

Exhibit No.:
Issues: Industrial and Transportation
Customers, Special Contracts
Witness: Kim Cox
Sponsoring Party: MO PSC Staff
Type of Exhibit: Rebuttal Testimony
Case No.: GR-2014-0152
Date Testimony Prepared: July 30, 2014

MISSOURI PUBLIC SERVICE COMMISSION

REGULATORY REVIEW DIVISION
Tariff, Safety, Economic & Engineering Analysis

REBUTTAL TESTIMONY

OF

KIM COX

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

CASE NO. GR-2014-0152

Jefferson City, Missouri
July 2014

**** Denotes Highly Confidential Information ****

PR

**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)

File No. GR-2014-0152

AFFIDAVIT OF KIM COX

STATE OF MISSOURI)
) ss
COUNTY OF COLE)


Kim Cox, of lawful age, on her oath states: that she has participated in the preparation of the following Rebuttal Testimony in question and answer form, consisting of 5 pages of Rebuttal Testimony to be presented in the above case, that the answers in the following Rebuttal Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true to the best of her knowledge and belief.



Kim Cox

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

LAURA BLOCH Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: June 21, 2015 Commission Number: 11203914
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Notary Public

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REBUTTAL TESTIMONY
OF
KIM COX
LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.
d/b/a LIBERTY UTILITIES
CASE NO. GR-2014-0152
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2 **OF**

3 **KIM COX**

4 **LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.**

5 **d/b/a LIBERTY UTILITIES**

6 **CASE NO. GR-2014-0152**

7 Q. Are you the same Kim Cox who participated in Staff's Cost of Service report?

8 A. Yes I am.

9 **EXECUTIVE SUMMARY**

10 Q. What is the purpose of your rebuttal testimony?

11 A. The purpose of my rebuttal testimony is to address the Industrial and
12 Transportation customers' test year revenues and the Special Contracts that Liberty Utilities
13 (Midstates Natural Gas) Corp. d/b/a Liberty Utilities ("Liberty Utilities" or "Company") has
14 with Noranda Aluminum, Inc. ("Noranda") and General Mills.

15 **TEST YEAR REVENUES FOR INDUSTRIAL AND TRANSPORTATION**
16 **CUSTOMERS**

17 Q. Did you contribute to Staff's Direct Revenue Requirement Cost of Service
18 Report regarding the revenues of Industrial and Transportation customers of Liberty?

19 A. Yes.

20 Q. What were the results of your analysis?

21 A. At the time of the Direct filing of this case Staff was not able to perform its
22 analysis due to the lack of, or timeliness of data provided by Liberty Utilities.

23 Q. Has Liberty Utilities provided the data necessary since Staff's direct filing?

1 A. Yes.

2 Q. Please explain the analysis.

3 A. Staff analyzed the Industrial and Transportation customers' test year usage and
4 revenues. Staff reviewed (1) any customer coming on, or leaving Liberty Utilities system
5 during the test year; (2) customers taking service from more than one rate class during the test
6 year; and (3) customers that may have been weather sensitive.

7 Q. Did Staff make any adjustments for these types of customers?

8 A. No. Based on the data provided by Liberty Utilities, Staff's analysis showed
9 that no adjustments to Industrial and Transportation customers' were needed.

10 Q. Has Staff's Direct filed revenues for Industrial and Transportation customers
11 changed?

12 A. Yes. Staff used actual revenues, twelve months ending March 2014 with the
13 exception of proposing ** _____ ** for the Direct
14 filing. Staff is now using actual revenues, twelve months ending September 2013 with the
15 same ** _____ ** This information was provided to Staff
16 witness, Mr. Kofi Boateng.

17 **SPECIAL CONTRACTS - NORANDA AND GENERAL MILLS**

18 Q. Did Liberty Utilities provide testimony for Noranda and General Mills in their
19 Direct filing?

20 A. Yes. Liberty Utilities witness, Mr. Chris Krygier provided Direct testimony,
21 starting on page 17, VII. Special Contracts.

22 Q. Did Mr. Krygier provide current contracts with Noranda and General Mills?

1 A. At page 17, Line 12, Mr. Krygier states “Attached to my testimony as
2 **Schedule CDK-4HC** is the current contract with Noranda.” And on page 18, line 12, Mr.
3 Krygier states “Attached to my testimony as **Schedule CDK-5HC** is the contract that went
4 into effect on March 1, 2005” with General Mills.

5 Q. Has Staff reviewed the contracts that Mr. Krygier attached?

6 A. Yes.

7 Q. ** _____ **

8 A. ** _____

9 _____ **

10 Q. Please explain.

11 A. ** _____

12 _____

13 _____

14 _____

15 _____

16 _____ **

17 Q. ** _____ **

18 A. ** _____ **

19 Q. In Mr. Krygier’s testimony he mentioned that Noranda and Liberty Utilities are
20 negotiating an alternative mutually agreeable contract and that the Company would submit a
21 new contract as a supplemental highly confidential schedule once it is finalized and executed.
22 Has a new contract been submitted?

Rebuttal Testimony of
Kim Cox

1 A. Yes. A new Gas Transportation Agreement ** _____
2 _____ ** has been provided to the parties of this case.

3 Q. Mr. Krygier goes on to say that entering into a contract prevents Noranda from
4 switching to the Texas Eastern Transmission Company (“TETCO”). ** _____
5 _____ **

6 A. ** _____
7 _____ **

8 Q. Mr. Krygier states that having a special contract with Noranda is fair to both
9 Noranda and Liberty Utilities’ other customers. Does Staff agree?

10 A. Staff does not agree that the current arrangement with Noranda is fair to
11 Liberty Utilities’ other customers.

12 Q. Has Liberty Utilities provided any support for the rates paid by Noranda?

13 A. No.

14 Q. On page 19 of his Direct testimony, Mr. Krygier addresses the question of how
15 Noranda’s and General Mills’ contracts were treated in the last rate case, docket No. GR-
16 2010-0192. Mr. Krygier responded that in the Unanimous Stipulation and Agreement in that
17 case, the signatories agreed that the revenues associated with special contracts should not be
18 imputed in the case. What was Staff’s Direct filing recommendation for special contracts in
19 Case No. GR-2006-0387?

20 A. ** _____
21 _____
22 _____
23 _____

Rebuttal Testimony of
Kim Cox

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_____ **

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Q. What is Staff's recommendation for this case?

4

A. ** _____

5

6

_____ **

7

Q. Does this conclude your rebuttal testimony?

8

A. Yes, it does.