

Source: MO PSC Order Approving Stipulation and Agreement, Case No. GM-2012-0037, Attachment 1 "Unanimous Stipulation and Agreement," item 2, page 4.

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
 Missouri Jurisdiction
 Energy Efficiency Regulatory Asset

Schedule COS-7
 WP 7-9

Line No.	Reference	NEMO			SEMO	WEMO	Total Missouri
		Div 70	Div 97	Total Div 70 & 97	Total Div 72	Total Div 71 & 29	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1							
2	Regulatory Asset Balance as of 9/30/2013	\$ -	\$ 10,635	\$ 10,635	\$ 32,508	\$ 5,710	\$ 48,852
3							
4	Amortization Period - 6 Years			6	6	6	
5	Annual Amortization			\$1,772	\$5,418	\$952	\$ 8,142
6							
7							

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Missouri Jurisdiction
Computation of Federal & State Income Taxes
Twelve Months Ended September 30, 2013 with updates to April 30, 2014

Line No.	Description	NEMO (b)	SEMO (c)	WEMO (d)	Total Missouri (e)	Reference (f)
	(a)					
1	Return on Rate Base	\$ 3,083,113	\$ 3,523,391	\$ 496,879	\$ 7,103,383	Schedule COS-7
2						
3	Interest Deduction *	755,591	863,491	121,772	1,740,854	Line 15
4						
5	Equity Portion of Return	\$ 2,327,523	\$ 2,659,900	\$ 375,107	\$ 5,362,529	
6						
7	Application of Composite Income Tax Rate 38.39%	\$ 893,504	\$ 1,021,099	\$ 143,998	\$ 2,058,601	
8						
9	Tax Expansion Factor	1.62308	1.62308	1.62308	1.62308	
10						
11	Total Income Tax Liability	<u>\$ 1,450,226</u>	<u>\$ 1,657,322</u>	<u>\$ 233,720</u>	<u>\$ 3,341,268</u>	
12	*Calculation of Interest Deduction					
13	Adjusted Rate Base	\$ 37,969,375	\$ 43,391,510	\$ 6,119,198	\$ 87,480,083	Schedule COS-7
14	Weighted cost of Debt	1.99%	1.99%	1.99%	1.99%	Schedule COS-9
15	Interest Deduction (line 13 x line 14)	<u>\$ 755,591</u>	<u>\$ 863,491</u>	<u>\$ 121,772</u>	<u>\$ 1,740,854</u>	

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Missouri Jurisdiction
Capital Structure and Cost of Capital
As of September 30, 2013

Line No.	Description (a)	Capital (b)	Percent (c)	Cost Rate (d)	Weighted Cost of Capital (e)	Reference (f)
1	Long Term Debt Capital	\$ 55,000,000	41.66%	4.78%	1.99%	WP 9-1-1; WP 9-2-1
2	Equity Capital	<u>77,010,081</u>	<u>58.34%</u>	10.50%	<u>6.13%</u>	WP 9-1-1
3						
4						
5	Total Capital	<u><u>\$ 132,010,081</u></u>	<u><u>100.00%</u></u>		<u><u>8.12%</u></u>	

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Missouri Jurisdiction
Capital Balances
As of Septmber 30, 2013

Schedule COS-9
 WP 9-1-1

Line No.	Month-Year (a)	Long-Term Debt (b)	Equity (c)
1	September - 2012	\$ 55,000,000	\$ 77,385,088
2	October - 2012	55,000,000	77,385,088
3	November - 2012	55,000,000	77,385,088
4	December - 2012	55,000,000	76,892,484
5	January - 2013	55,000,000	76,892,484
6	February - 2013	55,000,000	76,898,154
7	March - 2013	55,000,000	76,898,154
8	April - 2013	55,000,000	76,898,154
9	May - 2013	55,000,000	76,899,544
10	June - 2013	55,000,000	76,899,544
11	July - 2013	55,000,000	76,899,544
12	August - 2013	55,000,000	76,899,544
13	September - 2013	55,000,000	76,898,182
14			
15			
16	Average	<u>\$ 55,000,000</u>	<u>\$ 77,010,081</u>

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
 Consolidated & Utility Long-Term Debt Outstanding w/ calculation of Effective Interest Rates
 As of September 30, 2013

Schedule COS-9
 WP 9-2-1

Line	Debt Series (a)	Issued (b)	Outstanding	Outstanding	Outstanding	Outstanding	Outstanding	Outstanding	Outstanding
			Sep-12 (c)	Oct-12 (d)	Nov-12 (e)	Dec-12 (f)	Jan-13 (g)	Feb-13 (h)	Mar-13 (i)
1	\$11.1M - 5 Year Note	7/31/2012	\$11,100,000	\$11,100,000	\$11,100,000	\$11,100,000	\$11,100,000	\$11,100,000	\$11,100,000
2	\$13.3M - 15 Year Note	7/31/2012	\$13,300,000	\$13,300,000	\$13,300,000	\$13,300,000	\$13,300,000	\$13,300,000	\$13,300,000
3	\$5.0M - 15 Year Note	7/31/2012	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
4	\$25.6M - 10 Year Note	7/31/2012	\$25,600,000	\$25,600,000	\$25,600,000	\$25,600,000	\$25,600,000	\$25,600,000	\$25,600,000
5									
6	Total Long-Term Debt		\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000
7									
8									
9	Effective Avg Cost of Consol Debt								
10			Outstanding	Outstanding	Outstanding	Outstanding	Outstanding	End	Annual Int at
11			Apr-13	May-13	Jun-13	Jul-13	Aug-13	Int Rate	9/1/2013
12			(j)	(k)	(l)	(m)	(n)	(o)	(p)
13									
14	\$11.1M - 5 Year Note	7/31/2012	\$11,100,000	\$11,100,000	\$11,100,000	\$11,100,000	\$11,100,000	3.86%	428,460
15	\$13.3M - 15 Year Note	7/31/2012	\$13,300,000	\$13,300,000	\$13,300,000	\$13,300,000	\$13,300,000	5.24%	696,920
16	\$5.0M - 15 Year Note	7/31/2012	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	5.24%	262,000
17	\$25.6M - 10 Year Note	7/31/2012	\$25,600,000	\$25,600,000	\$25,600,000	\$25,600,000	\$25,600,000	4.84%	1,239,040
18									
19	Total Long-Term Debt		\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000		\$ 2,626,420
20									
21									
22									

\$ 55,000,000
\$ 2,626,420
4.78% end of period

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Missouri Jurisdiction
Interest Expense on Security Deposit Adjustment
Updated to Thirteen Month Average September 30, 2013

Line No.	Description	NEMO			SEMO	WEMO			Total Missouri	Reference
		Div 70	Div 97	Total Div 70 & 97	Total Div 72	Div 29	Div 71	Total Div 71 & 29		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	13 Month Average Security Deposits	\$ -	\$ 555,617	\$ 555,617	\$ 736,576	\$ -	\$ 121,849	\$ 121,849	\$ 1,414,042	WP 7-4
2										
3	Interest Rate for 2014	4.25%	4.25%		4.25%	4.25%	4.25%			
4										
5	Customer Deposit Proforma Expense	\$ -	\$ 23,614	\$ 23,614	\$ 31,304	\$ -	\$ 5,179	\$ 5,179	\$ 60,097	