

Exhibit No.:
Issue: Update/True-up of Rate Base,
Expenses and Revenues
Type of Exhibit: Supplemental True-up Direct
Testimony
Sponsoring Party: Liberty Utilities
(Midstates Natural Gas) Corp.
d/b/a Liberty Utilities
Case No. GR-2018-0013
Date Testimony Prepared: May 3, 2018

**Before the Public Service Commission
of the State of Missouri**

Supplemental True-up Direct Testimony

of

Charles Evans

On behalf of

**Liberty Utilities (Midstates Natural Gas) Corp.
d/b/a Liberty Utilities**

May 2018



SUPPLEMENT TRUE-UP DIRECT TESTIMONY
OF
CHARLES EVANS
LIBERTY UTILITIES
BEFORE THE
MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. GR-2018-0013

TABLE OF CONTENTS

I. WITNESS IDENTIFICATION	1
II. PURPOSE OF TESTIMONY	1
III. REASONS FOR SUPPLEMENTING TESTIMONY	2
IV. CURRENT REVENUE DEFICIENCY	2

SUPPLEMENTAL TRUE-UP DIRECT TESTIMONY OF
CHARLES EVANS
LIBERTY UTILITIES
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. GR-2018-0013

1 **I. WITNESS IDENTIFICATION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Charles Evans. My business address is 2751 North High Street,
4 Jackson, Missouri.

5 **Q. ARE YOU THE SAME CHARLES EVANS WHO PREVIOUSLY FILED**
6 **DIRECT, REBUTTAL AND TRUE-UP DIRECT TESTIMONY IN THIS**
7 **PROCEEDING ON BEHALF OF LIBERTY UTILITIES?**

8 A. Yes.

9 **II. PURPOSE OF TESTIMONY**

10 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL DIRECT TRUE-**
11 **UP TESTIMONY IN THIS PROCEEDING?**

12 A. The purpose of my supplemental true-up testimony is to sponsor the supplemental
13 accounting schedules that update and/or true-up various components of the
14 Company's proposed revenue requirement in this case. These include an update
15 of all rate-base and plant-in-service additions through March 31, 2018, and an
16 update and/or trued up of certain known and measurable changes in operating
17 expenses and revenues that occurred beyond the June 30, 2017 ending date of the
18 test year in this case. These items are being included either through the December

1 31, 2017 ending date of the update period in this case or through March 31, 2018
2 ending date of the true-up period in this case.

3 **III. REASONS FOR SUPPLEMENTING TESTIMONY**

4 **Q. WHY IS THE COMPANY SUPPLEMENTING ITS TRUE-UP FILING IN**
5 **THIS WAY?**

6 A. As explained in the Motion filed by the Company on this same date, the Staff
7 advised Liberty Utilities that its ability to audit and respond to the Company's
8 true-up filing had been compromised by the fact the Company had updated all
9 revenue, expense and rate base items through December 31, 2017. In contrast,
10 while the Staff apparently anticipated that all rate base items would be updated
11 through the March 31, 2018 ending date for true up period, only select revenue
12 and operating changes would be recognized beyond the June 30, 2017 ending date
13 of the test year. Although the Company believes that its true-up filing was in full
14 accord with the test year, update and true-up requirements recommended by the
15 parties and approved by the Commission in this case, we want to be as responsive
16 as possible to the Staff's auditing needs. I am therefore sponsoring accounting
17 schedules that restate our revenues and expenses in a manner that I believe is
18 more consistent with Staff's expectation. Our accounting schedules relating to
19 rate base remain unchanged.

20 **IV. CURRENT REVENUE DEFICIENCY**

21 **Q. WHAT IMPACT DOES THIS RESTATEMENT OF REVENUES AND**
22 **EXPENSES HAVE ON THE REVENUE DEFICIENCY THAT THE**

1 **COMPANY PREVIOUSLY IDENTIFIED IN THE TRUE-UP**
2 **TESTIMONY IT FILED ON APRIL 30, 2018.**

3 A. As shown by the true-up accounting schedules filed on April 20, 2018, the
4 revenue deficiency identified by the Company in that filing as of March 31, 2018
5 was \$7,132,577. The revenue deficiency identified by the restated accounting
6 schedules filed today is \$7,858,172, or about 10% more than what was previously
7 identified by the Company.

8 **Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL DIRECT TRUE-UP**
9 **TESTIMONY?**

10 A. Yes, it does.

AFFIDAVIT OF CHARLIE EVANS

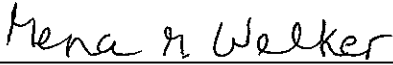
STATE OF MISSOURI)
) ss
COUNTY OF CAPE GIRARDEAU)

On the 4th day of May, 2018, before me appeared Charlie Evans, to me personally known, who, being by me first duly sworn, states that he is Manager of Special Projects of Liberty Utilities – Central Region and acknowledges that he has read the above and foregoing document and believes that the statements therein are true and correct to the best of his information, knowledge and belief.



Charlie Evans

Subscribed and sworn to before me this 4th day of May, 2018.



Notary Public

My commission expires: May 2nd 2020

