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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1 REBUTTAL TESTIMONY 2 **OF** SARAH B. SHARPE 3 4 LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP. 5 d/b/a LIBERTY UTILITIES 6 CASE NO. GR-2014-0152 7 Please state your name and business address. Q. Sarah B. Sharpe, 111 N. 7th Street, Suite 105, St. Louis, MO 63101. 8 A. 9 Q. By whom are you employed and in what capacity? 10 A. I am employed by the Missouri Public Service Commission ("Commission") as a 11 Utility Regulatory Auditor II in the Auditing Unit of the Utility Services Department, Regulatory 12 Review Division. 13 Q. Are you the same Sarah B. Sharpe who contributed to Staff's Revenue 14 Requirement Cost of Service Report (Report) filed on June 6, 2014, in this case? 15 A. Yes, I am. 16 Q. What is the purpose of your rebuttal testimony in this proceeding? 17 A. My rebuttal testimony will address certain changes made by Staff since its direct 18 filing to its cost of service calculations for both miscellaneous expenses and governmental affairs 19 and lobbying as discussed in its Report filed on June 6, 2014. As indicated in Staff's Report, 20 on page 66, line 23, Staff was waiting for a response to Staff Data Request No. 254 and would 21 review such response to determine if further adjustments would be necessary based on the data 22 received. A response to Staff's Data Request No. 254 was received by Staff on June 9, 2014, and

after review by Staff, the additional data has warranted changes to not only the adjustments to

miscellaneous expenses, but to governmental affairs and lobbying.

MISCELLANEOUS EXPENSES

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

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

GOVERNMENTAL AFFAIRS AND LOBBYING

- Q. Has Staff made changes to its adjustments for governmental affairs and lobbying expenses incurred by Liberty Utilities?
- A. Yes. As a result of Staff's review of the response to Staff Data Request No. 254 received on June 9, 2014, Staff has made changes to its disallowance adjustments related to governmental affairs and lobbying. The review of the new data revealed additional Liberty Utilities' expenses related to lobbying activities. As Staff stated in its Report, the disallowance of these amounts is consistent with Staff's treatment of this type of cost in other rate cases; therefore, Staff made an additional adjustment to disallow these lobbying activities.
 - Q. Does this conclude your rebuttal testimony?
 - A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Liberty V Natural Gas) Corp. d/b/a Tariff Revisions Designed General Rate Increase for N in the Missouri Service Area	Liberty Utilities' To Implement a latural Gas Service))))	Case No. GR-2014-0152		
	AFFIDAVIT OF S.	ARAH B.	SHARPE		
STATE OF MISSOURI COUNTY OF ST LOUIS)) ss.)				
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 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.					
		Sar	rah B. Sharpe		
Subscribed and sworn to before me this day of July, 2014.					
Notary Public - Notary Seal State of Missouri Commissioned for Franklin County My Commission Expires: April 29, 201 Commission Number: 14967138	8	Tisak	<u>Harvaken</u> Notary Public		