

2. On February 18 and 19, 2014, Staff submitted what it considers a standard set of initial data requests for a natural gas general rate increase case consisting of 153 data requests to Liberty; this means that responses to these initial data requests were due on March 10 and 11, 2014.

3. On February 28, 2014, Liberty objected to 11 of Staff's standard initial data requests and stated that it would be unable to answer the remainder of the data requests within 20 days as required by the Commission's rule on discovery. Instead, Liberty indicated that it intended to answer the data requests which were not objected to by March 21, 2014 (see attached letter from Larry Dority dated February 28, 2014).

4. Thereafter, Staff auditors and Liberty personnel had discussions concerning the data requests to which Liberty had objected, and as a result Liberty agreed to provide certain information in response to the objected-to data requests (except data request numbers 12 and 142) as shown in the Status Update letter from Larry Dority dated March 17, 2014, attached hereto. However, in that letter, Liberty advised that it would not be able to meet the March 21 response date it had stated it would meet in its February 28 letter. Instead, Liberty stated it would need until March 31 to provide responses to the remainder of the Staff's initial data requests (other than those objected to). Again, these responses were due March 10 and 11 according to Commission rule.

5. Also on March 17, 2014, Liberty sent a letter (see attached Data Request Response Time letter from Larry Dority dated March 17, 2014) advising that it would be unable to respond to data requests 157 and 159 (which were submitted on March 5 and 7, 2014) within 20 days as required by rule, and that it intended to respond to these data requests by April 15, 2014.

6. On March 21, 2014, Liberty sent a letter (see attached Data Request Response Time letter from Larry Dority dated March 21, 2014) advising that it would be unable to respond to data requests 160 –166 (submitted on March 11, 2014) within 20 days as required by rule, and that it intended to respond to those requests by April 15, 2014, also.

7. Without taking into consideration Liberty's self-granted extensions to provide responses to data requests, as of 5:00 p.m. March 27, 2014¹, thirty-nine (39) of Staff's initial data requests², responses to which were originally due March 10 and 11, remained unanswered and overdue (including the two to which Liberty maintained an objection, which will be addressed further below). Data request 157 was also unanswered and overdue; data request 159 was unanswered and on its due date. Data requests 160-166 were unanswered and responses were due March 31, 2014.

¹ According to the Order, discovery concerns are required to be filed at least two business days before the discovery conference; obviously, some time is needed to prepare such a filing. Therefore, a cut-off date is needed for purposes of this pleading, which may not reflect the status of outstanding discovery at the time of the discovery conference.

² As of 5:00 p.m. March 27, the overdue initial data requests were as follows: 3, 9, 10, 12, 19, 20, 21, 25, 35, 38, 39, 45, 46, 48, 49, 67, 69, 70, 71, 77, 80, 92, 93, 94, 98, 99, 100, 101, 104, 108, 110, 118, 119, 120, 121, 127, 142, 148, and 152. Between 5:30 p.m. and 6:42 p.m. on March 27, responses were received in EFIS to the following initial data requests: 3, 9, 10, 19, 20, 21, 25, 48, 49, 69, 70, 71, 104, 108, 118, 119, 120, and 121. Due to the timing of receipt of these responses Staff has not yet determined whether these responses are truly complete and responsive.

8. As for those data requests to which Liberty had provided a response, through a series of emails on March 20 and 21 (see attached emails) Staff counsel notified counsel for Liberty that Liberty's responses to data requests 17, 53, 54, 55, 61, 74, 83, 116, and 156 were incomplete. As of 5:00 p.m. March 27, 2014, responses to data requests 17, 53, 54, 74, 83, and 116 remained incomplete.

9. Staff is concerned about what appears to be Liberty's pattern of consistently asserting it is unable to respond to data requests within the twenty (20) day time limit and setting its own response dates further in the future. If Liberty is consistently unable to respond within 20 days, what chance does Liberty have of responding on time when the data request response time becomes even shorter according to the Order (and to which Liberty agreed)? Staff is also concerned about Liberty's submission of incomplete responses, and failure to promptly provide complete responses when informed of such. Staff is aware that this is Liberty's first general rate increase case since it acquired its Missouri natural gas properties. Perhaps Liberty was, therefore, unprepared and under-staffed to deal with the rate case process in Missouri; perhaps not. Whatever the reason for the problems to date, these matters of the timeliness and completeness of responses need to be addressed and corrected by Liberty immediately. If Liberty continues to provide late or incomplete responses, Staff will have limited options when it comes time for Staff to file testimony and none of those options would be particularly appealing for either Staff or Liberty. Therefore, this matter needs to be addressed and corrected as early in this process as possible.

10. As mentioned in paragraph 4 above, as reflected in the Status Update letter from Larry Dority dated March 17, 2014, attached hereto, Liberty agreed to provide certain information in response to the data requests to which it originally objected (see attached letter dated February 28) *except* data request numbers 12 and 142. After discussion with Liberty personnel, Staff auditors were under the impression that Liberty intended to provide responses to comply with these data requests; however, since they appear to be maintained as objections in Liberty's counsel's March 17 letter, these objections may also need to be addressed at the discovery conference.

WHEREFORE, Staff respectfully submits this *Staff Statement Regarding Discovery Concerns* in advance of the April 3, 2014, discovery conference.

Respectfully submitted,

/s/ Jeffrey A. Keevil

Jeffrey A. Keevil

Missouri Bar No. 33825

Attorney for the Staff of the

Missouri Public Service Commission

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(573) 751-9285 (Fax)

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 for all parties of record this 28th day of March, 2014.

/s/ Jeffrey A. Keevil

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James M. Fischer
Larry W. Darity

February 28, 2014

VIA ELECTRONIC MAIL

Jeffrey A. Keevil
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jeff.keevil@psc.mo.gov

**RE: Case No. GR-2014-0152
Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities'
Objections to Staff Data Requests**

Dear Jeff:

We are in receipt of the 153 Data Requests submitted by the Staff to Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities ("Liberty Utilities") in the above-referenced matter via electronic service on February 18 and 19, 2014. This letter shall serve as Liberty Utilities' notification, in accordance with Commission Rule 4 CSR 240-2.090(2), that Liberty Utilities is unable to answer the data requests within twenty (20) days due to the number and scope of the requests and the time-consuming review of information required. Liberty Utilities intends to answer the Data Requests (other than those objected to below) by March 21, 2014; however, Liberty Utilities will be providing its responses to most of the requests prior to that date as they become available.

In addition, this letter should be considered an objection on behalf of Liberty Utilities to the following identified data requests, in accordance with Commission Rule 4 CSR 240-2.090(2), for the reasons described below.

DR No. 0003:

Q. Please provide a complete and current listing of all the officers for Liberty Utilities and for each Liberty Utilities affiliate or parent company.

Liberty Utilities objects to this data request because it is overly broad and unduly burdensome; the responsive information is not relevant and is not reasonably calculated to lead to the discovery of admissible evidence.

DR No. 0004:

Q. Please provide the financial statements for all Liberty Utilities affiliates and parent for the fiscal periods ending December 30, 2011, September 30, 2012 and September 30, 2013.

Liberty Utilities objects to this data request because it is overly broad and unduly burdensome. Liberty Utilities objects to the requested information regarding Liberty Utilities affiliates as the responsive information is not relevant and is not reasonably calculated to lead to the discovery of admissible evidence.

DR No. 0008

Q. 1. Please provide a listing of all meetings held during the period covering January 1, 2010 through August 31, 2014, of Algonquin Power and Utilities Corp. or Liberty Utilities Board of Directors, or any upper management group or committee for Algonquin Power and Utilities Corp. or Liberty Utilities, including any retreats or offsite meetings. 2. For each of these meetings identified in item 1 above, please make available for review any meeting minutes generated. In addition, for each of the meetings identified in item 1 above, please provide all accompanying materials, handouts, visual presentations, and all other items which were provided or presented to the members in preparation for or participation in each meeting. For each of these meetings which took place off-site, and for which test year costs were incurred due to the off-site location, please provide for each meeting: a) the location, b) the facility wherein the meeting was held, c) the hotel which attending members and other employees/agents/representative stayed while attending the meeting, d) the business need, purpose and/or economic justification for holding the meeting at such off-site location, e) the total test year travel and entertainment charges (either direct or allocated) for persons attending the meeting by division/company number, cost center, FERC account and subaccount numbers, and any applicable allocation percentages, f) to the extent Liberty Utilities may have voluntarily excluded any such costs in developing its adjusted test year cost of service, please note the amounts and state where such amounts were adjusted within any given adjustment.

Liberty Utilities objects to this data request because it is overly broad and unduly burdensome; the responsive information is not relevant and is not reasonably calculated to lead to the discovery of admissible evidence; such discovery is vague, ambiguous, imprecise and utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of the request.

DR No. 0010

- Q. Provide a complete copy of all Liberty Utilities monthly financial statistical reports for the period covering October 1, 2009 through April 30, 2014. Update by month through July 31, 2014 as available.**

Liberty Utilities objects to this data request because the request is overly broad and calls for the creation of information which may not presently exist.

DR No. 0012

- Q. Please schedule a time for Staff to review the external auditor workpapers of Liberty Utilities and Algonquin Power and Utilities Corp. for the two most recent audited years (test year if/when available and prior year).**

Liberty Utilities objects to this data request because it is overly broad and unduly burdensome; the responsive information is not relevant and is not reasonably calculated to lead to the discovery of admissible evidence; the requested information belongs to, and is in the possession of, the external auditors, and is not in the possession, custody or control of Liberty Utilities.

DR No. 0029

- Q. 1. Please list all other entities that Liberty Utilities has currently identified as a potential acquisition. 2. For each entity identified in item 1 above, please explain and describe how Liberty Utilities has identified each entity as a potential future acquisition. Provide a copy of all supporting documentation. 3. Provide all projected acquisition date(s) contemplated by Liberty Utilities for all entities that Liberty Utilities has identified as a potential acquisition.**

Liberty Utilities objects to this data request because it is overly broad and unduly burdensome; the responsive information is not relevant and is not reasonably calculated to lead to the discovery of admissible evidence; it would require the disclosure of

confidential information protected from disclosure by privilege, the Missouri Rules of Civil Procedure, and applicable laws.

DR No. 0030

- Q. Please state which departments, and which specific individual positions/employees, are involved with the process of identifying and studying potential company acquisitions, and once selected, actually undertaking steps to facilitate such acquisitions.**

Liberty Utilities objects to this data request because the responsive information is not relevant and is not reasonably calculated to lead to the discovery of admissible evidence.

DR No. 0034

- Q. Please list and describe in detail all non-regulated entities or affiliates of Algonquin Power and Utilities Corp.. In addition please provide the following information, by month, for (A) Liberty Utilities and (B) each subsidiary of Algonquin Power and Utilities Corp. and (C) each subsidiary of Liberty Utilities for the period covering October 1, 2012 through July 31, 2014 as available. (1) Total Revenues (2) Total Expenses (3) Net Income (4) Total Assets/Plant in Service (5) Net Assets/Net Plant in service (6) Number of employees (7) Number of customers.**

Liberty Utilities objects to the provision of information relating to Subsection (B) of this data request because it is overly broad and unduly burdensome, and the responsive information is not relevant and is not reasonably calculated to lead to the discovery of admissible evidence.

DR No. 0102

- Q. Please provide: 1) a breakdown, by account charged, of the actual costs of Atmos' last two gas rate cases. 2) Please provide the current budget for Case No. GR-2014-0152.**

Liberty Utilities objects to the provision of information relating to Subsection (1) of this data request as it calls for the creation of information which may not presently exist, and any such information is not in the possession, custody or control of Liberty Utilities.

DR No. 0103

- Q. Please provide the following through the most current date available: (1) detailed rate case expense invoices (i.e., legal fees from outside attorneys, fees from outside consultants, expert witness fees, postage/federal express and costs incurred by the Company employees to attend case related activities in Jefferson City) that are directly related to GR-2014-0152. (2) Listing of expenses, amounts and associated account numbers that are directly related to GR-2014-0152. Please update by month as available.**

Liberty Utilities objects to this data request to the extent it would require the disclosure of any information that would be protected from disclosure by any privilege, applicable laws, rules or procedures.

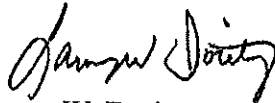
DR No. 0142

- Q. Please provide copies of Liberty Utilities' and any parent company and affiliated company's income tax returns (state and federal) for the two most recent years.**

Liberty Utilities objects to this data request because it is overly broad and unduly burdensome; the responsive information is not relevant and is not reasonably calculated to lead to the discovery of admissible evidence.

If you have any questions concerning this matter, please do not hesitate to contact me or Jim Fischer.

Sincerely,



Larry W. Dority
Attorney for Liberty Utilities (Midstates Natural
Gas) Corp. d/b/a Liberty Utilities

cc: Christopher D. Krygier, Liberty Utilities

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James M. Fischer
Larry W. DORITY

March 17, 2014

VIA ELECTRONIC MAIL

Jeffrey A. Keevil
Senior Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
jeff.keevil@psc.mo.gov

**RE: Case No. GR-2014-0152
Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities'
Objections to Staff Data Requests
Status Update**

Dear Jeff:

During our discussions following last week's prehearing conference, you requested that I provide an update on the current status of the above-referenced data request objections/proposed responses that were addressed in my previous correspondence of February 28, 2014 (relating to the 153 Data Requests submitted at that time). As you noted, our clients have had continuing discussions on these matters attempting to clarify the scope of mutually acceptable parameters regarding the provision of information. As a result, it's my understanding that Liberty Utilities, subject to its objections, will be providing certain information to the referenced data requests (one response already provided), save DR Nos. 0012 and 0142 which are still under consideration. Mr. Krygier will be discussing these particular DRs with Ms. Hanneken in the near future.

My previous correspondence also advised that the company would be unable to answer the data requests within twenty (20) days due to the number and scope of the requests and the time-consuming review of information required, but that it intended to answer the data requests (other than those objected to) by March 21, 2014. Regrettably, despite the company's diligence, additional time will be required to provide responses to all of the referenced DRs, and this need was conveyed to Ms. Hanneken this afternoon. We will continue providing responses as soon as they are available, but the company will need an additional ten days, until March 31, to provide responses. I also understand that Mr. Krygier will be working with Ms. Hanneken so that she may prioritize the outstanding DR responses based upon Staff's needs.

We appreciate Staff's understanding and continued cooperation in this matter. If you have any questions, please do not hesitate to contact me or Jim Fischer.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry W. Dority". The signature is fluid and cursive, with the first name "Larry" and last name "Dority" clearly distinguishable.

Larry W. Dority
Attorney for Liberty Utilities (Midstates Natural
Gas) Corp. d/b/a Liberty Utilities

cc: Christopher D. Krygier, Liberty Utilities

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James M. Fischer
Larry W. DORITY

March 17, 2014

VIA ELECTRONIC MAIL

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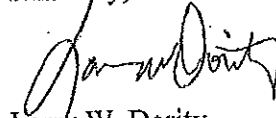
RE: Case No. GR-2014-0152
Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Data Request Response Time

Dear Jeff:

We are in receipt of the six (6) additional Data Requests submitted by the Staff to Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities ("Liberty Utilities") in the above-referenced matter via electronic service on March 5 and 7, 2014. This letter shall serve as Liberty Utilities' notification, in accordance with Commission Rule 4 CSR 240-2.090(2), that Liberty Utilities is unable to answer Data Requests 0157 and 0159 within twenty (20) days due to the scope of the requests and the time-consuming review of information required. Liberty Utilities intends to answer these two Data Requests by April 15, 2014.

If you have any questions concerning this matter, please do not hesitate to contact me or Jim Fischer.

Sincerely,



Larry W. DORITY
Attorney for Liberty Utilities (Midstates Natural
Gas) Corp. d/b/a Liberty Utilities

cc: Christopher D. Krygier, Liberty Utilities

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Larry W. DORITY

March 21, 2014

VIA ELECTRONIC MAIL

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jeff.keevil@psc.mo.gov

**RE: Case No. GR-2014-0152
Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities
Data Request Response Time**

Dear Jeff:

We are in receipt of **Data Requests 160 -166** submitted by the Staff to Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities ("Liberty Utilities") in the above-referenced matter via electronic service on March 11, 2014. This letter shall serve as Liberty Utilities' notification, in accordance with Commission Rule 4 CSR 240-2.090(2), that Liberty Utilities is unable to answer the referenced Data Requests within twenty (20) days due to the scope of the requests (containing multiple subparts) and the time-consuming review of information required. Liberty Utilities intends to answer these Data Requests by April 15, 2014; however, as we discussed, the Company will continue providing responses as soon as they are available.

If you have any questions, please do not hesitate to contact me or Jim Fischer. Thank you for your continuing cooperation in this matter.

Sincerely,



Larry W. DORITY
Attorney for Liberty Utilities (Midstates Natural
Gas) Corp. d/b/a Liberty Utilities

cc: Christopher D. Krygier, Liberty Utilities

Keevil, Jeff

From: Keevil, Jeff
Sent: Thursday, March 20, 2014 1:21 PM
To: Dority, Larry
Cc: Hanneken, Lisa
Subject: Liberty response to DR 83

Larry –

Staff Data Request 83 to Liberty Utilities stated as follows:

Please provide: (a) a detailed list of all dues, membership fees, lobbying costs, charitable contributions or donations charged above-the-line (i.e. included in the cost of service) by account for the twelve months ending September 30, 2013; (b) describe the benefits derived from each payment to Liberty Utilities and ratepayers, and also the organizations or individuals who received these payments; (c) identify what each organization does (i.e. its purpose) and provide any literature and/or material that Liberty Utilities has in its possession that would describe each of these organizations.

I have been informed that rather than provide a detailed list as requested in (a), Liberty Utilities' response simply provided General Ledger entries, and that no data at all was provided for (b) and (c). Please check with your client to see whether they are able to provide more responsive information to this data request, and if so when it will be provided, or if we need to bring this to the discovery conference. Thank you.

Jeff

Keevil, Jeff

From: Keevil, Jeff
Sent: Friday, March 21, 2014 11:51 AM
To: Dority, Larry
Cc: Hanneken, Lisa
Subject: Incomplete DR responses

Larry –

As we discussed on the phone, I have been informed of a couple more incomplete DR responses since my email regarding DR 83. The additional ones are:

Response to DR 55 – does not break out misc. revenues by type

Response to DR 61 (c) – does not provide the name(s) who elected the members listed; if it was the stockholders, we would accept that answer, but it needs to be answered

Response to DR 156 – I know that not all of the requested meter read dates were provided, but I still need to talk further with the witness to determine what all is missing from response

Jeff

Keevil, Jeff

From: Keevil, Jeff
Sent: Friday, March 21, 2014 2:00 PM
To: Dority, Larry
Cc: Hanneken, Lisa
Subject: More incomplete DR responses in GR-2014-0152

Larry –

Upon returning to my office after meeting with you in the conference room I was notified of additional incomplete DR responses received from Liberty Utilities. These do not include the further explanation of what is missing from the DR 156 response. The additional incomplete responses are:

DR 17 – did not include historical data (did not include actuals, variances, or explanations, since it didn't provide the historical).

Company did say they would supplement, but not clear whether that means the historical part or future.

DR 53 – Did not address capacity release

DR 54 – Did not answer #2 regarding the expenses

DR 74 – Doesn't address electronic payment (c), only responded to billing.

The billing response only gave data as of Oct 2012, not the time frames requested.

DR 116 – Did not break out by department or cost center. The DR did say "if available", but Company response didn't state if it wasn't available or if they simply didn't do it.

I still hope to send you an email setting out what is missing in the DR 156 response today. Thanks.

Jeff

Keevil, Jeff

From: Keevil, Jeff
Sent: Friday, March 21, 2014 2:29 PM
To: Dority, Larry
Cc: McNutt, Joel; Imhoff, Tom
Subject: Liberty response to DR 156
Attachments: DR 156 Follow-up bill cycle worksheet.xlsx

Larry –

As I indicated previously, Staff believes the Company's response to DR 156 was incomplete. DR 156 requested the following:

1. For each billing cycle, please provide the scheduled meter reading dates for thirteen consecutive billing months ending September 30, 2013. 2. If Liberty Utilities uses different billing cycle numbers for each district or class, please indicate what billing cycle numbers represent each district or revenue class. Data request submitted by Joel McNutt (joel.mcnutt@psc.mo.gov)

In response to part (1) of the foregoing, Liberty simply referred Staff (Joel McNutt) to some "billing cycle calendars" which the Company had provided in response to another, earlier, data request. Mr. McNutt went through the referenced billing cycle calendars in an attempt to discern information responsive to DR 156; however, there are still several meter reading dates per billing cycle that he cannot decipher based on the referenced calendars.

Therefore, the highlighted cells on the attached worksheet represent the meter reading dates per billing cycle which we still need the Company to provide.

There may be additional data missing from the response but this is what I know currently; if I find that additional data is missing I will let you know as soon as I can. In the meantime, however, please have your client provide the missing data as shown on the attached as soon as possible (and let me know when it will be provided) or let me know that it will not be provided. Thank you.

Jeff