

Exhibit No.:
Issues: *Miscellaneous Expenses,
Governmental Affairs and
Lobbying*
Witness: *Sarah B. Sharpe*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Rebuttal Testimony*
Case No.: *GR-2014-0152*
Date Testimony Prepared: *July 30, 2014*

MISSOURI PUBLIC SERVICE COMMISSION

REGULATORY REVIEW DIVISION

UTILITY SERVICES - AUDITING

REBUTTAL TESTIMONY

OF

SARAH B. SHARPE

**LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.
d/b/a LIBERTY UTILITIES**

CASE NO. GR-2014-0152

*Jefferson City, Missouri
July 2014*

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MISCELLANEOUS EXPENSES 2
GOVERNMENTAL AFFAIRS AND LOBBYING 2

1 after review by Staff, the additional data has warranted changes to not only the adjustments to
2 miscellaneous expenses, but to governmental affairs and lobbying.

3 **MISCELLANEOUS EXPENSES**

4 Q. What changes has Staff made to its adjustments for miscellaneous expenses?

5 A. Staff received a response to Staff Data Request No. 254 on June 9, 2014, which
6 contained additional detailed data explaining Liberty Utilities (Midstates Natural Gas) Corp.
7 d/b/a Liberty Utilities' ("Liberty Utilities" or "Company") costs related to employee expense
8 reports and company credit card charges. After reviewing the additional data, Staff has made
9 additional adjustments to its cost of service calculations to remove charges related to holiday
10 parties and non-Missouri utility related travel. These adjustments are to remove costs for items
11 which provide no ratepayer benefit.

12 **GOVERNMENTAL AFFAIRS AND LOBBYING**

13 Q. Has Staff made changes to its adjustments for governmental affairs and lobbying
14 expenses incurred by Liberty Utilities?

15 A. Yes. As a result of Staff's review of the response to Staff Data Request No. 254
16 received on June 9, 2014, Staff has made changes to its disallowance adjustments related to
17 governmental affairs and lobbying. The review of the new data revealed additional
18 Liberty Utilities' expenses related to lobbying activities. As Staff stated in its Report, the
19 disallowance of these amounts is consistent with Staff's treatment of this type of cost in other
20 rate cases; therefore, Staff made an additional adjustment to disallow these lobbying activities.

21 Q. Does this conclude your rebuttal testimony?

22 A. Yes, it does.

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

AFFIDAVIT OF SARAH B. SHARPE

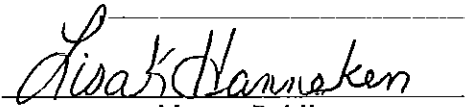
STATE OF MISSOURI)
) ss.
COUNTY OF ST LOUIS)

Sarah B. Sharpe, of lawful age, on her oath states: that she has participated in the preparation of the foregoing Rebuttal Testimony in question and answer form, consisting of 2 pages to be presented in the above case; that the answers in the foregoing Rebuttal Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of her knowledge and belief.


Sarah B. Sharpe

Subscribed and sworn to before me this 29th day of July, 2014.

LISA K. HANNEKEN
Notary Public - Notary Seal
State of Missouri
Commissioned for Franklin County
My Commission Expires: April 29, 2018
Commission Number: 14987138


Notary Public