

Exhibit No.: Liberty Exhibit No. 1
Issue: ISRS Petition / Policy
Witness: David Swain
Type of Exhibit: Direct Testimony
Sponsoring Party: Liberty Energy (Midstates) Corp.
d/b/a Liberty Utilities
Case No.: GR-2014-0006
Date Testimony Prepared: September 20, 2013

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: GR-2014-0006

DIRECT TESTIMONY

OF

DAVID SWAIN

ON BEHALF OF

**LIBERTY ENERGY (MIDSTATES) CORP.
D/B/A LIBERTY UTILITIES**

**Jackson, Missouri
September 2013**

1 **DIRECT TESTIMONY**

2 **OF**

3 **DAVID SWAIN**

4 **Case No. GR-2014-0006**

5

6 **Q: Please state your name and business address.**

7 A: My name is David Swain. My business address is 2370 N. High Street, Suite 1, Jackson,
8 Missouri 63755.

9

10 **Q: By whom are you employed and in what capacity?**

11 A: I am employed by Liberty Energy (Midstates) Corp. d/b/a Liberty Utilities¹ (“Company”
12 or “Liberty Utilities”) as State President.

13

14 **Q: Please describe your professional and educational background.**

15 A: I have worked in the Natural Gas Distribution industry for the past thirty-four years. Prior
16 to my position with Liberty Utilities, I was the Operations Manager for Atmos Energy
17 and lived in Paducah, Kentucky, where I had responsibilities that included oversight of
18 twelve operations in four states. My duties and experience have included oversight and
19 direction of financial planning, regulatory and ratemaking, operations, engineering and
20 customer care. I have been involved in many facets of the industry with a passion for

¹ The name of the corporation was recently changed to Liberty Utilities (Midstates Natural Gas) Corp. It will continue to do business under the fictitious name Liberty Utilities. The Company is preparing its name change request for filing with the Commission.

1 improving and enhancing the safety and reliability of natural gas distribution systems.
2 Presently, I hold a certification from the National Association of Corrosion Engineers as
3 a Cathodic Protection Specialist.
4

5 **Q: What are your principal responsibilities as State President of the Company?**

6 A: As State President of Liberty Utilities, I have overall responsibility for the regulatory,
7 financial, operations and customer care aspects of our business. Specifically, I insure that
8 we comply with all regulations and rules that concern safety, reliability and rates while
9 being financially responsible. I must insure that our business is able to perform these
10 tasks strategically and responsibly.
11

12 **Q: Have you previously testified in a proceeding before the MPSC or before any other
13 utility regulatory agency?**

14 A: Yes, I testified before this Commission in Case No. GM-2012-0037.
15

16 **Q: What is the purpose of your testimony?**

17 A: The purpose of my testimony is to sponsor and support the Application and Petition
18 (including Appendices) and proposed rate schedule ("Petition") of Liberty Utilities to
19 change its Infrastructure System Replacement Surcharge ("ISRS") filed with the
20 Commission on July 2, 2013, initiating this proceeding.
21

22 I will provide background information and discuss some of the relevant prior regulatory
23 activities regarding Liberty Utilities and its predecessor-in-interest for these purposes,

1 Atmos Energy Corporation ("Atmos"); address the various components of the Petition;
2 discuss the Staff Recommendation filed in this matter on September 3, 2013, and Liberty
3 Utilities' Notice of Agreement filed in response; and address certain allegations raised by
4 the Office of the Public Counsel ("OPC").

5
6 **Background and Recent Regulatory Activity**

7 **Q. Please provide a brief background on Liberty Utilities' natural gas operations in**
8 **Missouri?**

9 A. By its Order Approving Unanimous Stipulation And Agreement issued March 14,
10 2012 in File No. GM-2012-0037, the Commission approved the Unanimous Stipulation
11 and Agreement ("Stipulation") entered in that proceeding and authorized Atmos to sell,
12 and Liberty Utilities to purchase, substantially all of the assets of Atmos used to provide
13 natural gas and transportation services in Missouri. The Commission further issued new
14 certificates of convenience and necessity to Liberty Utilities for the service areas
15 formerly served by Atmos.

16
17 **Q. What parties were signatories to that Stipulation?**

18 A. The Stipulation was signed and supported by Atmos, Liberty Utilities, the Commission
19 Staff, OPC and IBEW Local No. 1439.

20
21 **Q. Did the Stipulation address the issue of tariffs and their adoption?**

22 A. Yes, Paragraph 9 of the Stipulation provided:
23

1 9. Tariffs

2 Atmos has Commission approved tariffs. Liberty-Midstates shall formally
3 adopt in whole Atmos' tariffs verbatim upon closing of the transaction.
4 These tariffs shall remain in effect until changed by Order of the
5 Commission or by operation of law.
6

7 On July 2, 2012, Liberty Utilities filed a tariff adoption notice and request for name
8 change to (1) adopt Atmos Energy Corporation's tariffs, including its existing ISRS
9 tariff, and (2) authorize the use of the fictitious name "Liberty Utilities." By its *Order*
10 *Recognizing Name Change and Approving Tariff Sheets*, the Commission approved the
11 adoption of the tariffs and recognized the fictitious name, effective August 1, 2012.
12

13 **Q. Could you please provide additional information regarding the existing Company**
14 **ISRS?**

15 A. Yes. Atmos' last general rate proceeding was in 2010 in Commission Case No. GR-
16 2010-0192. The Unanimous Stipulation and Agreement ("Rate Case Stipulation")
17 entered in that case was approved by the Commission's Order effective August 27, 2010,
18 with new rates effective September 1, 2010. The Rate Case Stipulation was signed and
19 supported by Atmos, Staff, OPC, Missouri Department of Natural Resources and
20 Noranda Aluminum, Inc. As reflected on page 2 of the Rate Case Stipulation and its
21 Appendix A, the annual base revenue level approved in that case was \$21,208,496.
22

23 Paragraph 11 of the Rate Case Stipulation addressed "ISRS Calculations" specifically, as
24 follows:

25 11. ISRS Calculations. As required by Commission rules, **the**
26 **Company's current ISRS shall be reset to zero upon the effective date**
27 **of new rates in this case.** The Signatories further agree that, for any ISRS
28 filings implemented between the date new rates are established in this

1 proceeding and the effective date of new rates established in the
2 Company's next general rate case proceeding, the Return On Equity
3 (ROE) to be used in ISRS calculations shall be 10.0%, and the capital
4 structure and debt costs shall be the capital structure and debt costs as filed
5 by Staff in this case. The ROE and capital structure specified herein for
6 use in future ISRS filings does not reflect the level of ROE included in the
7 overall revenue requirement agreement in the Stipulation. Plant in service
8 additions for inclusion in a future ISRS shall be limited to qualifying
9 additions subsequent to February 28, 2010. (Emphasis added).

10
11 After the ISRS was zeroed out effective with new rates on September 1, 2010, Atmos
12 filed for a new ISRS in November 2010, which became effective February 14, 2011, in
13 Commission File No. GO-2011-0149. This is the ISRS that is the subject of the instant
14 change request.

15
16 **Q. Referring back to the asset sale case Stipulation, are there particular provisions that**
17 **you would like to highlight to the Commission?**

18 A. Certainly, by approving Liberty Utilities' previous filing to change its ISRS in File No.
19 GO-2013-0048, effective on November 2, 2012, the Commission is aware of the
20 provision that permits Liberty Utilities to make ISRS filings throughout the term of the
21 general rate case moratorium (the moratorium expires December 31, 2013) provided in
22 the Stipulation. (Paragraph II.A.1 titled Rate Moratorium, page 4).

23
24 Paragraph 8 of that same "Conditions" section of the Stipulation, addresses previous
25 Commission orders and stipulations and agreements:

26 8. Adherence to Previous Commission Orders and Stipulations and
27 Agreements

28
29 Liberty-Midstates shall comply with all requirements resulting from all
30 Commission Approved stipulation and agreements and Commission
31 Orders in all cases applicable to Atmos, which are still in force, from the

1 effective date of the Commission’s Order approving Atmos’ acquisition of
2 Greeley Gas Company in Case No. GM-94-6. To the extent any
3 requirement in those prior stipulation and agreements and orders conflicts
4 with a provision of the Stipulation and Agreement, the Stipulation and
5 Agreement shall govern. **In addition, Liberty-Midstates shall comply**
6 **with all Commission rules (including but not limited to the**
7 **Commission’s Cold Weather Rule, Gas Safety rules and Affiliate**
8 **Transactions rules), reporting requirements and other practices, subject**
9 **to existing waivers or variances authorized by the Commission for**
10 **Atmos.** (Emphasis added).

11
12 Indeed, Gas Safety is one of the major subjects addressed in the Stipulation:

13
14 **17. Gas Safety**

15 a. Liberty-Midstates shall comply fully with all of the Commission’s
16 pipeline safety regulations and, prior to operating the system, must
17 meet the following requirements and have the following programs or
18 plans in place and fully operational, subject to existing waivers or
19 variances authorized for Atmos:

- 20 Field personnel shall be Operator Qualification tested;
- 21 Field personnel shall be drug tested as required by CSR 240-
- 22 40.080;
- 23 Field personnel shall be trained in Missouri’s specific gas safety
- 24 rules;
- 25 Leak calls shall be responded to immediately;
- 26 Operations and Maintenance Plan;
- 27 Emergency Plan;
- 28 Operator Qualification Plan;
- 29 Anti-Drug and Alcohol Misuse Plan;
- 30 Damage Prevention Program;
- 31 Public Awareness Program;
- 32 Integrity Management Program for Transmission Pipelines;
- 33 Integrity Management Program for Distribution Pipelines; and,
- 34 Membership in Missouri One Call Systems, Inc
- 35 Control Room Management Program

36
37 b. In addition to an Operator Qualification Plan, Liberty-Midstates shall
38 have qualified personnel in place to operate the natural gas system. In
39 addition to having an Anti-Drug and Alcohol Plan, Liberty-Midstates
40 shall conduct pre-employment testing of new personnel, and conduct
41 random testing as required by Commission rules.
42
43

- 1 c. Liberty-Midstates shall have a process to receive and respond to
2 emergency, leak and odor calls, at any time (24 hours a day, 7 days a
3 week, 365 days a year). Joint Applicants shall have a transition plan
4 in place for transferring to Liberty-Midstates personnel the Liberty-
5 Midstates customers that call Atmos' telephone numbers. Liberty-
6 Midstates shall have personnel in place to receive, dispatch and
7 respond to emergency, leak and odor calls as required by the
8 Commission (within one hour for inside odor call and within two
9 hours for outside odor calls). If Liberty-Midstates changes the
10 emergency telephone number used by the public, Liberty-Midstates
11 shall widely advertise that number so the public is aware of the 24-
12 hour emergency telephone number to be called in an emergency.
13
- 14 d. Liberty-Midstates shall establish a plan to replace signage at regulator
15 stations, above ground piping, road crossings and other locations. In
16 addition to establishing a Control Room Management Program,
17 Liberty-Midstates shall establish a gas control function for supervisory
18 control and data acquisition (SCADA) systems for remotely
19 controlling and monitoring remote-controlled valves and system
20 pressures. (Emphasis added).
21

22 Finally, Paragraph 19 (a) regarding "Miscellaneous Conditions" provides as follows:
23 "Prior to Liberty-Midstates filing its first general rate proceeding related to the acquired
24 Atmos properties, Liberty-Midstates will not request Commission authorization to alter
25 or be relieved of any of the terms or conditions contained in past stipulations or
26 Commission orders that were applicable to Atmos just prior to the acquisition."
27

28 Of course, the Commission found that the terms of the Stipulation were just and
29 reasonable and further ordered "that the signatories shall be bound by and comply with
30 the terms of the Unanimous Stipulation and Agreement." (*Order Approving Unanimous*
31 *Stipulation and Agreement*, Ordered Paragraph 11, File No. GM-2012-0037, March 14,
32 2012).

Liberty Utilities' ISRS Petition

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Q. You previously testified that you are sponsoring and supporting the Liberty Utilities' ISRS Petition to adjust the ISRS rate elements in its established ISRS rate schedule, is that correct?

A. Yes, pursuant to the provisions of Sections 393.1009-1015 of the Missouri Revised Statutes and Commission Rule 4 CSR 240-3.265, Liberty Utilities filed its Petition initiating this matter on July 2, 2013, requesting an adjustment to its ISRS rate schedule that provides for the recovery of costs incurred in connection with ISRS-eligible infrastructure system replacements made during the period beginning June 1, 2012 through May 31, 2013. For ease of reference and clarification for the record, I am attaching and incorporating by reference a copy of the Verified Application and Petition as **Schedule DS-1**, and Appendices A-C that were attached and incorporated therein as **Schedule DS-2**. I am sponsoring the information that is contained in these Schedules and that information was prepared under my supervision.

Q. Is this Liberty Utilities' first ISRS filing?

A. No, it is not; however, I would note that this is the first filing using Liberty Utilities specific information. This filing represents Liberty Utilities' second ISRS filing since acquiring the assets previously owned by Atmos. The rates related to Liberty Utilities' previous ISRS filing, File No. GO-2013-0048, became effective on November 2, 2012. As discussed above, Liberty Utilities adopted the currently effective ISRS authorized for Atmos (in File No. GO-2011-0149), which became effective February 14, 2011. Importantly, the Verified Application and Petition and supporting documentation filed in

1 this matter is virtually identical in form and scope to the four (4) previous ISRS filings
2 submitted by Liberty Utilities or Atmos, dating back to August of 2008. Each of those
3 cases was resolved by the company filing a notice of agreement with the staff
4 recommendation and a Commission order approving a revised tariff filed in conformance
5 with such agreement.

6
7 **Q. Could you please provide a brief overview of the primary information contained in**
8 **the attached Schedules?**

9 A. Certainly. The infrastructure system replacements for which Liberty seeks ISRS
10 recognition are set forth on **Schedule DS-2, Appendix A**. These are eligible gas utility
11 plant projects in that they are either: a) mains, valves, service lines, regulator stations,
12 vaults, and other pipeline system components installed to comply with state or federal
13 safety requirements as replacements for existing facilities that have worn out or are in
14 deteriorated condition; or b) main relining projects, service line insertion projects, joint
15 encapsulation projects, and other similar projects extending the useful life, or enhancing
16 the integrity of pipeline system components undertaken to comply with state or federal
17 safety requirements; or c) unreimbursed infrastructure facility relocations due to the
18 construction or improvement of a highway, road, street, public way or other public work
19 required by or on behalf of the United States, the State of Missouri, a political
20 subdivision of the State of Missouri, or another entity having the power of eminent
21 domain.

1 In addition to meeting the foregoing criteria, these infrastructure system replacements are
2 also eligible for ISRS treatment because they: a) did not increase revenues by directly
3 connecting to new customers; b) are currently in service and used and useful; c) were not
4 included in rate base in the most recently completed general rate case, and d) replaced
5 and/or extended the useful life of existing infrastructure.

6
7 Capital data used for the ISRS filing was reported directly from Liberty Utilities' plant
8 accounting system. Liberty Utilities' plant accounting is project based. Each project
9 placed in service in Missouri was reviewed to ensure that it was an eligible “gas utility
10 plant project” as defined in Section 393.1009 of the Missouri Revised Statutes. This
11 review was facilitated through the use of several data elements maintained for each
12 project in the plant accounting system. The In Service Date was used to eliminate any
13 projects that did not fall within the filing window of the ISRS. The Budget Category
14 field was used to eliminate projects that did not fall into the categories of System
15 Integrity, System Improvements, Public Improvements, and Maintenance. The Project
16 Description was reviewed to ensure that the project was consistent with the intent of the
17 ISRS. The Business Segment field was used to assign the cost to the appropriate rate
18 division. And finally, the FERC Activity Code determined whether the costs were for an
19 addition or a retirement.

20
21 The data for additions is presented in **Schedule DS-2** at Appendix A (Schedule 1), and
22 the data for retirements is reflected in Appendix A (Schedule 2). In each schedule the
23 data by project is summarized for each rate division at the utility account level, with the

1 in service date and addition amount provided for the project. The Accumulated
2 Depreciation is calculated by multiplying the Monthly Depreciation Rate by the number
3 of Months the asset has been in service. The Depreciation Expense column contains the
4 annual depreciation expense for the asset. Sub-total rows are provided for each rate
5 division and class of assets.

6
7 **Q. Would you please address Schedule DS-2, Appendix B, regarding the rate schedule
8 and supporting documentation?**

9 A. **Schedule DS-2**, Appendix B is the rate schedule, with supporting documents
10 (Schedules), proposed by Liberty Utilities to revise the ISRS to reflect the additional
11 ISRS eligible investments that are not included in the ISRS. This proposed rate schedule,
12 on an annualized basis, will produce ISRS revenues of at least one-half of one percent of
13 the base revenue level approved by the Commission in the most recent general rate
14 proceeding, but not in excess of ten percent of the base revenue level. As discussed
15 previously, the annual base revenue level approved in that case was \$21,208,496. As
16 reflected on Appendix B, Schedule 1, the instant ISRS filing would generate additional
17 revenues of \$650,670. I would note that the previous Atmos rate case referenced on that
18 sheet relating to ROE and weighted cost of debt, erroneously references Case No. GR-
19 2006-0387, when it should be Case No. GR-2010-0192. The correct information from
20 GR-2010-0192 was, in fact, utilized (as discussed in Paragraph 14 of the Petition), and
21 that typographical error has been conveyed to the parties.

22

1 **Q. Since the filing of the Petition, have there been any changes or corrections to the**
2 **information discussed above?**

3 A. Yes. While compiling information for Staff and OPC, the Company has identified four
4 ineligible projects that had been included in the Petition. The Company notified the
5 parties, and the total cost of ineligible projects was \$34,734.69, which has a revenue
6 requirement impact of approximately \$3,000. There have also been some adjustments
7 and reconciliations proposed by Staff in its Staff Recommendation, to which the
8 Company has indicated its agreement, and I will discuss further below.

9
10 Lastly, to further ensure the accuracy of the costs included in the filing, I instructed my
11 staff to conduct an additional review of the ledger and sub-ledger. This additional review,
12 which was concluded this week, revealed two additional issues as follows:

13 1) At the time of the filing of the ISRS, the general ledger and sub-ledger were
14 out of balance by approximately \$650,000 due to a timing difference (the
15 general ledger included project balances through October 31st while the sub-
16 ledger included project balances through September 30th). To balance the
17 ledger and sub-ledger, the \$650,000 in ISRS eligible capital work was applied
18 and allocated on a pro-rata basis to all projects for the time period of April 1,
19 2013 to May 31, 2013. Correcting the issue did not impact the nature,
20 eligibility, or total plant in the ISRS filing but it would increase the revenue
21 requirements by approximately \$3,000. The Company has decided to stand by
22 its original filing on this point and not seek the additional revenue
23 requirements.

1 2) Certain labor and material costs incurred in April and May of 2013 were
2 double counted, because material and labor was included in the overheads
3 applied to projects as well as reflected in the material and labor line items.
4 The amount of this error is \$74,997, which has a Company calculated revenue
5 requirement impact of \$9,163. My understanding is that the impact on Staff’s
6 calculated revenue requirement might differ slightly due to the changes Staff
7 proposed, and the Company supports, in the Staff Report. The Company is no
8 longer seeking to recover this amount in its ISRS filing.

9
10 Over the course of the past week, my team and I have spent considerable time reviewing,
11 analyzing, and evaluating our filing. While these errors are regrettable, I feel certain that
12 they relate to transition issues and that the filing remains credible. In addition, I would
13 note that we have maintained open communication with both Staff and OPC on these
14 issues and have provided supplemental data request responses addressing these issues in
15 more detail.

16
17 **Staff Recommendation**

18 **Q. You have referenced the Staff Recommendation. Would you briefly discuss the**
19 **Staff Recommendation that has been filed in this matter?**

20 **A.** On September 3, 2013, the Staff filed its Staff Recommendation that described Staff’s
21 examination and investigation of Liberty Utilities’ Petition, supporting documentation
22 and data regarding the proposed increase to the Company’s existing ISRS. The Staff
23 Recommendation recites that it is responsive to the Commission’s July 30, 2013 *Order*
24 *Directing Filing of Staff Report*, and Commission Rule 4 CSR 240-3.265(11) which

1 states in part that “[t]he staff of the commission may examine the information of the
2 natural gas utility provided pursuant to this rule and sections 393.1009 to 393.1015,
3 RSMo, to confirm the underlying costs and proper calculation of the proposed ISRS, and
4 may submit a report regarding its examination to the commission not later than sixty (60)
5 days after the natural gas utility files its petition.”

6
7 Based upon its investigation, the Staff recommends that the Commission issue an Order
8 that:

- 9 1. Rejects the ISRS tariff sheet (YG-2014-0004) filed by Liberty on
10 July 2, 2013;
- 11 2. Approves Staff’s determination of the incremental ISRS surcharge
12 revenues in the amount of annual pre-tax revenues of \$606,978, consisting
13 of \$31,863 for the WEMO district, \$188,304 for the SEMO District, and
14 \$386,811 for the NEMO District;
- 15 3. Authorizes Liberty to file an ISRS rate for each customer class as
16 reflected in Appendix B (of the Staff Recommendation); and
- 17 4. Approves Liberty’s request for waiver of 4 CSR 240-4.020(2).
18

19 At Paragraph 8 of its Recommendation, Staff states:

20 Staff would note that Staff is currently awaiting further documentation
21 from Liberty regarding the eligibility of certain of the infrastructure
22 replacement costs included in Liberty’s Application. At this time, Staff
23 has not made any adjustments based on eligibility of the infrastructure
24 replacements costs for this ISRS Application. However, should Staff’s
25 review of the forthcoming documentation reveal new information which
26 would preclude some of the costs from being included in Staff’s
27 calculations, an additional filing by Staff in this case may be made to
28 address those items.
29

30 **Q. What is the Company’s position regarding the Staff Recommendation?**

31 A. After reviewing the Staff Recommendation and its attached Appendices, the Company
32 filed its Notice of Agreement with Staff Recommendation on September 13, 2013,

1 notifying the Commission that, subject to reservation regarding any additional filing by
2 Staff as described in the referenced Paragraph 8 above, it is in agreement with the rates
3 recommended therein. As noted in its September 13 filing, Liberty Utilities has provided
4 the referenced documentation requested by Staff, and Company anticipates that any
5 additional filing by Staff would reflect the four ineligible projects identified and excluded
6 by the Company as discussed previously.

7
8 **Q. Has your position changed?**

9 A. Due to the error described on page 13 of my testimony, the Company supports Staff
10 making a further revision to its Report to reflect the removal of the double counted items.

11
12 **Office of the Public Counsel's Motion**

13 **Q. OPC claims that Liberty Utilities' Petition did not include sufficient documentation.**
14 **Do you have any thoughts on this?**

15 A. While the Company rejects this allegation as addressed by Mr. Caudill in more detail, as I
16 previously discussed, the Verified Application and Petition and supporting
17 documentation filed in this matter is virtually identical in form and scope to the four (4)
18 previous ISRS filings submitted by Liberty Utilities or Atmos, dating back to August of
19 2008. Each of those cases was resolved by the company filing a notice of agreement with
20 the staff recommendation and a Commission order approving a revised tariff filed in
21 conformance. Liberty Utilities' actions in this case are completely consistent with the
22 filings and procedures that the Company (and its predecessor) has followed in previous
23 ISRS cases – without any objection by Public Counsel. I would respectfully suggest that

1 a review of the other thirty plus separate petitions and supporting documentation filed by
2 other Missouri utilities with the Commission since the ISRS statute took effect on August
3 28, 2003, will reveal a similar, if not consistent, format and content utilized by the
4 respective gas corporations.

5
6 **Q. While rejecting the OPC's contentions, has the Company prepared any additional**
7 **information in this regard?**

8 A. Yes, the Company has prepared the attached **Schedule DS-3**, which assigns a
9 Commission rule to each previous project description. Again, this information was
10 prepared under my supervision.

11
12 **Conclusion**

13 **Q. What relief is Liberty Utilities requesting in this proceeding?**

14 A. The Company requests that the Commission find that Liberty Utilities' Petition complies
15 with the requirements of Sections 393.1009 to 393.1015, RSMo., and that it enter its
16 order authorizing the approval of the incremental ISRS revenue requirement increase for
17 Liberty Utilities in this case. The Commission should approve the amount of the
18 incremental ISRS revenue requirement increase for Liberty Utilities (total and by district)
19 as requested by the Company in its Petition and adjusted as described above. The
20 resulting composite/cumulative ISRS rate that Liberty Utilities should be authorized to
21 file for each customer class by district based on such increase, is that described in the
22 Staff Recommendation as it may be adjusted to reflect the changes described above.

1 **Q. Does this conclude your testimony?**

2 A. Yes, it does.

3

4

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**


In the Matter of the Verified Application and)
Petition of Liberty Energy (Midstates) Corp.) **Case No. GO-2014-0006**
d/b/a Liberty Utilities to Change its Infrastructure) Tracking No. YG-2014-0004
System Replacement Surcharge.)

AFFIDAVIT OF DAVID SWAIN

State of Missouri)
County of Cape Girardeau) ss

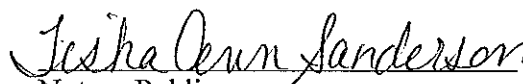
David Swain, being first duly sworn on his oath, states:

1. My name is David Swain. I am employed by Liberty Energy (Midstates) Corp d/b/a Liberty Utilities (now known as Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities) as State President. My business address is 2370 N. High Street, Suite 1, Jackson, Missouri 63755.
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Liberty Utilities, consisting of seventeen (17) pages and Schedule(s) DS-1 through DS-3, all of which having been prepared in written form for introduction into evidence in the above-captioned docket.
3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and correct to the best of my knowledge, information and belief.



David Swain

Subscribed and sworn before me this 20th day of September, 2013



Notary Public

My commission expires: 4-28-14

