

**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

**STAFF STATEMENT REGARDING DISCOVERY CONCERNS AND
REQUEST TO CANCEL DISCOVERY CONFERENCE**

COMES NOW the Staff of the Missouri Public Service Commission, by and through the undersigned counsel, and for this *Staff Statement Regarding Discovery Concerns and Request to Cancel Discovery Conference* ("Statement") respectfully states as follows:

1. According to the *Order Setting Procedural Schedule* (the "Order") issued herein on March 20, 2014, the next discovery conference in this case is set for June 5, 2014, at 10:00 a.m. Also according to paragraph 9(B) of that Order,

(B) Not less than two (2) business days before each discovery conference, any party that has a discovery disagreement or concern involving another party shall file a brief statement describing that disagreement or concern and identifying any other parties involved. Such statement does not need to be a formal motion to compel. Any party may attend a discovery conference, but only those parties involved in an identified discovery disagreement must attend. If the parties do not identify any discovery disagreements or concerns as described herein, the presiding officer may cancel the conference.

Staff has concerns regarding the accuracy and completeness of certain data received from Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities ("Liberty") to data requests submitted by Staff, which will impact the filing of Staff's Revenue Requirement Direct testimony/report scheduled for June 6, 2014, and is therefore filing this Statement as required by paragraph 9(B) of the Order so the Commission,

presiding judge, and other parties will not be surprised when Staff's Revenue Requirement Direct is filed on June 6. However, as set forth below, Staff is requesting that the discovery conference set for June 5 be cancelled.

2. The Commission and/or presiding judge may recall that at the last discovery conference in this case, held on May 15, 2014, Staff's discovery concerns at that time centered on certain data requests which sought specific information for each month of the test year ending September 30, 2013, which is necessary for Staff to properly set revenues at a level reflecting weather normalized usage per customer at an annualized level of customers, which in turn is needed to properly calculate normalized revenues for the test year. Liberty did not object to the data requests. At that discovery conference, the issue was basically when and if Liberty could obtain five months' of the requested test year information from Atmos (Liberty's predecessor) and provide that information to Staff.

3. Since the May 15 discovery conference, due in large part to the information received from Atmos, it has become apparent that much of the data received from Liberty's records (rather than Atmos' records) is or at least appears to be "bad" data. For example, the customer counts and/or usages, by month, provided by Liberty for the SGS, LGS and Residential customer classes appears to be incorrect; Staff has determined that with respect to the SGS and LGS classes the information provided has very low statistical correlations, which indicates the information provided to Staff is not accurate. Staff has also determined that usage data for some months for certain transport customers is still missing. As stated at the May 15 discovery conference, this data is necessary for Staff to properly set revenues at a level reflecting

weather normalized usage per customer at an annualized level of customers, which in turn is needed to properly calculate normalized revenues for the test year.

4. Since determining that the data is apparently incorrect or missing, Staff has been in frequent contact with Liberty regarding this matter since the May 15 discovery conference. Liberty has in turn told Staff that it will attempt to either confirm the accuracy of the data or provide corrected data to Staff, and provide the missing data. However, this will obviously not occur in time for Staff to reflect it in its June 6 filing.

5. Staff has also determined that it is missing the actual addition amounts, by month, for both plant and reserve for the test year and update period. Staff has what it believes to be a correct balance as of 3/31/14 (the end of the update period) but has no way to verify this at the present time. As with the other data discussed above, Staff has been in frequent contact with Liberty regarding this matter since the May 15 discovery conference and has been told by Liberty that it will provide the missing data.

6. As mentioned above, despite the foregoing discovery concerns, Staff is requesting the discovery conference scheduled for June 5 be cancelled. First, as stated above, Liberty is aware of the foregoing and has indicated that it will try to provide missing data or to correct inaccurate data previously provided to Staff. Staff would rather see Liberty's personnel use the week (including June 5) for getting Staff the information Staff needs rather than spending the day of June 5 traveling to Jefferson City, since there appears to be little actual "dispute" and Liberty has indicated it will try to get the data to Staff. Second, Staff would prefer to use June 5 for finalizing its Revenue Requirement Direct filing which is due on June 6, rather than participating in a

discovery conference, again since there appears to be little actual “dispute.” For these reasons, Staff is requesting the June 5 discovery conference be cancelled.

7. Staff’s Revenue Requirement Direct filing on June 6 will address the missing or incorrect data issues in more detail, and explain Staff’s approach in light of the missing or incorrect data.

WHEREFORE Staff respectfully submits this this *Staff Statement Regarding Discovery Concerns and Request to Cancel Discovery Conference* and requests that the presiding judge issue an order cancelling the June 5 discovery conference herein.

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 2nd day of June, 2014.

/s/ Jeffrey A. Keevil