

*Exhibit No.:*  
*Issues:* *Dues & Donations*  
*Witness:* *Paul K. Amenthor*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Surrebuttal/True-Up*  
*Direct Testimony*  
*Case No.:* *GR-2018-0013*  
*Date Testimony Prepared:* *May 09, 2018*

**MISSOURI PUBLIC SERVICE COMMISSION**

**COMMISSION STAFF DIVISION**

**AUDITING DEPARTMENT**

**SURREBUTTAL/TRUE-UP DIRECT TESTIMONY**

**OF**

**PAUL K. AMENTHOR**

**LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.,  
d/b/a LIBERTY UTILITIES**

**CASE NO. GR-2018-0013**

*Jefferson City, Missouri*  
*May 2018*

1 **SURREBUTTAL/TRUE-UP DIRECT TESTIMONY**

2 **OF**

3 **PAUL K. AMENTHOR**

4 **LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.**  
5 **d/b/a LIBERTY UTILITIES**

6 **CASE NO. GR-2018-0013**

7 Q. Please state your name and business address.

8 A. Paul K. Amenthor, 111 N. 7<sup>th</sup> Street, St. Louis, MO 63101.

9 Q. By who are you employed and in what capacity?

10 A. I am employed by the Missouri Public Service Commission (“Commission”)  
11 as a member of the Commission Staff (“Staff”) within the Auditing Department.

12 Q. Are you the same Paul K. Amenthor who contributed to *Staff’s Revenue*  
13 *Requirement Cost of Service Report* filed in this case on March 2, 2018?

14 A. Yes, I am.

15 **EXECUTIVE SUMMARY**

16 Q. Please provide a brief summary of the purpose of your surrebuttal/true-up  
17 direct testimony.

18 A. My surrebuttal/true-up direct testimony will address the rebuttal testimony of  
19 Liberty Midstates - MO witnesses Charles Evans and Jill Schwartz regarding certain dues  
20 and membership disallowances, specifically Missouri Energy Development Association  
21 (MEDA) and American Gas Association (AGA) membership dues.

22 **MISSOURI ENERGY DEVELOPMENT ASSOCIATION (MEDA)**

23 Q. What is Liberty Midstates – MO witness Schwartz’s position concerning rate  
24 recovery of MEDA membership dues?  
26

Surrebuttal/True-Up Direct Testimony

Paul K. Amenthor

1           A.     Liberty Midstates – MO witness Schwartz claims on page 36, lines 3-16 of her  
2 rebuttal testimony that MEDA provides a direct benefit to ratepayers. Ms. Schwartz cites  
3 MEDA support of state Utilicare funding and the outreach efforts on supplier diversity as  
4 justification for including MEDA expenses in rates. She further claims that MEDA works on  
5 legislation that could benefit ratepayers.

6           Q.     Do you agree with Liberty Midstates – MO Witness Schwartz that MEDA  
7 activities provide direct benefits to ratepayers?

8           A.     No. MEDA’s own mission statement reads in part: “Our mission is to work closely  
9 with Missouri Investor-Owned Utilities and their strategic partners, representing their  
10 interests and advocating balanced policies in legislative and regulatory arenas.”<sup>1</sup> Based on  
11 that, it is clear that MEDA’s focus is on legislative and regulatory advocacy, which are types  
12 of activities for which the associated costs should not be placed on utility customers on an  
13 involuntary basis.

14          Q.     Did Staff request information regarding the activities that MEDA engages in?

15          A.     Yes. Staff submitted Data Request No. 0356 which requested “With regard to  
16 Liberty payments to MEDA, please provide a complete copy of the yearbook and all other  
17 documentation that has been provided to Liberty Utilities Midstates Natural Gas Corp. d/b/a  
18 Liberty Utilities and any affiliate that summarizes MEDA activities, projects, and  
19 accomplishments that occurred during the period covering July 1, 2016 through June 30,  
20 2017. This documentation should include, but not be limited to, descriptions of the activities  
21 in both the governmental relations/lobbying and non-lobbying activities. Provide a complete  
22 copy of all documentation that addresses the referenced time period above.”

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<sup>1</sup> source: [http://www.missourienergy.org/meda/?page\\_id=5](http://www.missourienergy.org/meda/?page_id=5)

1 Q. What was Liberty Midstates – MO’s response to Staff Data Request  
2 No. 0356?

3 A. Liberty Midstates – MO’s response stated “the company has not been  
4 provided with a yearbook or documentation summarizing MEDA activities, projects  
5 and accomplishments.”

6 Q. What is Staff’s position concerning treatment of MEDA costs for ratemaking  
7 purposes?

8 A. Staff’s position is that MEDA expenditures are primarily intended to benefit  
9 the shareholders of Liberty Midstates - MO, and are not necessary to provide safe, reliable,  
10 and adequate service to ratepayers. Therefore, no amount of dues should be allowed for  
11 recovery in rates, which is consistent with Staff’s treatment of MEDA dues in past utility rate  
12 cases for Liberty Midstates – MO and other Missouri utilities.

13 **AMERICAN GAS ASSOCIATION (AGA)**

14  
15 Q. What is Liberty Midstates – MO witness Evan’s position on the portion of  
16 AGA membership dues related to lobbying that Staff proposed for disallowance?

17 A. Liberty Midstates – MO witness Evans agrees with Staff that an adjustment  
18 should be made for the lobbying portion of AGA dues; however, Liberty Midstates - MO  
19 seeks a clarification on the lobbying percentage Staff used in its disallowance calculation.

20 Q. What is the basis for the percentage that Staff used to remove the lobbying  
21 portion of AGA dues in its direct case?

22 A. Staff adopted the percentage that was used to remove the lobbying  
23 portion of AGA membership dues in the recent Spire Missouri rate case, GR-2017-0215 and  
24 GR-2017-0216.

Surrebuttal/True-Up Direct Testimony

Paul K. Amenthor

1           Q.     Has Staff received additional information since its direct filing that would  
2 cause this percentage of dues related to lobbying to change in Staff's adjustment for the AGA  
3 membership dues?

4           A.     Yes. Staff has reviewed additional information provided by Liberty  
5 Midstates - MO as part of the response to Staff Data Request No. 355 and now recommends  
6 that 5.45%, of the AGA membership dues be disallowed. This represents the average  
7 percentage of AGA membership dues related to lobbying that occurred during the test year.

8           Q.     Does this conclude your surrebuttal/true-up direct testimony?

9           A.     Yes, it does.

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

In the Matter of Liberty Utilities )  
(Midstates Natural Gas) Corp. d/b/a ) Case No. GR-2018-0013  
Liberty Utilities' Tariff Revisions )  
Designed to Implement a General Rate )  
Increase for Natural Gas Service in the )  
Missouri Service Areas of the Company )

**AFFIDAVIT OF PAUL K. AMENTHOR**

STATE OF MISSOURI )  
  )     ss.  
CITY OF ST. LOUIS     )

COMES NOW PAUL K. AMENTHOR and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing Surrebuttal Testimony and True-Up Direct Testimony, and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

*Paul K. Amenthor*  
\_\_\_\_\_  
**PAUL K. AMENTHOR**

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the City of St. Louis, State of Missouri, at my office in St. Louis, on this 7<sup>th</sup> day of May, 2018.

LISA M. FERGUSON  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for St. Louis County  
My Commission Expires: June 08, 2020  
Commission Number: 16631502

*Lisa M. Ferguson*  
\_\_\_\_\_  
Notary Public