

**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.)))))	<u>Case No. GR-2014-0152</u>
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STAFF NOTICE REGARDING SUPPLEMENTAL DIRECT TESTIMONY

COMES NOW the Staff of the Missouri Public Service Commission, through the undersigned counsel, and for this *Notice Regarding Supplemental Direct Testimony* ("Notice") respectfully states as follows:

1. On May 15, 2014, the presiding regulatory law judge, by delegation of authority, issued an *Order Granting Request for Order Permitting Staff to File Supplemental Direct Testimony* which granted Staff permission to supplement its direct testimony no later than June 18, 2014. As stated in that Order, "Staff explains that due to Liberty's delay in answering discovery, Staff needs additional time to file testimony. Staff proposes to meet its original deadline of June 6 to file its revenue requirement direct testimony. However, Staff would like until June 18 to file supplemental direct testimony based upon Liberty's discovery answers, which are expected on or about May 20."

2. Thereafter, on June 2, 2014, Staff filed a *Staff Statement Regarding Discovery Concerns and Request to Cancel Discovery Conference*¹. As stated in Staff's June 2 filing, after the May 15 discovery conference it became apparent to Staff

¹ In response to Staff's June 2 filing the presiding regulatory law judge issued an *Order Cancelling Discovery Conference* on June 3, 2014, cancelling the discovery conference set for June 5, 2014.

that much of the data received from Liberty's records was either incorrect or missing important components in the areas of customer counts and usages, as well as plant and reserve. This is not the same information Staff was originally seeking at the May 15 discovery conference, although it is related. Staff requested cancellation of the June 5 discovery conference, however, because Liberty had indicated that it would either confirm the accuracy of the data or provide corrected data to Staff and provide the missing data.

3. As contemplated in the May 15 Order, Staff met its original deadline of June 6 to file its revenue requirement direct testimony. In that direct testimony, Staff witnesses discuss the problems Staff has encountered in obtaining accurate and reliable information.² For example, Mr. Imhoff addresses why Staff has been unable to perform a complete weather normalization analysis and corresponding adjustments, or make any adjustments for rate-switching or customer gains or losses (Imhoff Direct pp. 3-4).

4. As stated in Ms. Hanneken's Direct Testimony on page 4, "Staff understands that the data provided to Staff to date, requires additional data and clarification by Liberty Utilities, especially in the areas of revenues and rate base. Staff will continue to work with Liberty Utilities regarding this data and will make any necessary adjustments based upon additional information received." However, as noted on page 4 of Mr. Imhoff's Direct Testimony, "Staff may not be able to file supplemental direct testimony if the information is not provided to Staff in a timely manner, or if the information proves to be unreliable."

² See Direct Testimony of Lisa K. Hanneken, pp. 4, 16; Direct Testimony of Thomas M. Imhoff, pp. 3 – 4.

5. Liberty has provided Staff some corrections to previously incorrect data and/or provided some of the data which was previously missing. However, Staff has not received enough sufficiently reliable data to enable Staff to prepare and file supplemental direct testimony. If Staff eventually receives such data, as mentioned at the May 15 discovery conference, it will take a few weeks for Staff to properly analyze the data and make corresponding adjustments. Therefore, Staff will be unable to file supplemental direct testimony on June 18.³

WHEREFORE, Staff respectfully submits this *Notice Regarding Supplemental Direct Testimony* to notify the Commission that it will not be filing supplemental direct testimony on June 18.

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 18th day of June, 2014.

/s/ Jeffrey A. Keevil

³ Staff would respectfully note that the May 15 *Order Granting Request for Order Permitting Staff to File Supplemental Direct Testimony* permitted, but did not require, Staff to file supplemental direct testimony on June 18.