

**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**

LIST OF ISSUES, LIST AND ORDER OF WITNESSES, ORDER OF OPENING STATEMENTS, AND ORDER OF CROSS-EXAMINATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and on behalf of the parties¹ in this case submits the following *List of Issues, List and Order of Witnesses, Order of Opening Statements, and Order of Cross-Examination*.

List of Issues

Parties to this case are: Staff; Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities (“Liberty”); the Office of The Public Counsel (“OPC”); Noranda Aluminum, Inc. (“Noranda”); and the Missouri Department of Economic Development, Division of Energy (“DE”). This *List of Issues* includes contributions by several parties with adverse positions in this action; it is necessarily a compromise. All parties may not agree that every issue herein listed is properly an issue to be decided by the Commission in this case. All parties may not agree on the wording of every issue.

1. Cost of Capital:

a. What capital structure should the Commission use in this case to determine a revenue requirement for Liberty?

¹ Staff sought input on this document from all parties to this case and received input on this document from most, although not all, parties. As of the time of filing, Staff is not aware of any party which had affirmatively indicated disagreement with this *List of Issues*.

b. What is the appropriate embedded cost of debt that the Commission should apply in this case to determine a revenue requirement for Liberty?

c. What is the appropriate cost of equity that the Commission should apply in this case to determine a revenue requirement for Liberty?

2. Contract Customers:

a. Is Liberty currently authorized to enter into special contracts at non-tariffed rates with its customers in Missouri, such as Noranda and General Mills?

b. If Liberty is not currently authorized to enter into special contracts at non-tariffed rates with its customers in Missouri such as Noranda and General Mills, should the Commission authorize Liberty to adopt a tariff to allow it to enter into such special contracts? If yes, what should such tariff state?

c. What rate should the Commission use to calculate Liberty's revenues from Noranda and General Mills for purposes of this rate case?

d. What rate should the Commission use to calculate Liberty's revenues from SourceGas for purposes of this rate case?

3. Depreciation²: What depreciation rates should be ordered by the Commission for corporate plant accounts 399.1, 399.3, 399.4 and 399.5?

4. Cost of Removal: Should Liberty's accumulated depreciation reserve balances be increased, and rate base decreased, to reflect removing cost of removal from the accumulated depreciation reserve calculation? If yes, by how much?

² Other than depreciation rates for the accounts listed under this issue, all depreciation rates have been agreed upon (at Staff's proposed depreciation rates). Therefore, once the Commission decides what depreciation rates to order for the listed accounts, the Commission's Report and Order should contain a complete list of **all** ordered depreciation rates, including those agreed upon.

5. **ISRS:** Should Liberty's revenue requirement be decreased to remove certain costs included in Liberty's ISRS? If yes, by how much?

6. **Rate Design and Related Issues:**

a. How should rates be designed to reflect any change in rates from the outcome of this case?

b. Should the customer charge in the NEMO and WEMO districts of Liberty be decreased from their current levels?

c. Should Liberty's "foregone delivery charge," which is charged to customers who leave and return to the Liberty system within seven or fewer months, be eliminated?

7. **Energy Efficiency and Weatherization Program:**

a. Should Liberty have an evaluation, measurement and verification (EM&V) performed to determine the cost-effectiveness of an energy efficiency program before making any future expenditures on the program?

b. Should low income weatherization assistance funding be in addition to the 0.5 percent target funding level for energy efficiency, or should the 0.5 percent target funding level include energy efficiency and low income weatherization assistance programs combined?

LIST AND ORDER OF WITNESSES AND ORDER OF OPENING STATEMENTS

Monday, September 8

8:30 A.M. Preliminary matters

9:30 A.M. Opening statements: Liberty, Staff, OPC, Noranda, DE

11:30 A.M. **Cost of Capital Issues** (capital structure, cost of debt, cost of equity)

Liberty: Hevert

Staff: Marevangepo

OPC:

Noranda:

DE:

Tuesday, September 9

8:30 A.M.

Contract Customers issues (a), (b), and (c)

Liberty: Krygier, Hevert

Staff: Sommerer, Cox, Marevangepo, Imhoff

OPC: Meisenheimer

Noranda: Brubaker

DE:

Contract Customers issue (d)

Liberty: Krygier, DaFonte

Staff: Sommerer

OPC: Meisenheimer

Noranda: Brubaker

DE:

Wednesday, September 10

8:30 A.M.

Depreciation

Liberty: Fallert

Staff: Robinett

OPC: Addo

Noranda:

DE:

Cost of Removal

Liberty: Krygier, Fallert

Staff: Robinett, Sharpe

OPC: Addo

Noranda:

DE:

Thursday, September 11

8:30 A.M. **ISRS**

Liberty: Krygier

Staff: Sharpe

OPC: Addo

Noranda:

DE:

Rate Design and Related Issues

Liberty: Krygier

Staff: Imhoff

OPC: Meisenheimer

Noranda:

DE:

Friday, September 12

8:30 A.M. **Rate Design and Related Issues** continued if necessary

Energy Efficiency and Weatherization Program

Liberty: Krygier

Staff: Boustead, Imhoff

OPC: Marke

Noranda:

DE: Buchanan

ORDER OF CROSS-EXAMINATION

Liberty witnesses: Noranda, DE, OPC, Staff

Staff witnesses: OPC, DE, Noranda, Liberty

OPC witnesses: Staff, DE, Noranda, Liberty

Noranda witnesses: Liberty, DE, OPC, Staff

DE witnesses: Noranda, Liberty, Staff, OPC

WHEREFORE, Staff submits this List of Issues, List and Order of Witnesses, Order of Opening, and Order of Cross Examination for the Commission's consideration.

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 counsel for all parties of record this 26th day of August 2014.

/s/ Jeffrey A. Keevil