

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 16th day
of September, 2015.

In the Matter of the Verified Application)	
and Petition of Liberty Utilities (Midstates)	
Natural Gas) Corp. d/b/a Liberty Utilities for)	<u>File No. GO-2015-0350</u>
Establishment of an Infrastructure System)	Tariff No. YG-2015-0372
Replacement Surcharge)	

**ORDER SETTING ISRS AMOUNTS, REJECTING TARIFF SHEET,
AND AUTHORIZING COMPANY TO FILE NEW TARIFF SHEET**

Issue Date: September 16, 2015

Effective Date: September 26, 2015

The Missouri Public Service Commission is granting the application of Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities to set the company's Infrastructure System Replacement Surcharge (ISRS). The Commission will also reject the pending tariff sheet and allow the company to file a new tariff sheet in compliance with this order.

On June 30, 2015, Liberty filed an application to recover infrastructure replacement costs through a surcharge that will generate \$414,005 annually. The company operates in three districts; western Missouri, northeastern Missouri, and southeastern Missouri. In support of its request, the company filed a tariff sheet. The company also requested a waiver of the notice requirement¹ for anticipated contested cases.

¹ Rule 4 CSR 240-4.020.

On August 28, 2015, the Staff of the Commission filed a recommendation. Based on its audit, Staff recommends that Liberty receive overall ISRS revenues of \$261,394.

This amount represents \$44,153 for the company's western district, \$202,463 for the northeast, and \$14,779 for the southeast district. Staff recommends that the Commission reject the proposed tariff sheet filed on June 30, 2015, approve Staff's recommended ISRS revenues, authorize Liberty to file an ISRS rate for each customer class as reflected in Staff's recommendation, and grant the requested waiver of the notice required by the Commission's rules.

Liberty filed a *Notice of Agreement* on September 8, 2015, informing the Commission that Liberty agrees with Staff's results. Liberty requests that the Commission issue an order consistent therewith.

The Commission must allow an opportunity for a hearing but is required to act on the application within 120 days.² Toward this end, the Commission issued notice of the application, set a deadline for intervention, and suspended the tariff sheet until October 28, 2015. There were no requests to intervene.

The suspension of the tariff sheet initiated a contested case.³ However, decisions from contested cases need not include conclusions of law and separately stated findings of fact if a stipulation, consent order, or agreed settlement disposes of the action.⁴ The Commission therefore finds that the parties⁵ consent to an order in accordance with Staff's recommendation. The Commission also independently finds and concludes that: the

² Section 393.1006.2(3), RSMo.

³ Section 393.150.1, RSMo.

⁴ Section 536.090, RSMo.

⁵ Though a party to this action under 4 CSR 240-2.010(10), the Office of the Public Counsel has exercised its option under Section 386.710(2) and (3) to not appear.

application complies with the requirements of Sections 393.1000 through 393.1006, RSMo;⁶ an ISRS in accordance with Staff's recommendation is sufficient to recover appropriate pretax revenues;⁷ and, the adjusted rates recommended by Staff are just and reasonable.⁸

The Commission will therefore reject the pending tariff sheet, and direct the company to file a new sheet with ISRS rates as recommended by Staff. Also, the Commission concludes that the absence of a dispute in this case constitutes good cause for an effective date of less than 30 days from the issuance of this order.⁹

THE COMMISSION ORDERS THAT:

1. The tariff sheet, bearing Tariff Tracking No. YG-2015-0372, is rejected.
2. The Staff of the Commission's determination of the Infrastructure System Replacement Surcharge revenues of \$261,394, as set out among the districts in Staff's memorandum, is approved.
3. The Commission authorizes Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities to file an Infrastructure System Replacement Surcharge for each customer class as reflected in Staff's recommendation.
4. Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities' request for a waiver of rule 4 CSR 240-4.020 is granted.

⁶ Section 393.1015(4), RSMo.

⁷ Section 393.1015(4), RSMo.

⁸ Section 393.150, RSMo.

⁹ Section 386.490.2, RSMo.

5. This order shall become effective on September 26, 2015.
6. This case shall be closed on September 27, 2015.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive, flowing style.

Morris L. Woodruff
Secretary

Hall, Chm., Stoll, Kenney,
Rupp, and Coleman, CC., concur.

Jones, Senior Regulatory Law Judge