

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 18th day
of October, 2012.

In the Matter of the Verified Application and)	
Petition of Liberty Energy (Midstates) Corp.)	<u>File No. GO-2013-0048</u>
d/b/a Liberty Utilities to Change Its Infrastructure)	Tariff File No. YG-2013-0071
System Replacement Surcharge.)	

ORDER REGARDING ADJUSTED ISRS RATES

Issue Date: October 18, 2012

Effective Date: October 28, 2012

On August 8, 2012¹, Liberty Energy (Midstates) Corp. d/b/a Liberty Utilities (hereafter "Liberty") filed an application with the Missouri Public Service Commission under Sections 393.1009, 393.1012 and 393.1015, RSMo Cum. Supp. 2010, requesting that the Commission authorize the company to adjust its Infrastructure System Replacement Surcharge (hereafter "ISRS") for numerous gas utility plant projects. Liberty's request to change its ISRS rates was accompanied by an implementing tariff. That tariff had an effective date of September 7, but the Commission suspended the tariff until December 6, or until otherwise ordered.

In its ISRS application, Liberty seeks to adjust its ISRS rate schedule to reflect costs incurred in connection with ISRS-eligible infrastructure system replacements made during the period of October 1, 2010 through May 31, 2012. The specific infrastructure system replacements for which Liberty seeks ISRS recognition are set forth in Appendix A to its application.

¹ All calendar references are to 2012 unless otherwise indicated.

Section 393.1015.1(2), RSMo, requires that the Commission publish notice of Liberty's ISRS filing. Therefore, on August 9, the Commission directed that notice of the filing be mailed to the county commission of the counties served by Liberty. It also directed that notice be given to the media serving the area served by Liberty and to the members of the General Assembly representing that area.

In that same order, the Commission directed that any person wishing to intervene in this matter file an application to intervene no later than August 29. The Commission received no intervention requests.

Section 393.1015.2(2), RSMo, requires the Staff of the Commission (hereafter "Staff") to file a report regarding an ISRS application no later than 60 days after it was filed. Staff filed its recommendation on October 5, advising the Commission to reject the tariff sheets.

Those sheets would allow Liberty to recover incremental annual pre-tax revenues of \$488,328, by collecting an additional \$240,849 from its Northeast District, \$188,945 from its Southeast District, and \$58,534 from its West District. Instead, Staff recommends that Liberty be authorized to file ISRS rates as reflected in Attachment A to the Staff Recommendation.

Tariff sheets comporting with Attachment A would allow Liberty to recover an incremental amount of annual pre-tax revenues of \$475,280, by collecting an additional \$232,723 from its Northeast District, \$184,335 from its Southeast District, and \$58,221 from its West District. Liberty filed a Notice of Agreement on October 8, stating that it agreed with and accepted Staff's recommendation.

Based on Liberty's application and Staff's report regarding that application, the Commission concludes that Liberty should be permitted to adjust its ISRS rates.

Liberty's current tariff implementing those rates will be rejected, and Liberty is ordered to file a tariff that reflects the rates recommended by Staff and agreed upon by Liberty. Also, the Commission finds that good cause exists for Liberty to be excused from the Commission Rule 4 CSR 240-4.020 requirement of filing a 60-day notice prior to filing its application.

THE COMMISSION ORDERS THAT:

1. Liberty Energy (Midstates) Corp. d/b/a Liberty Utilities is authorized to file a tariff to adjust its Infrastructure System Replacement Surcharge rates in the manner agreed upon as listed in the Staff Recommendation and the Notice of Agreement.
2. The tariff sheet filed by Liberty Energy (Midstates) Corp. d/b/a Liberty Utilities on August 8, 2012, assigned tariff number YG-2013-0071, is rejected.
3. The 60-day notice requirement of Commission Rule 4 CSR 240-4.020 is waived.
4. This order shall become effective on October 28, 2012.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Gunn, Chm., Jarrett, Kenney,
and Stoll, CC., concur.

Pridgin, Senior Regulatory Law Judge