

**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>File No. GO-2014-0006</u>
d/b/a Liberty Utilities to Change Its Infrastructure)	
System Replacement Surcharge.)	

STAFF RESPONSE TO LIBERTY UTILITIES' FILING

COMES NOW Staff of the Missouri Public Service Commission and for its *Response to Liberty Utilities' Filing* ("Response") respectfully states as follows:

1. On August 18, 2015, Liberty Utilities (Midstates Natural Gas) Corp. d/b/a/ Liberty Utilities ("Liberty Utilities") filed its response to an August 11, 2015, Missouri Public Service Commission ("Commission") *Order Directing Filing* to reflect its calculation of the true-up Infrastructure System Replacement Surcharge ("ISRS") refund due to the Missouri Supreme Court's reversal and remand of the Commission's Report and Order issued in this case. In its response Liberty Utilities proposed a total true-up refund of \$128,832.

2. On August 20, 2015, the Commission issued its *Order Establishing Time For Response* in which it allowed other parties to respond to Liberty Utilities' filing no later than August 28, 2015. This Response is being filed pursuant to that Order.

3. As discussed in the *Memorandum* attached hereto as Appendix A which is incorporated herein by reference, Staff has reviewed information provided by Liberty Utilities regarding its filing and agrees with Liberty Utilities' calculation of the true-up of the ISRS revenue refund due to customers in this case in the amount of \$128,832.

4. As also discussed in the *Memorandum* attached hereto as Appendix A which is incorporated herein by reference, Staff is proposing a one-time ISRS credit on

Liberty Utilities' customers' bills to effectuate this refund. The amount of the one-time ISRS bill credit for each customer by customer class by district is reflected in Appendix B which is attached hereto and incorporated herein by reference.

WHEREFORE, Staff respectfully requests that the Commission issue an order that (1) approves the calculation of the incremental ISRS surcharge credit (refund) in the amount of annual pre-tax revenues of \$128,832, consisting of \$9,650 for the WEMO district, \$44,849 for the SEMO district, and \$74,333 for the NEMO district; (2) directs Liberty Utilities to issue a one-time ISRS bill credit to each customer by customer class by district as reflected in Appendix B attached hereto; and (3) makes such further orders as the Commission deems necessary.

Respectfully submitted,

/s/ Jeffrey A. Keevil

Jeffrey A. Keevil
Missouri Bar No. 33825

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 526-4887 (Telephone)
(573) 751-9285 (Fax)
Email: jeff.keevil@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record this 28th day of August 2015.

/s/ Jeffrey A. Keevil

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. GO-2014-0006 / Remand – Liberty Utilities

FROM: Lisa Hanneken, Auditing Department
Tom Imhoff, Tariffs/Rate Design - Energy

/s/ Lisa Hanneken 08/27/2015

/s/ Thomas M. Imhoff 08/27/2015

Project Coordinator / Date

/s/ Jeff Keevil 08/27/2015

Staff Counsel's Office / Date

SUBJECT: Staff Report and Recommendation Regarding the Refund Filing of Liberty Utilities Resulting from Missouri Supreme Court Opinion

DATE: August 27, 2015

THE APPLICATION

On August 18, 2015, Liberty Utilities (Midstates Natural Gas) Corporation d/b/a/ Liberty Utilities ("Liberty") filed its response to an August 11, 2015, Missouri Public Service Commission ("Commission") Order Directing Filing to reflect its calculation of the true-up Infrastructure System Replacement Surcharge ("ISRS") refund due to the Missouri Supreme Court's reversal and remand of the Commission's Report and Order issued in this case.

Liberty has proposed a total true-up refund of \$128,832.

On August 20, 2015, the Commission issued its ORDER ESTABLISHING TIME FOR RESPONSE with a date of August 28, 2015 to allow other parties to respond to Liberty's filing.

STAFF'S INVESTIGATION

Staff from the Auditing and Energy Units participated in the investigation of Liberty's response and proposed refund.

STAFF REVIEW AND REVENUE CALCULATION

The Auditing Staff has reviewed Liberty's response to Staff Data Request No. 5 provided in Case No. GO-2015-0350, which Data Request and response dealt specifically with the calculation of the refund resulting from the Missouri Supreme Court's reversal of Case No. GO-2014-0006, and agrees with Liberty's calculation of the true-up of the ISRS revenue refund due to customers in this case in the amount of \$128,832.

THE ISRS RATE SCHEDULES

Staff's proposed rates are consistent with the methodology used to establish Liberty's past ISRS rates and consistent with the overall methodology used to establish ISRS rates for other utilities. Staff's proposed ISRS rates are contained in Appendix B, attached hereto and incorporated by reference herein. Staff's customer count is based on Liberty's customer level at the time of the

computation of the rates in this case. Staff used the customer charges for each customer class at the time this ISRS rate went into effect. Staff is proposing a one-time ISRS credit on the customers' bills they are entitled to receive due to the Supreme Court's ruling in this case.

RECOMMENDATION Based upon the above, Staff recommends the Commission issue an order in this case that:

1. Approves Staff's determination of the incremental ISRS surcharge credit in the amount of annual pre-tax revenues of \$128,832, consisting of \$9,650 for the WEMO district, \$44,849 for the SEMO district, and \$74,333 for the NEMO district; and
2. Directs Liberty to issue a one-time ISRS credit for each customer by customer class by district as reflected in Appendix B;

Liberty Utilities
Missouri Jurisdiction
Case No. GO-2014-0006 Remand

Total ISRS Revenues **\$128,832**
 Northeast District (NEMO) **\$74,333**
 Southeast District (SEMO) **\$44,849**
 West District (WEMO) **\$9,650**

Rate District & Class	Number of Customers*	Customer Charge	Ratio to		Weighted Customer Numbers	Customer Percentage	ISRS Credit One Time	ISRS Revenues
			Residential Customer Charge	Customer Charge				
Northeast District								
Firm Residential	16,314	22.68	1.0000	1.0000	16,314	80.5422%	3.67	\$59,869
Small Firm GS	2,107	22.68	1.0000	1.0000	2,107	10.4023%	3.67	7,732
Medium Firm GS	321	100.00	4.4092	1.415	1,415	6.9876%	16.18	5,194
Large Firm GS	11	500.00	22.0459	2.43	243	1.1972%	80.90	890
Interruptible Large Volume	8	500.00	22.0459	176	176	0.8707%	80.90	647
Total NEMO	18,761				20,255	100.0000%		\$74,333
Southeast District								
Firm Residential	28,629	13.75	1.0000	1.0000	28,629	77.0568%	1.21	\$34,559
Small Firm GS	3,375	13.75	1.0000	1.0000	3,375	9.0840%	1.21	4,074
Medium Firm GS	543	100.00	7.2727	3,949	3,949	10.6292%	8.78	4,767
Large Firm GS	16	500.00	36.3636	582	582	1.5660%	43.90	702
Interruptible Large Volume	17	500.00	36.3636	618	618	1.6639%	43.90	746
Total SEMO	32,560				37,153	100.0000%		\$44,849
West District								
Firm Residential	3,389	20.17	1.0000	1.0000	3,389	80.4341%	2.29	\$7,762
Small Firm GS	517	20.17	1.0000	1.0000	517	12.2704%	2.29	1,184
Medium Firm GS	42	100.00	4.9579	208	208	4.9421%	11.36	477
Large Firm GS	4	500.00	24.7893	99	99	2.3534%	56.78	227
Interruptible Large Volume	-	500.00	24.7893	0	0	0.0000%	0.00	0
Total WEMO	3,952				4,213	100.0000%		\$9,650
Total Missouri	55,293				61,622	100.0000%		\$128,832

*Average Annual Customers per Liberty Utilities Annual Report.

Firm Residential 48,332
 Small Firm GS 5,999
 Medium Firm GS 906
 Large Firm GS 31
 Interruptible Large Volume 25
 55,293

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

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

AFFIDAVIT OF LISA K. HANNEKEN

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

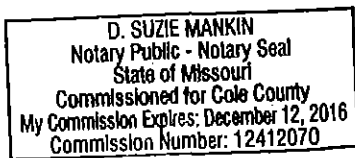
COMES NOW LISA K. HANNEKEN and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Staff Recommendation in Memorandum form; and that the same is true and correct according to her best knowledge and belief.


Further the Affiant sayeth not.


LISA K. HANNEKEN

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, on this 26th day of August, 2015.




Notary Public

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

In the Matter of the Verified Application)
and Petition of Liberty Energy (Midstates))
Corp. d/b/a Liberty Utilities to Change Its)
Infrastructure System Replacement)
Surcharge)

Case No. GO-2014-0006

AFFIDAVIT OF THOMAS M. IMHOFF

State of Missouri)
) ss.
County of Cole)

AFFIDAVIT

COMES NOW Thomas M. Imhoff and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Staff Report and Recommendation and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.



Thomas M. Imhoff

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 27th day of August, 2015.



NOTARY PUBLIC

