

**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. )  
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**Case No. GR-2014-0152**

**LIBERTY UTILITIES' RESPONSE TO  
ORDER DIRECTING FILING OF RECONCILIATION**

COMES NOW Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities ("Liberty Utilities" or "Company") and, pursuant to Section 386.420.4 RSMo and the Missouri Public Service Commission's ("Commission") *Order Directing Filing of Reconciliation* ("Order") entered in this matter on January 22, 2015, respectfully submits its Response and proposed Reconciliation for approval herein. In support thereof, Liberty Utilities states as follows:

1. As noted in the Commission's Order, "Section 386.420.4 RSMo requires the Commission to cause to be prepared, and to approve, a detailed reconciliation containing the dollar value and rate or charge impact **of each contested issue decided by the Commission.**" (Order, page 1, emphasis added). Liberty Utilities was ordered to file a reconciliation that it believes complies with Section 386.420.4 RSMo no later than February 5, 2015, and any responses to the reconciliation are to be filed no later than February 13, 2015.<sup>1</sup>

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<sup>1</sup> Order, page 1; *Amended Order Directing Filing of Reconciliation*, January 23, 2015, page 1.

2. Liberty Utilities has prepared a reconciliation, which is attached hereto as **Exhibit A**, which it believes satisfies the requirements of Section 386.420.4 RSMo. Due to the confidential nature of certain information reflected in some of the sub-issues decided by the Commission, Exhibit A is being submitted in both Non-Proprietary (“NP”) and Proprietary/Highly Confidential (“P/HC”) versions.

3. In addition, the contested issues decided by the Commission, as set out in its Report and Order issued herein, consist of (1) Cost of Capital (with sub-issues Capital Structure, Cost of Debt and Cost of Equity); (2) Contract Customers (with sub-issues Authorization for Special Contracts, Tariff for Special Contracts, Rates for Special Contracts – Noranda and General Mills, and Rates for Special Contract – SourceGas); and (3) Depreciation. Included in its Application for Rehearing filed in this matter on December 30, 2014, the Office of the Public Counsel (“Public Counsel”) seeks rehearing of the Commission’s decision to approve a final rate case expense amount of \$609,679. Liberty Utilities does not consider Rate Case Expense to be a “contested issue decided by the Commission” within the meaning or scope of Section 386.420.4 RSMo, and does not waive its objection to same by including the annual dollar value of said issue in the attached Exhibit A.

WHEREFORE, Liberty Utilities respectfully requests that the Commission accepts its Response and, after considering any responses filed by other parties, approve the attached Reconciliation.

Respectfully submitted,

/s/ Larry W. Dority

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ATTORNEYS FOR LIBERTY UTILITIES  
(MIDSTATES NATURAL GAS) CORP.  
D/B/A LIBERTY UTILITIES

### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 5<sup>th</sup> day of February, 2015.

/s/ Larry W. Dority

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Larry W. Dority