

**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) **File No. GR-2018-0013**
General Rate Increase for Natural Gas)
Service in the Missouri Service Areas of the)
Company)

**PROPOSED PROCEDURAL SCHEDULE
AND RELATED RECOMMENDATIONS**

COMES NOW the Staff (“Staff”) of the Missouri Public Service Commission, by and through counsel, and states that on September 29, 2017, Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities (“Liberty”) filed tariffs seeking an annual revenue increase for gas service. All of the parties to the case: Staff, the Office of the Public Counsel, Liberty, the Missouri Division of Energy, and Midwest Energy Consumers Group (collectively, “parties”), have agreed to this proposed procedural schedule. Therefore, in response to the Commission’s October 19, 2017, *Notice of Hearing, Order Setting Conference Date, Directing Notice of Action, Establishing Intervention Date, and Directing Filings*, Staff respectfully submits the following recommendation by the parties for their procedural schedule:

Proposed Procedural Schedule

1. The parties agree to provide all workpapers (in electronic format, whenever feasible) within two (2) business days following the date when the related testimony is filed.

2. Where workpapers or data request responses include models or spreadsheets or similar information originally in a commonly available format where

inputs or parameters may be changed to observe changes in inputs or outputs, if available in that original format with formulas intact, the party providing the workpaper or response shall provide this type of information in that original format subject to the Commission's rules on discovery procedure.

3. All parties shall provide copies of testimony (including schedules), exhibits, and pleadings to other counsel of record by electronic means and in electronic form essentially concurrently with the filing of such testimony, exhibits, or pleadings where the information is available in electronic format. Parties shall not be required to put information that does not exist in electronic format into electronic format for the purpose of exchanging it.

4. The parties make the following agreements regarding response time for data requests:

a) Until non-utility rate design direct testimony is filed on March 16, 2018, the response time for all data requests shall be twenty (20) calendar days, with ten (10) calendar days to object or notify the requesting party that more than twenty (20) calendar days will be needed to provide the requested information.

b) After March 16, 2018, until rebuttal testimony is filed on April 13, 2018, the response time for data requests shall be ten (10) business days to provide the requested information, and five (5) business days to object or notify the requesting party that more than ten (10) business days will be needed to provide the requested information.

c) After April 13, 2018, until surrebuttal testimony is filed on May 9, 2018, the response time for data requests shall be seven (7) business days to provide the requested information and four (4) business days to object or notify the requesting party that more than seven (7) business days will be needed to provide the requested information.

d) After May 9, 2018, until the final day parties may request discovery on May 14, 2018, the response time for data requests shall be five (5) business days to provide the requested information and three (3) business days to object or notify the requesting party that more than five (5) business days will be needed to provide the requested information. Parties will strive to limit data requests submitted during this time period to information pertaining to matters raised for the first time in another party's surrebuttal testimony. Parties are permitted to make data requests which are limited in scope to matters raised in true-up rebuttal after May 14, 2018 but before May 18, 2018. For true-up rebuttal data requests, the same timelines shall apply with five (5) business days to provide the requested information and three (3) business days to object or notify the requesting party that more than five (5) business days will be needed to provide the requested information

5. The parties agree to the following provisions regarding discovery:

a) Discovery conferences will be held at the Commission's office at the Governor's Office Building, 200 Madison Street, Jefferson City,

Missouri, in a room to be designated by the Commission. Each discovery conference will begin at 10:00 a.m.

- 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.
- c) Discovery conferences shall be on the record and shall be transcribed by a court reporter.
- d) Any pending written discovery motion may be taken up at a discovery conference and may be ruled upon by the presiding regulatory law judge either on the record, or in a written order.
- e) Commission Rule 4 CSR 240-2.090's requirement that a party must seek a telephone conference with the presiding officer before filing a discovery motion is waived.
- f) If the parties do not identify any discovery disagreements or concerns as described in paragraph 5(b), the time allotted for the discovery conference may be used for informal, off-the-record, technical conferences as arranged in advance. Each party shall make a good

faith effort to notify all parties in advance of the technical conference and of the anticipated topics/issues to be discussed.

- g) All data requests, subpoenas, or other discovery requests shall be issued no later than May 14, 2018, with the exception of data requests relating to true-up rebuttal which shall have a cutoff of May 18, 2018. With respect to deposing a witness, depositions must be completed at least three (3) business days prior to the date of the evidentiary hearing.
- i) The parties shall make an effort to not include in data request questions confidential information, and the parties shall make an effort not to over-designate information as confidential. If confidential information must be included in data request questions, the confidential information should be appropriately designated as such pursuant to 4 CSR 240-2.135. Responsibility to make this designation is upon the party claiming such. Other parties are entitled to rely on the presence or absence of such designation.
- j) If a party desires the response to a data request that has been served on another party, the party desiring a copy of the response must request in writing a copy of the responses from the party answering the data request, thereby providing the responding party the opportunity to object. If a data request has been responded to, a party's request for a copy of the response shall timely be responded to, considering that the underlying data request has already been responded to.

6. The parties note that the Commission has adopted the historical test year period for the twelve months ending June 30, 2017, updated for known and measurable changes through December 31, 2017, and trued-up through March 31, 2018, in a manner that results in a reasonable matching among known and measurable revenue, rate base, and expense items. Liberty will make every effort to make auditable accounting information related to items to be updated available to all parties on or before January 24, 2018. For all items to be trued-up, auditable accounting information will be made available to all parties on or before April 20, 2018.¹ True-up issues will be heard during the evidentiary hearing, which will take place May 21 – 25 and May 30 – June 1, 2018.

7. Anticipated true-up items include changes to plant-in-service, depreciation reserve, all other rate base items, revenues (all categories), customer growth, uncollectible expense, pensions and other post-retirement employee benefit costs, payroll (including changes in pay rates, number of employees, overtime, etc.), other employee benefits, payroll taxes, allocations, rents and lease expense, insurance expense, rate case expense, depreciation expense, amortizations, income taxes, property taxes, capital structure, capital costs, and other significant² items that must be considered in order to maintain a proper relationship of revenues, expenses, and rate base. No party is precluded from proposing an additional item for true-up that causes a significant increase or decrease in Liberty Utilities cost of service, i.e., in its revenues,

¹ Each update and true-up item must be known and measurable and, except for the union employees wage increase in June 2018 pursuant to the currently existing labor contract, recorded in Liberty Utilities accounting system, and supported by documentation (including but not limited to invoices, inspections, general ledgers, contracts, operating reports, etc.) that demonstrates it has occurred; and, if the update or true-up item is a rate-based capital investment, the documentation must demonstrate that the investment is fully operational and used for service.

² Significant in this context will be measured by the smallest adjustment made during the true-up audit from the list of items indicated in this paragraph.

expenses or investment, or proposing that any item(s) listed above not be trued-up. For true-up issues, no party shall revise or change that party's methods or methodologies from its direct case, except in the event of an extraordinary or unusual occurrence and upon reasonable notice provided to all parties.

8. The parties hereby request that delivery of the hearing transcript be expedited, to allow parties ample time to draft initial post-hearing briefs.

9. The parties further recommend the Commission adopt the following procedural schedule for the case:

| <u>Item</u> | <u>Date</u> |
|--|--------------------|
| Recommendations regarding Procedural Schedule filed | November 16, 2017 |
| Staff Files Recommended LPH Dates | November 23, 2017 |
| Discovery Conference | January 9, 2018 |
| Discovery Conference | February 6, 2018 |
| Non-utility parties file Direct Testimony on Revenue Requirement | March 2, 2018 |
| Non-utility parties file Direct Testimony on Rate Design | March 16, 2018 |
| Discovery Conference | March 20, 2018 |
| Local Public Hearings Held | March 21-27, 2018 |
| Technical/Settlement Conference | April 3, 2018 |
| Discovery Conference | April 10, 2018 |
| Rebuttal Testimony (all parties, revenue requirement and rate design) | April 13, 2018 |
| True-up Direct Testimony filed by Liberty | April 20, 2018 |
| Surrebuttal Testimony (all parties) | May 9, 2018 |

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|---|---------------------------------------|
| Non-utility True-up Direct Testimony (may be combined with surrebuttal testimony) | May 9, 2018 |
| Settlement Conference | May 15, 2018 |
| List of Issues, Order of Witnesses, Order of Cross-Examination, Order of Opening ³ | May 16, 2018 |
| True-up Rebuttal Testimony (all parties) | May 17, 2018 |
| Position Statements ⁴ | May 17, 2018 |
| Parties to provide valuation of their positions to Staff for Final Reconciliation ⁵ | May 17, 2018 |
| Final Reconciliation ⁶ (to be filed) | May 18, 2018 |
| Evidentiary Hearings | May 21-25, 2018 May 30–Jun 1, 2018 |
| Initial Post-Hearing Briefs | June 19, 2018 |
| Reply/True-Up Briefs | June 29, 2018 |
| Operation of Law Date | August 26, 2018 |

WHEREFORE, Staff respectfully submits, on behalf of the parties, this proposed order in compliance with the Commission’s October 19, 2017 order.

³ If the issues change as a result of true-up rebuttal testimony, parties will file a subsequent list of issues.

⁴ In the event the list of issues changes as a result of true-up rebuttal testimony, position statements will be updated to address the revised list of issues.

⁵ In the event the valuations of positions change as a result of true-up rebuttal testimony, the parties will provide an updated valuation of their positions to Staff so that Staff may update the final reconciliation.

⁶ In the event the valuations of positions change as a result of true-up rebuttal testimony, Staff will update the final reconciliation.

Respectfully submitted,

/s/ Marcella L. Forck

Marcella L. Forck
Associate Staff Counsel
Missouri Bar No. 66098
Attorney for Staff of the
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
573-751-4140 (Voice)
573-526-6969 (Fax)
Marcella.forck@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile, or electronically mailed to all counsel of record this 16th day of November, 2017.

/s/ Marcella L. Forck