

MISSOURI PUBLIC SERVICE COMMISSION
CLASS COST-OF-SERVICE
AND
RATE DESIGN
STAFF REPORT



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

CASE NO. GR-2014-0152

Jefferson City, Missouri
June 2014

PSC Exhibit No. 18
Date 9/8/14 Reporter SJP
File No. _____

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

*** Denotes Proprietary Information ***

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CLASS COST-OF-SERVICE

AND RATE DESIGN

REPORT

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1 **CLASS COST-OF-SERVICE**
2 **AND RATE DESIGN**
3 **REPORT**

4 **EXECUTIVE SUMMARY**

5 Staff did not conduct a Class Cost-of-Service Study ("CCOS") in this case due to data
6 that was not accurate or complete. Due to the lack of data from Liberty Utilities (Midstates
7 Natural Gas) Corp. d/b/a Liberty Utilities ("Liberty Utilities" or "Midstates"), Staff
8 recommends no shift of costs between the classes.

9 Rate design is the assignment of rates to each customer class and is usually based on
10 the Staff's CCOS study, as well as other factors relevant to the case. In this case, Staff
11 recommends equal percentage changes to all rate classes and rate elements, due to
12 deficiencies in the data received from Liberty Utilities. The lack of reliable revenue data
13 precludes Staff from computing an annualized level of billing determinants that would be the
14 basis of new rates. Therefore, an equal percentage based on the current rates is the only way
15 Staff can compute any changes in rates from the outcome of this rate case.

16 Staff is recommending additional and clarifying tariff language to Liberty Utilities'
17 School Aggregation/Transportation tariff sheets and Transportation tariff.

18 *Staff Expert/Witness: Tom Imhoff*

19 **CLASS COST-OF-SERVICE**

20 **A. Fundamental concepts of natural gas Class Cost-of-Service**

21 As used in this section of this Report:

22 Cost-of-Service: The total costs, prudently incurred by a utility in providing services
23 to its customers in a particular jurisdiction.

1 Cost-of-Service Study: A study that analyzes total company costs, adjusts them in
2 accordance with regulatory principles (such as annualizations and normalizations), allocates
3 these costs to the relevant jurisdiction, and compares the allocated costs to the revenues the
4 utility is generating from its retail rates, off-system sales, and other revenues. The results of a
5 cost-of-service study are expressed in terms of additional revenue required for the utility to
6 recover its cost-of-service.

7 Class Cost-of-Service ("CCOS") Study: A quantitative analysis of the costs incurred
8 by a utility to serve its various classes of customers. A Staff CCOS study consists of these
9 steps: (a) costs are categorized (functionalized) based upon the specific functions they
10 perform in the operations of a local distribution company ("LDC"); (b) costs are classified by
11 whether they are customer related, demand related, or energy related; and (c)
12 functionalized/classified costs are allocated to customer classes. The sum of all allocated
13 costs to a customer class is called the cost-to-serve that class.

14 The cost-of-service of each customer class is compared to the annualized and
15 normalized revenues the utility collects from each class through its rates during the test year,
16 plus each class' allocated share of revenues from off-system sales and other revenues. The
17 results of a CCOS study are expressed in terms of additional revenue required from each class
18 for the utility to recover its cost of serving that class.

19 Relationship between Cost-of-Service and CCOS: Conceptually, class cost-of-service
20 is a breakdown of the utility's jurisdictional cost-of-service. A cost-of-service study
21 determines what portion of total company costs is attributable to the retail jurisdiction; a
22 CCOS study determines what portion of retail costs is attributable to each customer class.

1 Cost Allocation: A procedure by which common or joint costs are apportioned among
2 customers or classes of customers.

3 Cost Functionalization: The grouping of rate base and expense accounts according to
4 their specific functions in the operations of an LDC. Most of an LDC's individual rate base
5 and expense items are grouped under the broad functional categories of production, storage,
6 transmission, distribution, customer accounting expenses, and other costs. Customer Class:
7 A group of customers with similar characteristics (usage patterns, conditions of service, usage
8 levels, etc.) that are grouped together for the purpose of setting rates for gas service.

9 Rate Design: (a) A process used to determine the rates for a gas utility once total cost-
10 of-service is known; (b) characteristics such as rate structure, rate values and availability that
11 define a rate schedule and provide the instructions necessary to calculate a customer's gas bill.

12 Rate Design Study: While a CCOS study focuses on the revenue responsibility of
13 customer classes, a rate design study focuses on the equitable pricing of the utility service
14 provided to individual customers within each class. The rate design process attempts to
15 recover costs in each time period (e.g., summer/winter or on-peak/off-peak) from each rate
16 component for each customer in a way that equates the cost of providing service with the
17 amount the customer is billed in accordance with the rate schedule.

18 Rate Schedule: One or more tariff sheets that describe the availability requirements
19 and prices applicable to a particular type of retail gas service. A customer class used in a
20 CCOS study may consist of one or more rate schedules.

21 Rate Structure: Rate structure is composed of the various types of monthly prices
22 charged for the utility's products. At the most basic level there are: (a) customer charges—
23 fixed dollar amount to be paid each month irrespective of the amount of the product taken; (b)

1 usage (energy) charges—a price per unit charged on the total units of the product consumed
2 over the month; (c) purchased gas adjustment (“PGA”) charges—a price per unit “pass-
3 through” of gas costs; and (d) demand charges—a price per unit charge for gas consumed
4 over a 24-hour period of time. One criterion for determining the appropriate rate structures is
5 the accuracy with which the structure tracks costs. Another criterion deals with the ease or
6 difficulty in administering the rate, as well as customers’ understanding of how the rate
7 structure works, i.e., what causes the customer to incur a higher or lower monthly bill.

8 Rate Values (“Rates”): The per-unit prices the utility charges to provide service to its
9 customers. Rates are expressed as dollars per unit of volume (Ccf, Mcf) or per unit of energy
10 (MMBtu, therm), etc.

11 Tariff: A document filed by a regulated entity with either a federal or state
12 commission; it lists the rates (prices) the regulated entity will charge to provide service to its
13 customers as well as the terms and conditions that it will follow in providing service.

14 Units of Measurement:

- 15 • Btu: British thermal unit.
- 16 • MMBtu: One million Btus. One MMBtu is approximately the amount of energy
17 contained in 1,000 Cf (or 1 Mcf) of natural gas, 83.3 pounds of coal, 10.917
18 gallons of propane, 8 gallons of gasoline, or 293.083 kWh of electricity.
- 19 • Cf: A unit of volume of one cubic foot of natural gas, which contains
20 approximately 1,000 Btus of energy.
- 21 • Therm: 100,000 Btus of energy, approximately equal to the energy contained in
22 100 Cf of natural gas.

1 **B. General Description of a CCOS study as related to this case**

2 The purpose of the Staff's CCOS study is to provide the Commission with a measure
3 of relative class cost responsibility for the overall revenue requirements of Liberty Utilities.
4 Staff was unable to perform the necessary calculations that are factors in the CCOS due to
5 issues surrounding the revenue data provided by Liberty Utilities; therefore, Staff was also
6 unable to perform the standard CCOS study. As outlined in the Staff's Revenue Requirement
7 Cost of Service Report, Staff is continuing to work with Liberty to obtain additional data and
8 clarification on data Liberty has already provided. Had Staff been able to perform the CCOS,
9 Staff would have reviewed individual items of cost in order to determine the responsibility of
10 a certain class of customers to pay that cost and either directly assigned the cost to a class or
11 classes or allocated between the classes using reasonable methods for estimating the class
12 responsibility for that item of cost. The results then would have been summarized so that they
13 could be compared to revenues being collected from each class on current rates. The
14 difference between a particular customer class' cost responsibility and the revenues generated
15 by that customer class is the amount that class is either paying in excess of its costs (revenues
16 greater than costs) or less than its costs (revenues are less than costs).

17 If the relevant information would have been available, Staff would have annualized
18 the usage levels and customer bill counts for the Residential Service ("RES"), Small General
19 Service ("SGS"), Medium General Service ("MGS") and Large General Service ("LGS"),
20 Interruptible Service (IS), Large Volume Service ("LVS") and Transportation classes for each
21 district.

22 In the absence of this data, Staff has been unable to compute a CCOS.

1 **C. Customer Classes**

2 Liberty utilizes the following customer classes to differentiate the costs and revenues:

- 3
4 Residential Service (“RES”)
5 Small General Service (“SGS”)
6 Medium General Service (“MGS”)
7 Large General Service (“LGS”)
8 Interruptible Service (“IS”)
9 Large Volume Transportation Service (“LVTS”)

10
11 These classes correspond to Liberty’s current customer classes.

12 If Staff would have been able to perform the CCOS, Liberty’s costs would have been
13 categorized into functional areas and then allocated to the classes. This categorization of
14 costs is referred to as “cost functionalization.” The functional areas that are typically utilized
15 for rate base and expense accounts are: Storage, Distribution Mains, Distribution Measuring
16 and Regulating, Purchased Gas Related, Distribution Meters, Distribution Regulators,
17 Distribution Services, Customer Related, Billing, Meter Reading, Assigned RES, SGS, MGS,
18 and LGS, Assigned IS and LVTS, and Revenue Related.

19 Those costs which could not be directly assigned into any of these specific functional
20 categories would be divided among several functions based upon some relational factor. For
21 example, it would be reasonable to assume that property taxes are related to gross plant costs
22 and can therefore be functionalized in the same manner as gross plant costs.

23 The allocation factor for Distribution Mains, as well as those for Distribution Meters,
24 Distribution Regulators, and Distribution Service Lines would be determined by using the
25 allocation factors developed by a Staff witness. Meter Reading costs would be allocated
26 using weighted customer numbers. Revenue Related costs would be allocated based upon the
27 Staff’s annualized margin revenues.

1 **D. Conclusion**

2 Since Staff did not have sufficient data to perform the CCOS, no class revenue
3 requirements and cost assignments were computed. As a result of Staff being unable to
4 determine the class cost responsibility for the overall revenue requirements of Liberty
5 Utilities, Staff is recommending that an equal percentage be allocated to each customer class.

6 *Staff Expert/Witness: Michelle Bocklage*

7 **RATE DESIGN**

8 Rate design is the assignment of rates to each customer class and is usually based on
9 the Staff's CCOS study, as well as other factors relevant to the case. In this case, Staff
10 recommends equal percentage changes to all rate classes and rate elements, due to
11 deficiencies in the data received from Liberty Utilities. The lack of reliable revenue data
12 precludes Staff from computing an annualized level of billing determinants that would be the
13 basis of new rates. Therefore, an equal percentage based on the current rates is the only way
14 Staff can compute any changes in rates from the outcome of this rate case.

15 *Staff Expert/Witness: Tom Imhoff*

16 **TRANSPORTATION SERVICE AND MISSOURI SCHOOL**

17 **TRANSPORTATION SERVICE TARIFFS**

18 Staff recommends miscellaneous revisions for the Liberty Utilities tariff that pertains
19 to commercial, industrial and school transportation customers.

20 Schools may obtain gas services from Liberty Utilities as gas sales customers or
21 transportation customers. Commercial and industrial customers using 100,000 Ccf or more
22 per year may obtain gas services from Liberty Utilities as gas sales customers or

1 transportation customers. The tariff requirements for school transportation are in the existing
2 Sheet Nos. 60 through 65. The tariff requirements for commercial and industrial
3 transportation customers are in the existing Sheet Nos. 50 through 57.

4 Liberty Utilities acquires pipeline capacity and the natural gas supplies to serve its gas
5 sales customers. Transportation customers are responsible for obtaining their own natural gas
6 supplies.

7 School transportation customers may obtain pipeline capacity required to transport
8 their natural gas supplies from Liberty Utilities as capacity release or from other entities such
9 as a Pool Operator that aggregates the pipeline capacity and supply requirements for a pool of
10 school transportation customers. Commercial and industrial transportation customers obtain
11 pipeline capacity from the applicable pipeline or from other entities such as a Pool Manager
12 that aggregates the pipeline capacity and supply requirements for a pool of commercial and
13 industrial transportation customers.

14 **A. Pool Operator and Pool Management Agreements**

15 The existing Liberty Utilities tariff, Sheet No. 60 for Missouri School Transportation
16 Service, references a contract between the Pool Operator and the Company for school
17 transportation service as follows:

18 "Company will prepare a contract for execution by the Pool
19 Operator addressing its obligations in respect to Nominations,
20 Balancing Charges and Cash-Out provisions and other applicable
21 charges."

22 Staff recommends the Company include in its tariff a requirement for the Pool
23 Operator to execute a pool operator agreement with the Company, include in its tariff a
24 standard form of pool operator agreement similar to Schedule LAJ-2, and submit an Agency

1 Authorization Form for each member of the pool signed by both Customer and its Pool
2 Operator.

3 The existing Liberty Utilities tariff, Sheet No. 55 for Natural Gas Transportation
4 Service, references a pool management agreement for transportation customers as follows:

5 "To receive service hereunder, the Pool Manager shall enter into a
6 Pool Management Agreement with Company and shall submit an
7 Agency Authorization Form for each member of the pool, signed
8 by both Customer and its Pool Manager.

9 The Pool Manager shall submit a signed Pool Management
10 Agreement and an Agency Authorization Form for each member
11 of the pool at least 30 days prior to the beginning of a billing
12 period when service under this rate schedule shall commence. A
13 customer who terminates service under this rate schedule or who
14 desires to change Pool Managers shall likewise provide Company
15 with a written notice at least 30 days prior to the end of a billing
16 period."

17 Staff recommends the Company include in its tariff a standard form of pool
18 management agreement, similar to Schedule LAJ-2, but modified for transportation customers
19 that are not schools.

20 **B. Transportation Service Agreements**

21 The existing Liberty Utilities tariff contains no reference to a standard form of
22 transportation service agreement. Staff recommends the Company include in its tariff a
23 requirement for an executed transportation service agreement (in addition to the agreements
24 discussed earlier) for each commercial, industrial, and school transport customer and include
25 in the tariff a standard form of transportation service agreement. Samples of the
26 transportation service agreements are available in the tariffs for two other Missouri local
27 distribution companies, Missouri Gas Energy and Union Electric and are attached as Schedule
28 LAJ-3 and LAJ-4.

1 **C. Forecasting Responsibilities- School Transportation Service**

2 The existing Liberty Utilities tariff, Sheet No. 61 for Missouri School Transportation
3 Service, references Company responsibilities for forecasting that are not required in the
4 statute for school transportation, 393.310, RSMo, and are not the practices being followed by
5 Liberty Utilities. The existing tariff states as follows:

6 Sheet No. 61, Applicability, Section h.

7 "Company will be responsible for forecasting the Daily Gas
8 Supply Requirements of participating transporters. The Forecasted
9 Daily Gas Supply Requirement will be the average daily usage for
10 each school for a particular month using two years (where
11 available) of usage history. The Forecasted Daily Gas Supply
12 Requirement will include a retention adjustment for distribution
13 system losses in accordance with Section 2(b). The Forecasted
14 Daily Gas Supply Requirement will be provided to the Pool
15 Operator by September 20 of each Plan Year. The Pool Operator
16 will be responsible for taking the Forecasted Daily Gas Supply
17 Requirement provided by the Company and providing a
18 nomination to the interstate pipeline supplier and the Company.
19 Nomination Procedures, Balancing and Cash-out Charges will be
20 handled in accordance with Sections 3, 4 and 5 set forth below."

21 In its response to Data Request (DR) 0232, the Company states, "At this time, the
22 forecasting requirements are being completed by the pool marketers."

23 Liberty Utilities is not responsible for forecasting requirements for other transportation
24 customers. Forecasting by the Pool Operator is consistent with other provisions in the tariff
25 that state the Pool Operator is responsible for pipeline imbalances, cash-outs, penalties,
26 overrun gas charges or other charges it may create with the pipeline suppliers (existing Sheet
27 No 61, Section i). The tariff also refers to pool operator responsibilities related to gas supply
28 nominations and changes to nominations (existing Sheet No. 60, Section f). In order to
29 manage the nominations and the associated imbalances, cash-outs, and other charges for
30 school transport customers, the Pool Operator would need to forecast requirements, update the
31 forecasts by monitoring historical and recent usage data, update the forecasts for current and

1 | projected weather, and update the forecasts for other customer-specific changes such as
2 | expansion in school size or changes in school schedules.

3 | Staff recommends replacing Liberty Utilities tariff, Sheet No. 61, Section h, with the
4 | following to clarify the forecasting responsibilities:

5 | The Pool Operator is responsible for forecasting the daily gas
6 | supply requirements of participating school transportation
7 | customers. The Company will initially provide historical monthly
8 | consumption information to the Pool Operator to assist in its
9 | determination of the daily gas supply requirements.

10 | **D. Inconsistent Reference to Balancing Obligations- School Transportation**
11 | **Service**

12 | There are inconsistencies in the tariff in Sheet Nos. 61 and 62 for balancing-related
13 | obligations.

14 | Sheet No. 61, Section i., refers to Pool Operator responsibilities for pipeline
15 | imbalances, cash-outs, penalties, overrun gas charges or other charges. It further states all
16 | balancing charges or balancing-related obligations shall be the responsibility of the Pool
17 | Operator.

18 | Sheet No. 62, Section 2.a., refers to Company responsibilities for any imbalances
19 | between the forecasted daily gas supply requirement and the actual consumption caused by
20 | differences between actual weather and forecasted weather. Liberty Utilities clarifies in its
21 | response to DR 233 that *

22 |
23 | *

24 | Liberty Utilities is not responsible for imbalances between the forecasted daily gas
25 | supply requirements and the actual consumption of other transportation customers and should
26 | not be responsible for school imbalances. Staff recommends Liberty Utilities modify Sheet

1 No. 62, Section 2.a., to remove the reference to Company responsibilities for imbalances
2 between the forecasted daily gas supply requirement and the actual consumption caused by
3 differences between actual weather and forecasted weather.

4 Staff also recommends Liberty Utilities correct the reference to the cash-out
5 provisions by modifying Sheet No. 62, Section 2.c., to refer to the cash-out provision in
6 Section 3 that is titled "Cash-Out of Monthly Imbalances", instead of the incorrect reference
7 to Section 5 that is titled "Assignment of Stranded Cost".

8 *Staff Expert/Witness: Lesa A. Jenkins*

9 **NATURAL GAS TRANSPORTATION SERVICE TARIFF LANGUAGE**

10 When Liberty Utilities acquired its Missouri natural gas operations from Atmos
11 Energy Corporation ("Atmos") in Case No. GM-2012-0037, according to the Unanimous
12 Stipulation and Agreement Liberty Utilities was required to adopt the then-existing tariffs of
13 Atmos verbatim upon the closing of the transaction. Liberty Utilities did, in fact, adopt the
14 Atmos tariffs. Staff has recently become aware that since the acquisition by Liberty Utilities
15 of the former Atmos properties, and more specifically since Liberty Utilities assumed the
16 billing function for the properties, ** _____
17 _____
18 _____

19 _____ ** The tariff language at issue currently
20 states as follows:

21 NATURAL GAS TRANSPORTATION SERVICE (CONT'D)
22
23 TERMS AND PROVISIONS OF SERVICE UNDER THIS RATE
24 SCHEDULE (CONT'D):
25

1 (c) Cash out of Monthly Imbalances
2

3 1. If the volume of gas delivered to the Customer's point of
4 delivery is greater than the volume of gas received by the
5 Company from the Connecting Pipeline Company for the
6 Customer's account (negative imbalance), the Company will sell
7 the difference in gas volumes to the Customer based on the highest
8 index price for the respective Connecting Pipeline Company for
9 any week beginning in the calendar month as published in Natural
10 Gas Week, plus applicable pipeline fuel and transportation charges.
11 If the volume of gas delivered to the Customer's point of delivery
12 is less than the volume of gas received by the Company from the
13 Connecting Pipeline Company for the Customer's account
14 (positive imbalance), the Company will buy the difference in gas
15 volumes from the Customer based on a price equal to the lowest
16 index price for the respective Connecting Pipeline Company for
17 any week beginning in the calendar month as published in Natural
18 Gas Week, plus applicable pipeline fuel and transportation charges.
19 In the absence of such published Natural Gas Week index, the
20 Company will determine, subject to Commission's review in
21 Company's actual Cost Adjustment (ACA) filing, a suitable
22 replacement source for such weekly market price information.

23 Although I believe the tariff language should be clear enough to those familiar with
24 the cash out index reference in the existing tariff, since Liberty Utilities assumed the billing
25 function for its Missouri operations ** _____

26 _____ ** Therefore, to eliminate any confusion on this matter on a
27 going-forward basis, I propose the tariff language be modified to read as follows:

28 NATURAL GAS TRANSPORTATION SERVICE (CONT'D)

29
30 TERMS AND PROVISIONS OF SERVICE UNDER THIS RATE
31 SCHEDULE (CONT'D):

32
33 (c) Cash out of Monthly Imbalances
34

35 1. If the volume of gas delivered to the Customer's point of
36 delivery is greater than the volume of gas received by the
37 Company from the Connecting Pipeline Company for the
38 Customer's account (negative imbalance), the Company will sell
39 the difference in gas volumes to the Customer based on the highest
40 index price for the respective Connecting Pipeline Company for
41 any week beginning in the calendar month as published in Natural

1 Gas Week, plus applicable pipeline fuel and transportation charges.
2 If the volume of gas delivered to the Customer's point of delivery
3 is less than the volume of gas received by the Company from the
4 Connecting Pipeline Company for the Customer's account
5 (positive imbalance), the Company will buy the difference in gas
6 volumes from the Customer based on a price equal to the lowest
7 index price for the respective Connecting Pipeline Company for
8 any week beginning in the calendar month as published in Natural
9 Gas Week, plus applicable pipeline fuel and transportation charges.
10 **For purposes of this paragraph, "index price" shall mean the**
11 **price from the "\$ / MMBtu" column in the Natural Gas**
12 **Weekly Spot Prices table reported in Natural Gas Week. In the**
13 absence of such published Natural Gas Week index price, the
14 Company will determine, subject to Commission's review in
15 Company's actual Cost Adjustment (ACA) filing, a suitable
16 replacement source for such weekly market price information.
17 (Proposed new language shown in Bold)

18 In addition to the above proposed tariff change, I am proposing to add some additional
19 clarifying language to the cash out provisions in the existing tariff. Atmos and Liberty
20 Utilities have consistently credited cash out revenues back to the Purchased Gas Adjustment
21 reconciliation. However, I propose the following tariff language to clarify this concept (to be
22 added at the end of current tariff Sheet No. 54):

23 The Company shall credit any revenues billed to Transportation
24 customers (including schools) for any cash outs, scheduling fees,
25 imbalances, penalties, overrun charges and other similar charges to
26 the Actual Cost Adjustment (ACA) account of the Company's
27 Purchased Gas Adjustment (PGA) Clause.

28 In addition to the two tariff changes I have discussed here, Staff witness Lesa Jenkins
29 is sponsoring additional proposed changes to the Natural Gas Transportation Service and the
30 Transportation and School Aggregation portions of the tariff as part of this rate design report.

31 *Staff Expert/Witness: Dave Sommerer*

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

Summary of Cases in which prepared testimony was presented by:
THOMAS M. IMHOFF

<u>Company Name</u>	<u>Case No.</u>
Terre-Du-Lac Utilities	SR-82-69
Terre-Du-Lac Utilities	WR-82-70
Bowling Green Gas Company	GR-82-104
Atlas Mobilfone Inc.	TR-82-123
Missouri Edison Company	GR-82-197
Missouri Edison Company	ER-82-198
Great River Gas Company	GR-82-235
Citizens Electric Company	ER-83-61
General Telephone Company of the Midwest	TR-83-164
Missouri Telephone Company	TR-83-334
Mobilpage Inc.	TR-83-350
Union Electric Company	ER-84-168
Missouri-American Water Company	WR-85-16
Great River Gas Company	GR-85-136
Grand River Mutual Telephone Company	TR-85-242
ALLTEL Missouri, Inc.	TR-86-14
Continental Telephone Company	TR-86-55
General Telephone Company of the Midwest	TC-87-57
St. Joseph Light & Power Company	GR-88-115
St. Joseph Light & Power Company	HR-88-116
Camelot Utilities, Inc.	WA-89-1
GTE North Incorporated	TR-89-182
The Empire District Electric Company	ER-90-138
Capital Utilities, Inc.	SA-90-224
St. Joseph Light & Power Company	EA-90-252
Kansas City Power & Light Company	EA-90-252
Sho-Me Power Corporation	ER-91-298
St. Joseph Light & Power Company	EC-92-214
St. Joseph Light & Power Company	ER-93-41
St. Joseph Light & Power Company	GR-93-42
Citizens Telephone Company	TR-93-268
The Empire District Electric Company	ER-94-174
Missouri-American Water Company	WR-95-205
Missouri-American Water Company	SR-95-206
Union Electric Company	EM-96-149
The Empire District Electric Company	ER-97-81
Missouri Gas Energy	GR-98-140
Laclede Gas Company	GR-98-374
Laclede Gas Company	GR-99-315

Atmos Energy Corporation	GM-2000-312
Ameren UE	GR-2000-512
Missouri Gas Energy	GR-2001-292
Laclede Gas Company	GT-2001-329
Laclede Gas Company	GR-2001-629
Missouri Gas Energy	GT-2003-0033
Aquila Networks – L&P	GT-2003-0038
Aquila Networks – MPS	GT-2003-0039
Southern Missouri Gas Company, L.P.	GT-2003-0031
Fidelity Natural Gas, Inc.	GT-2003-0036
Atmos Energy Corporation	GT-2003-0037
Laclede Gas Company	GT-2003-0032
Union Electric Company d/b/a Ameren UE	GT-2003-0034
Laclede Gas Company	GT-2003-0117
Aquila Networks MPS & L&P	GR-2004-0072
Missouri Gas Energy	GR-2004-0209
Missouri Pipeline Company & Missouri Gas Company	GC-2006-0491
Atmos Energy Corporation	GR-2006-0387
Laclede Gas Company	GR-2007-0208
Missouri Gas Utility Company	GR-2008-0060
TriGen-Kansas City Energy Group	HR-2008-0300
Laclede Gas Company	GT-2009-0056
Missouri Gas Energy	GR-2009-0355
Empire District Gas Company	GR-2009-0434
Atmos Energy Corporation	GR-2010-0192
Laclede Gas Company	GR-2010-0171
Union Electric Company d/b/a Ameren UE	GR-2010-0363
Veolia Energy Kansas City, Inc.	HR-2011-0241
Ameren Missouri	ER-2012-0166
Kansas City Power & Light Company	ER-2012-0174
KCP&L Greater Missouri Operations Company	ER-2012-0175
The Empire District Electric Company	ER-2012-0345
Liberty Utilities	GO-2014-0006
Missouri Gas Energy	GR-2014-0007
Summit Natural Gas of Missouri Inc.	GR-2014-0086

MICHELLE BOCKLAGE

Present Position

I am currently employed as a Rate & Tariff Examiner III with the Energy Rate Design & Tariffs Unit within the Tariff, Safety, Economic & Engineering Analysis Department of the Missouri Public Service Commission (Commission). The Rate Design & Tariffs Unit participates and makes recommendations on tariff filings and various case filings at the Commission; such as, rate, complaint, applications, territorial agreements, sales and merger cases. We also perform and provide technical support on the issues of rate design, class-cost-of-service studies and weather normalizations.

Educational and Employment Background and Credentials

I have been employed at the Missouri Public Service Commission as a Rate & Tariff Examiner III since July 2013. I began my employment with the Commission as a Clerk IV in December 1997. In June 1999, I moved to the Consumer Services section where my responsibilities included investigating informal and formal consumer complaints for compliance with the rules and regulations of the Commission. In January 2011, I moved to the Energy Resource Analysis section where my testimony and responsibility topics included tariff issues relating to Missouri Energy Efficiency Investment Act (MEEIA), Fuel Adjustment Clause (FAC), and promotional programs. Prior to joining the Commission I was employed by the Missouri Department of Transportation.

In December 2010, I earned a Bachelor of Science degree in Business Administration with majors in Management and Human Resources Management from Columbia College. In May 2014, I earned a Masters in Business Administration degree from Columbia College.

Case Proceedings Participation

Michelle Bocklage

Date Filed	Case Number	Company Name	Testimony Type	Issue(s)
03/20/2012	EO-2012-0009	Greater Missouri Operations	Rebuttal	Tariff Issue
04/13/2012	EO-2012-0142	Ameren Missouri	Rebuttal	Tariff Issue
05/04/2012	EO-2012-0142	Ameren Missouri	Surrebuttal	Tariff Issue
01/29/2014	GR-2014-0007	Laclede Gas Co.	Direct	Weather Normalization
05/30/2014	GR-2014-0086	Summit Natural Gas Company	Direct	Weather Normalization

Les A. Jenkins, P.E.
Utility Regulatory Engineer II

Educational Background & Certification

Bachelor of Science, Industrial Engineering, Magna Cum Laude and Honors Scholar - University of Missouri – Columbia

Master of Business Administration - William Woods University

Registered as a professional engineer in the state of Missouri, registration number E-25510

Work Experience

1999 – Current, Missouri Public Service Commission, Procurement Analysis:

My duties include the investigation and review of Missouri natural gas local distribution companies in the annual actual cost adjustment (ACA) reviews. These reviews include natural gas reliability/peak day plans, peak day reserve margin and its rationale, gas supply plans for various weather conditions, and gas purchasing practices. I have also been involved in a complaint cases and in the review of energy efficiency programs of Missouri natural gas local distribution companies. My duties also include supervision of the engineering work in the Procurement Analysis Unit.

Prior Work Experience

Missouri Department of Natural Resources, Division of Energy:

I held various engineering and then management positions with duties related to energy efficiency and alternative fuels, including low-income weatherization program, loan programs for energy efficiency projects, energy efficiency in state facilities, and alternative fuels in state vehicles.

Missouri Department of Natural Resources, Division of Environmental Quality, Solid Waste Management Program:

I was employed as an environmental engineer with duties related to regulation of infectious waste, solid waste processing facilities, waste tires, and special waste.

Procter & Gamble:

I held various positions as a production and quality control/quality assurance team manager in Cape Girardeau, Missouri and then in Cincinnati, Ohio. In Cincinnati, I also managed teams related to laboratory materials testing and documentation of product specifications.

Summary of Testimony

Company Name	Case Number	Issues
Summit Natural Gas	GR-2014-0086	Transportation Service and Missouri School Program Transportation Service – Miscellaneous Tariff Issues
Missouri Gas Energy	GR-2014-0007	School Transportation Customers – Capacity Release Requirements
Missouri Gas Energy	GT-2010-0261	Transportation Tariff
Laclede Gas Company	GR-2010-0171	Company Reliance on On-System Storage; Energy Efficiency Programs and Collaborative
Laclede Gas Company	GR-2007-0208	Energy Efficiency and Low-Income Weatherization
Missouri Gas Energy	Consolidated GR-2003-0330, GR-2002-348	Excess Transportation Capacity
Missouri Gas Energy	GR-2004-0209	Gas Purchasing Practices
Missouri Gas Energy	GR-2001-382, GR-2000-425, GR-99-304, GR-98-167 Consolidated	Purchasing Practices - Minimum Level of Hedging; Purchasing Practices - Storage; Reliability Analysis
Aquila, Inc.	Consolidated GR-2000-520, GR-2001-461	Purchasing Practices-Eastern System; Purchasing Practices-Southern System; Reliability Analysis
Atmos Energy Corporation and United Cities Gas Company	Consolidated GR-2001-396, GR-2001-397	Purchasing Practices – General; Purchasing Practices – Southeast Missouri Integrated, Neelyville, and Consolidated districts; Reliability Analysis

ACA and Other Recommendations

Company Name	Case Number	Company Name	Case Number
2011/2012 ACA Reviews			
Ameren Missouri	GR-2013-0100	Missouri Gas Energy	GR-2012-0262
Atmos Energy/ Liberty Energy	GR-2012-0129	Summit Natural Gas of Missouri (formerly Missouri Gas Utilities)*	GR-2013-0257
Empire District Gas	GR-2013-0250	Summit Natural Gas of Missouri (formerly Southern Missouri Natural Gas)*	GR-2013-0256
Laclede Gas Company	GR-2013-0253		
2010/2011 ACA Reviews			
Ameren Missouri *	GR-2012-0077	Missouri Gas Energy	GR-2011-0290
Atmos Energy *	GR-2011-0161	Missouri Gas Utilities*	GR-2012-0115
Empire District Gas *	GR-2012-0124	Southern Missouri Natural Gas	GR-2012-0123

Company Name	Case Number	Company Name	Case Number
Laclede Gas Company	GR-2012-0133		
Report in Complaint Case			
Laclede Gas Company	GC-2011-0294		
2009/2010 ACA Reviews			
AmerenUE *	GR-2010-0180	Missouri Gas Energy	GR-2010-0372
Atmos *	GR-2010-0238	Missouri Gas Utilities*	GR-2011-0117
Empire District Gas *	GR-2011-0108	Southern Missouri Natural Gas	GR-2010-0218
Laclede Gas Company	GR-2011-0055		
2008/2009 ACA Reviews			
AmerenUE *	GR-2009-0337	Missouri Gas Energy	GR-2009-0268
Atmos *	GR-2009-0417	Missouri Gas Utilities*	GR-2009-0306
Empire District Gas *	GR-2009-0397	Southern Missouri Natural Gas	GR-2009-0287
Laclede Gas Company	GR-2010-0138		
Expansion Case			
Southern Missouri Natural Gas	GA-2010-0114		
2007/2008 ACA Reviews			
AmerenUE *	GR-2008-0366	Missouri Gas Utilities*	GR-2009-0161
Atmos *	GR-2008-0364	Southern Missouri Natural Gas	GR-2008-0379
Empire District Gas *	GR-2008-0368	Laclede Gas Company	GR-2008-0387
Missouri Gas Energy	GR-2008-0367		
2006/2007 ACA Reviews			
AmerenUE*	GR-2008-0107	Missouri Gas Energy	GR-2007-0256
Atmos*	GR-2007-0403	Missouri Gas Utilities*	GR-2008-0136
Empire District Gas*	GR-2008-0123	Southern Missouri Natural Gas	GR-2007-0484
Laclede Gas Company	GR-2008-0140		
2005/2006 ACA Reviews			
AmerenUE *	GR-2006-0333	Laclede Gas Company	GR-2006-0288
Atmos *	GR-2006-0300	Missouri Gas Energy	GR-2006-0291
Empire District Gas (Previously Aquila Networks - MPS)*	GR-2006-0297	Missouri Gas Utilities	GR-2007-0178
Fidelity Natural Gas/Laclede Gas Company	GR-2007-0179	Southern Missouri Natural Gas	GR-2006-0352
2004/2005 ACA Reviews			
Aquila Networks -MPS	GR-2005-0271	Missouri Gas Utilities	GR-2006-0200
Laclede Gas Company	GR-2005-0203	Southern Missouri Natural Gas	GR-2005-0279
Missouri Gas Energy	GR-2005-0169		

Company Name	Case Number	Company Name	Case Number
2003/2004 ACA Reviews			
AmerenUE	GR-2005-0102	Laclede Gas Company	GR-2004-0273
Aquila L & P	Consolidated GR-2004-0538, GR-2004-0539	Missouri Gas Energy	GR-2005-0104
Aquila Networks -MPS	GR-2004-0539	Southern Missouri Gas Company	GR-2005-0064
Atmos	GR-2004-0479		
2002/2003 ACA Reviews			
Aquila L & P	GR-2003-0369	Laclede Gas Company	GR-2003-0224
Aquila Networks -MPS	GR-2003-0311	Missouri Gas Energy	GR-2003-0330
Atmos	GR-2003-0219	Southern Missouri Gas Company	GR-2004-0193
Fidelity Natural Gas	GR-2003-0323		
2001/2002 ACA Reviews			
AmerenUE	GR-2002-438	Fidelity Natural Gas	GR-2003-0148
Aquila L & P (old St. Joseph Light & Power)	GR-2002-468	Missouri Gas Energy	GR-2002-348
Aquila Networks -MPS	GR-2002-392	Southern Missouri Gas Company	GR-2002-440
Atmos	GR-2003-0150		
2000/2001 ACA Reviews			
Ameren UE	GR-2001-488	Fidelity Natural Gas	GR-2001-495
Aquila Networks -MPS	GR-2001-461	Laclede Gas Company	GR-2001-387
Atmos - Area G (Greeley)	GR-2001-394	Missouri Gas Energy	GR-2001-382
Atmos - Areas B, K, & S (old ANG)	GR-2001-396	Southern Missouri Gas Company	GR-2001-388
Atmos - Areas P&U (old United Cities)	GR-2001-397		
1999/2000 ACA Reviews			
AmerenUE	GR-2000-579	Missouri Gas Energy	GR-2000-425
Associated Natural Gas (ANG)/ Atmos	GR-2000-573	Missouri Public Service /UtiliCorp	GR-2000-520
Fidelity Natural Gas	GR-2001-250	Southern Missouri Gas Company	GR-2001-39
Greeley Gas Company /Atmos	GR-2001-36	St. Joseph Light & Power / UtiliCorp	GR-2000-574
Laclede Gas Company	GR-2000-622	United Cities Gas Company / Atmos	GR-2000-392
1998/1999 ACA Reviews			
AmerenUE	GR-99-396	Missouri Gas Energy	GR-99-304

Company Name	Case Number	Company Name	Case Number
Associated Natural Gas	GR-99-392	Missouri Public Service	GR-99-435
Fidelity Natural Gas	GR-2000-285	Southern Missouri Gas Company	GR-2000-288
Greeley Gas Company	GR-2000-319	St. Joseph Light & Power	GR-99-394
Laclede Gas Company	GR-99-316	United Cities Gas Company	GR-99-280
<i>* Reviewed engineering work of Other Staff</i>			

David Sommerer

Educational Background and Work Experience

In May 1983, I received a Bachelor of Science degree in Business and Administration with a major in Accounting from Southern Illinois University at Carbondale, Illinois. In May 1984, I received a Master of Accountancy degree from the same university. Also, in May 1984, I sat for and passed the Uniform Certified Public Accountants examination. I am currently a licensed CPA in Missouri. Upon graduation, I accepted employment with the Commission.

From 1984 to 1990 I assisted with audits and examinations of the books and records of public utilities operating within the state of Missouri. In 1988, the responsibility for conducting the Actual Cost Adjustment (ACA) audits of natural gas utilities was given to the Accounting Department (now referred to as the Auditing Unit). I assumed responsibility for planning and implementing these audits and trained available Staff on the requirements and conduct of the audits. I participated in most of the ACA audits from early 1988 to early 1990. On November 1, 1990, I transferred to the Commission's Energy Department. Until November of 1993, my duties consisted of reviews of various tariff proposals by electric and gas utilities, Purchased Gas Adjustment (PGA) reviews, and tariff reviews as part of a rate case. In November of 1993, I assumed my present duties of managing a newly created department called the Procurement Analysis Department (now known as the Procurement Analysis Unit). This Department was created to more fully address the emerging changes in the gas industry especially as they impacted the utilities' recovery of gas costs. My duties have included managing the five member staff, reviewing ACA audits and recommendations, participating in the gas integrated resource planning project, serving on the gas project team, serving on the natural gas commodity price task force, and participating in matters relating to natural gas service in the state of Missouri. In July of 2006, the Federal Issues/Policy Analysis Section was transferred to the Procurement Analysis Unit. That group analyzes filings made before the Federal Energy Regulatory Commission (FERC). During the reorganization in August 2011, the Federal Issues/Policy Analysis Section was transferred to the Secretary/ General Counsel Division.

CASES WHERE TESTIMONY WAS FILED

DAVID M. SOMMERER

COMPANY	CASE NO.	ISSUES
Liberty Utilities (Midstates Natural Gas) Corp d/b/a Liberty Utilities	GR-2014-0152	Special Contact Customers Gas Contract
Missouri Gas Energy	GR-2014-0007	Gas Supply Incentive Plan Property Tax PGA Recovery
Laclede Gas Company	GR-2010-0171	Bad Debt in PGA, CAM
Atmos Energy Corporation	GR-2009-0417	Affiliated Transactions
Atmos Energy Corporation	GR-2008-0364	Affiliated Transactions
Missouri Gas Energy	GR-2009-0355	PGA tariff
Laclede Gas Company	GT-2009-0026	Tariff Proposal, ACA Process
Missouri Gas Utility	GR-2008-0060	Carrying Costs
Laclede Gas Company	GR-2007-0208	Gas Supply Incentive Plan, Off-system Sales, Capacity Release
Laclede Gas Company	GR-2005-0284	Off-System Sales/GSIP
Laclede Gas Company	GR-2004-0273	Demand Charges
AmerenUE	EO-2004-0108	Transfer of Gas Services
Aquila, Inc.	EF-2003-0465	PGA Process, Deferred Gas Cost
Missouri Gas Energy	GM-2003-0238	Pipeline Discounts, Gas Supply
Laclede Gas Company	GT-2003-0117	Low-Income Program
Laclede Gas Company	GR-2002-356	Inventory, Off-System Sales
Laclede Gas Company	GR-2001-629	Inventory, Off-System Sales
Laclede Gas Company	GR-2001-387	ACA Price Stabilization
Missouri Gas Energy	GR-2001-382	ACA Hedging/Capacity Release
Laclede Gas Company	GT-2001-329	Incentive Plan
Laclede Gas Company	GO-2000-394	Price Stabilization

COMPANY	CASE NO.	ISSUES
Laclede Gas Company	GT-99-303	Incentive Plan
Laclede Gas Company	GC-99-121	Complaint PGA
Laclede Gas Company	GR-98-297	ACA Gas Cost

COMPANY	CASE NO.	ISSUES
Laclede Gas Company	GO-98-484	Price Stabilization
Laclede Gas Company	GR-98-374	PGA Clause
Missouri Gas Energy	GC-98-335	Complaint Gas Costs
United Cities Gas Company	GO-97-410	PGA Clause
Missouri Gas Energy	GO-97-409	PGA Clause
Missouri Gas Energy	GR-96-450	ACA Gas Costs
Missouri Public Service	GA-95-216	Cost of Gas
Missouri Gas Energy	GO-94-318	Incentive Plan
Western Resources Inc.	GR-93-240	PGA tariff, Billing Adjustments
Union Electric Company	GR-93-106	ACA Gas Costs
United Cities Gas Company	GR-93-47	PGA tariff, Billing Adjustments
Laclede Gas Company	GR-92-165	PGA tariff
United Cities Gas Company	GR-91-249	PGA tariff
United Cities Gas Company	GR-90-233	PGA tariff
Associated Natural Gas Company	GR-90-152	Payroll
KPL Gas Service Company	GR-90-50	Service Line Replacement
KPL Gas Service Company	GR-90-16	ACA Gas Costs
KPL Gas Service Company	GR-89-48	ACA Gas Costs
Great River Gas Company	GM-87-65	Lease Application
Grand River Mutual Tel. Company	TR-87-25	Plant, Revenues
Empire District Electric Company	WR-86-151	Revenues
Associated Natural Gas Company	GR-86-86	Revenues, Gas Cost
Grand River Mutual Telephone	TR-85-242	Cash Working Capital
Great River Gas Company	GR-85-136	Payroll, Working Capital
Missouri-American Water Company	WR-85-16	Payroll

**Missouri School Transportation Service
Standard Form of Pool Operator Agreement/Group Balancing Agreement**

This Agreement is made and entered into this ____ day of _____, _____ by and between Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities, hereinafter referred to as "Company", and _____, having a mailing address of _____, _____, hereinafter referred to as "Pool Operator."

Term: This Pool Operator agreement shall continue in full force and effect for a term of _____, beginning on _____.

Pool Operator acknowledges that it is the agent for one or more Missouri School Transportation Service customers and it is authorized to act on behalf of customers identified in Exhibit _____ which have separately executed Transportation Service Agreements with Company. As agent, Pool Operator is authorized to (a) make nominations to Company on behalf of its Missouri School Transportation Service customers; and (b) receive from Company, for purposes related to the Missouri School Transportation Service, usage information, copies of billings, and other such information related to the Missouri School Transportation Service.

Pool Operator acknowledges that Missouri School Transportation Service is subject to the terms and conditions of Company's tariffs as on file and in effect with the Missouri Public Service Commission and as may be amended, modified, reissued and made effective from time to time as provided by law.

To the extent this agreement is inconsistent with the Company's tariff, the terms of the tariff will be controlling.

IN WITNESS WHEREOF, the parties have executed this Pool Operator Agreement/ Group Balancing Agreement as of the day and year first above written.

Company:
Liberty Utilities

Pool Operator:

By: _____

By: _____

Title: _____

Title: _____

Witness/Attest: _____

Witness/Attest: _____

Missouri Gas Energy,
a Division of Southern Union Company

For: All Missouri Service Areas

SALE or TRANSPORTATION of NATURAL GAS CONTRACT

CONTRACT FOR SALE or TRANSPORTATION OF NATURAL GAS

THIS AGREEMENT, made this ____ day of _____, 19____, between **MISSOURI GAS ENERGY, A DIVISION OF SOUTHERN UNION COMPANY**, hereinafter referred to as "Company", _____ hereinafter referred to as "Customer".

WITNESSETH: That Company owns and operates facilities for the distribution, sale and transportation of natural gas and Customer desires to transport natural gas through Company's distribution facilities.

NOW, THEREFORE, for and in consideration of the mutual covenants, and agreements hereof, Company and Customer have agreed and do hereby covenant and agree each with the other as follows, to wit:

1. Subject to all the terms and conditions of this Contract, Company agrees to sell to or transport for Customer and Customer agrees to transport through Company, natural gas for use at its facility at _____, at the rates and charges due and payable therefore pursuant to the Company's applicable Gas Rate Schedule **LV**, a copy of which is attached hereto and made a part hereof by reference, and upon the terms and conditions set forth in such Rate Schedule and in the Company's "General Terms and Conditions for Gas Service," all as now on file with the regulatory authority having jurisdiction herein, and as amended, reissued and made effective from time to time as provided by law. Company shall provide a copy of "General Terms and Conditions" upon request.

2. Customer's level of maximum daily requirements (hereinafter referred to as "Contract Demand") is ____ Ccf per day. Such Contract Demand shall be used to allocate any demand, gas reservation, capacity, or other similar charge incurred by Company in order to obtain natural gas supplies for Customer. Customer may elect to amend its Contract Demand level effective on each November 1 beginning in _____ by providing at least 180 days prior written notice to Company in the form of a "Contract Demand Level Amendment" which shall be provided upon request.

DATE OF ISSUE August 28 1998
month day year

DATE EFFECTIVE September 02 1998
month day year

ISSUED BY: Charles B. Hernandez Director, Pricing and Regulatory Affairs
Missouri Gas Energy, Kansas City, MO. 64111

Missouri Gas Energy,
a Division of Southern Union Company

For: All Missouri Service Areas

SALE or TRANSPORTATION of NATURAL GAS CONTRACT

3. Customer shall receive transportation service from Company at their existing facility located at _____ from _____ delivery location _____, or as may otherwise be subsequently agreed by the parties hereto. Customer may have various accounts that qualify for transportation as a single location and elect to have Company transport natural gas in accordance with tariffs filed by Company with the regulatory authority having jurisdiction. In that event, the service address, account number and rate schedule of each account to receive transportation shall be as follows:

<u>SERVICE ADDRESS</u>	<u>ACCOUNT NO.</u>	<u>RATE</u>	<u>METER NO.</u>
_____	_____	_____	_____

Changes to qualifying accounts shall be made by completing "Accounts Qualified for Sale or Transportation at Single Locations Amendment".

4. Should Company be requested by Customer to install new facilities in order to provide deliveries hereunder or to expand its existing facilities, the special conditions under which such investment will be recovered from Customer are as set forth in a "Special Conditions Amendment" to be attached when applicable.

5. This Contract shall continue from the date of execution through the next October 31. This contract shall continue thereafter from year to year until terminated by either party giving written notice at least 180 days prior to the November 1st renewal date, provided however, Company may terminate or suspend its obligations under this Contract as provided for in its General Terms and Conditions.

6. Nothing contained herein shall be construed as affecting in any way the right of Company to unilaterally make application for a change in its rates or General Terms and Conditions to the regulatory authority having jurisdiction; provided customer shall have the right to protest any changes.

DATE OF ISSUE August 28 1998
month day year

DATE EFFECTIVE September 02 1998
month day year

ISSUED BY: Charles B. Hernandez Director, Pricing and Regulatory Affairs
Missouri Gas Energy, Kansas City, MO. 64111

Missouri Gas Energy,
a Division of Southern Union Company

For: All Missouri Service Areas

SALE or TRANSPORTATION of NATURAL GAS CONTRACT

7. This Contract, and the rates and service hereunder, shall be subject to regulation by the regulatory authority having jurisdiction; to all applicable present and future state and federal laws; and to all rules, regulations, and orders of any other regulatory authority having jurisdiction of the subject matter or either of the parties hereto.

8. Company shall use reasonable diligence to provide a regular supply of natural gas subject to the priority of service provisions and other terms of Company's filed tariffs, but does not guarantee such supply. Company does not assume responsibility for interruption of service, whether caused by inadequacy of supply, equipment, facilities or because of uncontrollable forces, except when such interruption is the result of reckless, willful or wanton acts of Company, its agents or employees.

9. The provisions of this Contract shall not be changed except in writing duly signed by Company and Customer; however, the Contract is subject to valid orders of legally constituted regulatory bodies having jurisdiction of the Company's rates.

10. No waiver by either party of any one or more defaults by the other in the performance of any provisions of this Contract shall operate or be construed as a waiver of any future defaults, whether of a like or of a different character.

11. This contract shall insure to the benefit of and be binding upon the parties hereto, their respective successors and assigns.

DATE OF ISSUE August 28 1998
month day year

DATE EFFECTIVE September 02 1998
month day year

ISSUED BY: Charles B. Hernandez Director, Pricing and Regulatory Affairs
Missouri Gas Energy, Kansas City, MO. 64111

Missouri Gas Energy,
a Division of Southern Union Company

For: All Missouri Service Areas

SALE or TRANSPORTATION of NATURAL GAS CONTRACT

12. This Contract sets forth the only agreements between the Company and Customer and all prior agreements, contracts or other mutual understandings whether oral or in writing shall be considered canceled as of the date of this Contract.

IN WITNESS WHEREOF, the parties hereto have executed this Contract in duplicate the day and year first above written.

SOUTHERN

MISSOURI GAS ENERGY, A DIVISION OF
UNION COMPANY

By _____

By _____

ATTEST: _____

ATTEST: _____

Legal Department Approval

DATE OF ISSUE August 28 1998
month day year

DATE EFFECTIVE September 02 1998
month day year

ISSUED BY: Charles B. Hernandez Director, Pricing and Regulatory Affairs
Missouri Gas Energy, Kansas City, MO. 64111

UNION ELECTRIC COMPANY GAS SERVICE

Filed
Missouri Public
Service Commission

Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE

*11. Form of Natural Gas Transportation Agreement

** THIS AGREEMENT, made and entered into this ____ day of _____, 20____, by and between UNION ELECTRIC COMPANY, a Missouri corporation, its successors or assigns, hereinafter referred to as "Company," and the Transportation Customer, _____, a _____ corporation with a facility in _____, Missouri, its successors or assigns, hereinafter referred to as "Customer,"

WITNESSETH:

WHEREAS, Company owns and operates facilities for the distribution and sale of natural gas to Customer's premises; and

WHEREAS, Customer is entering into contracts for the purchase of natural gas for its own use from producers, marketers or from other suppliers and is arranging for the delivery of said gas to Company at one of its city gate stations; and

WHEREAS, Customer desires to contract with Company for the transportation of said gas through the distribution mains and pipes of Company to Customer's premises; and

WHEREAS, Company has agreed to the said request for transportation and Customer has agreed to transportation service from Company, subject to the terms and conditions of Company's Missouri Public Service Commission (Commission) approved Natural Gas Transportation Service tariffs.

NOW, THEREFORE, in consideration of the mutual covenants and agreements as herein set forth, both Company and Customer agree as follows:

ARTICLE I - SERVICE AND RATES

Company agrees to receive and transport for Customer's account quantities of natural gas up to a Maximum Daily Quantity (MDQ) of ____ Ccfs per day, plus a quantity of gas for Shrinkage or Line Losses as provided for in Article III below. Customer agrees to pay Company for all services provided under this Agreement at the applicable rate and other charges specified in Company's Commission approved Natural Gas Transportation Service tariffs, as the same may be revised from time to time.

*Indicates Reissue.

**Indicates Change.

Issued Pursuant to the Order of the Mo. P.S.C. in Case No. GR-2007-0003

DATE OF ISSUE March 21, 2007

DATE EFFECTIVE April 1, 2007

ISSUED BY T. R. Voss

President & CEO

St. Louis, Missouri

Name of Officer

Title

Address
CB 2007 0003

UNION ELECTRIC COMPANY GAS SERVICE

Filed
Missouri Public
Service Commission

Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE

*

ARTICLE II - TERMS AND CONDITIONS

This Agreement in all respects shall be and remain subject to the terms and conditions of Company's Commission approved tariffs, including without limitation its applicable rates, service classifications, riders and general rules and regulations, all of which are by this reference made a part hereof. This Agreement, including Company's Commission approved tariffs, shall be subject at all times to review, control, modification and regulation by the Commission in accordance with law.

Customer agrees that Company shall have the unilateral right to file with the Commission or any other appropriate regulatory authority and make changes effective in Company's Commission approved tariffs applicable to the service rendered hereunder. Company agrees that Customer may protest or contest such filings, and Customer does not waive any rights it may have with respect to such filings.

ARTICLE III - LINE LOSSES

In addition to collection of the rates and charges provided for in Article I above, Company shall retain the applicable percentage provided pursuant to Company's Commission approved tariffs of the quantities received from Customer hereunder, for reimbursement in kind from Customer for shrinkage or line losses.

ARTICLE IV - TERM

** This Agreement shall be effective for one (1) year and shall be automatically renewed in increments of one (1) year. Termination of this agreement is subject to the Company's Commission approved tariffs.

Any portions of this Agreement necessary to correct or cash-out imbalances under this Agreement as required by Company's Commission approved tariffs shall survive the other parts of this Agreement until such time as such balancing has been accomplished.

ARTICLE V - DELIVERY POINTS

Customer will provide for delivery to Company of the volumes of natural gas to be transported at the city gate station on the distribution system of Company which serves Customer's premises, and Company shall deliver said volumes of gas to the outlet side of the Company meter at Customer's premises. In cases where Customer is served from a "Main Line Tap," the outlet of the city gate meter and Company delivery to Customer may be one and the same. Gas transported hereunder will be delivered to Company in the state of Missouri.

*Indicates Reissue.

**Indicates Change.

Issued Pursuant to the Order of the Mo. P.S.C. in Case No. GR-2007-0003

DATE OF ISSUE March 21, 2007

DATE EFFECTIVE ~~April 20, 2007~~

ISSUED BY T. R. VOSS

President & CEO

April 1, 2007
St. Louis, Missouri

Name of Officer

Title

Address

CD 2007 0003

UNION ELECTRIC COMPANY GAS SERVICE

Filed
Missouri Public
Service Commission

Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE

*

ARTICLE VI - BILLING

All matters relating to billing, including, but not limited to, late payment charges and termination of service for nonpayment, shall be governed by Company's Commission approved tariffs regarding transportation service and applicable sales service.

ARTICLE VII - VOLUME OF GAS AND MEASURING EQUIPMENT

The volume of gas delivered to Customer will be that measured by the Company's meter at Customer's premises. It is Customer's responsibility to purchase or otherwise have delivered to its upstream transporter(s) sufficient quantities of gas to provide for the delivery through Company's meter. For all transport gas passing through Company's meter, 1000 CF and 1 dekatherm shall be considered equal.

Company will not be a party to solving disputes which arise between Customer, its upstream transporter(s), producers, marketers, or others, or agents of any of the above parties. Customer will be responsible for providing Customer's upstream transporter(s), producers, marketers, or others, any notices which are required by their contract for gas and delivery service.

Company reserves the right to provide a billing based on estimated quantities of gas delivered to Customer if a breakdown or other difficulty with metering equipment should occur.

Company is not in any way responsible for quality or quantity of gas delivered by a producer, marketer or other supplier to Customer's upstream transporter(s), and makes no warranties of any kind, express or implied, in such regard.

ARTICLE VIII - QUALITY AND PRESSURE OF GAS DELIVERED FOR TRANSPORTATION

The gas delivered by a producer or supplier to Company for transportation to Customer shall at all times be merchantable gas continuously conforming to the specifications applicable to gas delivered to Company by Customer's upstream transporter(s). Company shall have the right to refuse delivery of any gas not conforming to those specifications.

Delivery pressures to Customer shall be consistent with those presently provided for in Company's Commission approved tariffs. The maintenance of delivery pressure shall be subject to the demands of firm sales customers of Company being served at any particular time.

Company recognizes that the gas delivered to Customer will be commingled with other gas owned by Company. Therefore, to the extent gas delivered to Customer is not the same gas received by Company for transportation hereunder, the Company warrants that such gas will meet the Company's quality standards for gas sold to Customer under the Company's applicable Commission approved rate tariffs.

*Indicates Reissue.

Issued Pursuant to the Order of the Mo. P.S.C. in Case No. GR-2007-0003

DATE OF ISSUE March 21, 2007

DATE EFFECTIVE ~~April 20, 2007~~

ISSUED BY T. R. Voss

Name of Officer

President & CEO

Title

April 1, 2007
St. Louis, Missouri

Address

GR 2007 0003

UNION ELECTRIC COMPANY GAS SERVICE

Filed
Missouri Public
Service Commission

Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE

*

ARTICLE IX - TITLE TO GAS

It is understood and agreed by the parties that in the performance of this Agreement, Company is engaged in a transportation service only and that ownership of the gas transported will at all times remain vested in Customer.

Customer hereby warrants its title to all gas delivered to Company hereunder and that such gas shall be free and clear from all liens, claims, and encumbrances whatsoever.

Company shall have no liability or responsibility for control of the gas to be transported until it is received by the Company from Customer's upstream transporter(s) at the point of interchange between the Company and Customer's upstream transporter(s). From such point, said gas shall be in the exclusive control of Company until redelivered to Customer's premises and Company shall be solely responsible for loss of (except as otherwise provided herein with respect to line losses or shrinkage), and damage caused by said gas.

ARTICLE X - LIABILITIES

Each party hereto assumes full responsibility and liability for its negligence in the operation of facilities owned by it or otherwise in connection with the purchase and/or transportation of gas. If gas service is discontinued by Customer's supplier for whatever reason, Customer agrees to waive with respect to Company any loss, claim, damage, or expense that Customer may incur by reason of such discontinuance.

ARTICLE XI - REPRESENTATIONS

Customer represents and warrants that if it uses natural gas primarily to heat a premise that provides temporary or permanent living quarters for individuals that: (i) it has contracted for primary firm capacity with the upstream supplying intrastate and/or interstate pipelines to meet Customer's peak needs or (ii) it has adequate and usable alternative fuel facilities to meet Customer's energy needs. In connection with representation (i) above, Customer agrees to provide Company copies of all of its contract(s) for primary firm upstream transportation capacity. Customer agrees to permit Company to inspect Customer's premises to verify its compliance with representation (ii) above. These representations and warranties shall survive the execution and delivery of this Agreement and shall continue in force throughout the term of this Agreement.

*Indicates Reissue.

Issued Pursuant to the Order of the Mo. P.S.C. in Case No. GR-2007-0003

DATE OF ISSUE March 21, 2007

DATE EFFECTIVE April 30, 2007

ISSUED BY T. R. Voss

President & CEO

April 1, 2007
St. Louis, Missouri

Name of Officer

Title

Address

CB 2007 0003

UNION ELECTRIC COMPANY GAS SERVICE

Filed
Missouri Public
Service Commission

Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE

*

ARTICLE XII - NOTICES

Any notice or notices given by either party under the terms of this Agreement shall be sent by certified mail to the following addresses:

** To Company: Union Electric Company

Attn: _____
Customer Services-Advisor

Customer:

or to such other addresses as either party may from time to time designate in writing.

The parties agree to notify the other of the name and address of the person or persons authorized to act for the party in respect to the routine operating matters under this Agreement and routine operating requests, reports, billings, and other matters of a routine nature shall, upon such notification, be directed to the persons so designated.

IN WITNESS WHEREOF, the parties hereto, in consideration of the agreements contained herein, have caused this Agreement to be executed by their duly authorized officials as of the day and year first above written.

UNION ELECTRIC COMPANY

CUSTOMER

By _____

By _____

Title: _____

Title: _____

*Indicates Reissue.
**Indicates Change.

Issued Pursuant to the Order of the Mo. P.S.C. in Case No. GR-2007-0003

DATE OF ISSUE March 21, 2007

DATE EFFECTIVE April 20, 2007

ISSUED BY T. R. VOSS
Name of Officer

President & CEO
Title

April 1, 2007
St. Louis, Missouri
Address

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

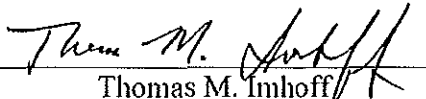
In the Matter of Liberty Utilities (Midstates)
Natural Gas) Corp. d/b/a Liberty Utilities')
Tariff Revisions Designed To Implement a)
General Rate Increase for Natural Gas Service)
in the Missouri Service Areas of the Company)

Case No. GR-2014-0152

AFFIDAVIT OF THOMAS M. IMHOFF

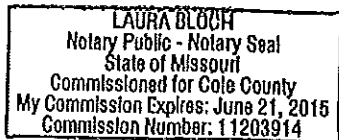
STATE OF MISSOURI)
) ss.
COUNTY OF COLE)


Thomas M. Imhoff, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Staff Report as identified in the individual sections of said Report; that he has knowledge of the matters set forth therein; and that such matters are true to the best of his knowledge and belief.



Thomas M. Imhoff

Subscribed and sworn to before me this 26th day of June, 2014.





Notary Public

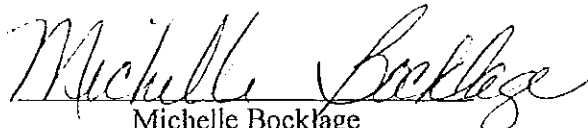
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Liberty Utilities (Midstates)
Natural Gas) Corp. d/b/a Liberty Utilities') Case No. GR-2014-0152
Tariff Revisions Designed To Implement a)
General Rate Increase for Natural Gas Service)
in the Missouri Service Areas of the Company)

AFFIDAVIT OF MICHELLE BOCKLAGE


STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

Michelle Bocklage, of lawful age, on her oath states: that she has participated in the preparation of the foregoing Staff Report as identified in the individual sections of said Report; that she has knowledge of the matters set forth therein; and that such matters are true to the best of her knowledge and belief.


Michelle Bocklage

Subscribed and sworn to before me this 26th day of June, 2014.

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


Notary Public

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)

Case No. GR-2014-0152

AFFIDAVIT OF DAVID SOMMERER

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

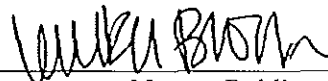
David Sommerer, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Staff Report as identified in the individual sections of said Report; that he has knowledge of the matters set forth therein; and that such matters are true to the best of his knowledge and belief.



David Sommerer

Subscribed and sworn to before me this 26th day of June, 2014.

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



Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

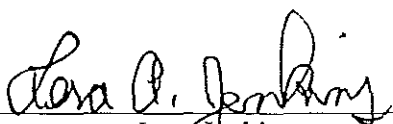
In the Matter of Liberty Utilities (Midstates)
Natural Gas) Corp. d/b/a Liberty Utilities')
Tariff Revisions Designed To Implement a)
General Rate Increase for Natural Gas Service)
in the Missouri Service Areas of the Company)

Case No. GR-2014-0152

AFFIDAVIT OF LESA JENKINS

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

Lesa Jenkins, of lawful age, on her oath states: that she has participated in the preparation of the foregoing Staff Report as identified in the individual sections of said Report; that she has knowledge of the matters set forth therein; and that such matters are true to the best of her knowledge and belief.



Lesa Jenkins

Subscribed and sworn to before me this 26th day of June, 2014.

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



Notary Public