BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Liberty Energy (Midstates) Corp. d/b/a Liberty Utilities' Purchased Gas Adjustment Tariff Filing

File No. GR-2014-0060

STAFF REPLY

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COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its recommendation in this matter hereby respectfully states:

1. On December 19, 2014, Staff submitted its *Recommendation to Adjust ACA Balances* describing the results of its review of the 2012-2013 Actual Cost Adjustment (ACA) filed by Liberty Energy (Midstates) Corp. d/b/a Liberty Utilities ("Liberty" or "Company") in this matter.

2. As ordered by the Commission, Liberty filed its response to Staff's recommendations on February 2, 2015. The Commission ordered Staff to reply to Liberty's response no later than February 13, 2015.

3. In its response, Liberty accepted the ACA balances as calculated by Staff and shown in Staff's *Recommendation* on page 18, Table 1 in Section IV. Recommendations. Staff agrees with Liberty's response.

4. Liberty responded that it accepted Staff's suggested tariff language regarding price indices used to calculate monthly cash-outs for transportation customers. The Company said it already made the change to its tariff in its recent rate case. Liberty also accepted Staff's recommendation regarding tariff sheet 63(3b), and Staff's recommendation regarding ACA documentation. Staff agrees with this response.

5. Regarding the Company's reliability analysis and gas supply planning, Liberty accepted all of Staff's recommendations and agreed to document its processes

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and procedures for reviewing asset management agreements in the future. Liberty also accepted Staff's recommendation concerning lost and unaccounted-for natural gas (L&U). Staff agrees with this response.

6. Finally, Liberty accepted all Staff's recommendations regarding the Company's hedging program.

7. Based on Liberty's response, Staff finds that no issues remain to be determined by the Commission in this matter.

WHEREFORE, Staff submits this *Reply* and recommends the Commission issue an order (1) establishing Liberty's ending ACA balances for 2012-2013 as shown in Staff's *Recommendation* on page 18, Table 1 in "Section IV. Recommendations," and (2) closing this case.

Respectfully Submitted,

STAFF OF THE MISSOURI PUBLIC SERVICE COMMISSION

/s/ John D. Borgmeyer

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CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing were served electronically to all counsel of record this 11th day of February, 2015.

/s/ John D. Borgmeyer