

The attachments to the Company's response and supplemental responses to SRK 1.03 contain invoices that are confidential in the entirety. A separate confidential copy of these invoices has been filed with the Clerk of the Illinois Commerce Commission.

**LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.  
d/b/a LIBERTY UTILITIES  
DOCKET NO. 14-XXXX  
RESPONSE TO ILLINOIS COMMERCE COMMISSION STAFF**

Response provided by: Christopher D. Krygier  
Title: Director, Regulatory & Government Affairs  
Company: Liberty Utilities  
Address: 2751 North High Street  
Jackson, MO 63755

Company Response Number: SRK 1.04

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Q. Please provide the rationale for the proposed three year amortization period for the requested rate case expense in the current rate case.

**RESPONSE:**

The Company proposed a three year amortization as that is the estimated time period between the instant rate case and a future rate case. This estimate is believed by the Company to be a typical period between rate cases for the industry.

**LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.**  
**d/b/a LIBERTY UTILITIES**  
**DOCKET NO. 14-0371**  
**RESPONSE TO ILLINOIS PUBLIC SERVICE COMMISSION STAFF**

Response provided by: Christopher D. Krygier  
Title: Director, Regulatory & Government Affairs  
Company: Liberty Utilities  
Address: 2751 North High Street  
Jackson, MO 63755

Company Response Number: SRK 5.01

Date of Response June 13, 2014

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SRK 5.01 **(Schedule C-10, Rate Case Expense)** Referring to the Company's response to Staff data request SRK 1.01, Rate Case Expense, please provide all supporting documentation for the requested rate case expense amount of \$400,000 for ZPW Law.

**RESPONSE:**

The \$400,000 requested rate case amount is an estimate made by the Company following discussions with its attorneys. Based on a review of legal costs authorized for recovery by other gas utilities subject to the Part 285 filing requirements, and the fact that the Company does not have a large in-house legal staff as do those other utilities, the Company believes this is a very conservative estimate, even after taking into account that there may be fewer legal issues in the proceeding given the Company's relatively smaller size and an assumption that there would be no intervenors. Because legal costs may vary greatly depending on the number and complexity of legal issues raised in the proceeding, the Company may revise its estimate after the extent of issues in this docket are determined. For supporting documentation, please see the Commission's orders in Dockets No. 13-0192, 12-0512 (Cons.), 11-0282, 11-1281 (Cons.). A table of the expenses indicated for outside legal services in those dockets is attached to this response.

**Liberty Utilities (Midstates Natural Gas) Corp.  
d/b/a Liberty Utilities  
Illinois Commerce Commission  
Docket No. 14-0371  
SRK 5.01 Attachment**

<b>Utility</b>	<b>Docket Number</b>	<b>Outside Legal Services</b>
Liberty Midstates	14-0371	\$400,000
Ameren	13-0192	\$1,523,860 [1]
Peoples Gas	12-0512	\$1,222,000 [2]
North Shore	12-0511	\$815,000 [3]
Ameren	11-0282	\$1,148,000[4]
Peoples Gas	11-0281	\$1,497,000[5]
North Shore	11-0280	\$999,000[6]

[1] Docket 13-0192, Ameren Post-Surrebuttal Ex. 31.11

[2] Docket 12-0512, NS-PGL Ex. 42.4P

[3] Docket 12-0511 NS-PGL Ex. 42.4N

[4] Actual expenses in 2011 from Docket 13-0192, Schedule C-10

[5] Docket 12-0512, Schedule C-10.1

[6] Docket 12-0511, Schedule C-10.1

**LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.**  
**d/b/a LIBERTY UTILITIES**  
**DOCKET NO. 14-0371**  
**RESPONSE TO ILLINOIS PUBLIC SERVICE COMMISSION STAFF**

Response provided by: Christopher D. Krygier  
Title: Director, Regulatory & Government Affairs  
Company: Liberty Utilities  
Address: 2751 North High Street  
Jackson, MO 63755  
Company Response Number: SRK 5.02  
Date: 16 June 2014

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Q. **(Schedule C-10, Rate Case Expense)** Referring to the Company's response to Staff data request SRK 1.01, Rate Case Expense, please provide all supporting documentation for the requested rate case expense amount of \$10,000 for Bourassa / ADIT.

**RESPONSE:**

This was an estimate by the Company at the beginning of the rate case; Mr. Bourassa recently submitted his invoice, attached as SRK 5.02 - Bourassa Illinois ADIT Invoice". Mr. Bourassa ending up spending less time than projected due to being able to build the ADIT calculations from a sample model he previously created.

**LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.**  
**d/b/a LIBERTY UTILITIES**  
**DOCKET NO. 14-0371**  
**RESPONSE TO ILLINOIS PUBLIC SERVICE COMMISSION STAFF**

Response provided by: Christopher D. Krygier  
Title: Director, Regulatory & Government Affairs  
Company: Liberty Utilities  
Address: 2751 North High Street  
Jackson, MO 63755  
Company Response Number: SRK 5.03  
Date: 16 June 2014

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Q. **(Schedule C-10, Rate Case Expense)** Referring to the Company's response to Staff data request SRK 1.01, Rate Case Expense, please provide all supporting documentation for the requested rate case expense amount of \$20,000 for miscellaneous Company out of pocket costs.

**RESPONSE:**

The Company estimated this cost based on Mr. Krygier's experience in prior rate cases. While the Company has not incurred any costs to date, the Company expects to incur such expenses as travel, lodging, preparation, duplication, production, hearing graphics, meeting space and other costs if the rate case were to go to hearing.

**LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.**  
**d/b/a LIBERTY UTILITIES**  
**DOCKET NO. 14-0371**  
**RESPONSE TO ILLINOIS PUBLIC SERVICE COMMISSION STAFF**

Response provided by: Christopher D. Krygier  
Title: Director, Regulatory & Government Affairs  
Company: Liberty Utilities  
Address: 2751 North High Street  
Jackson, MO 63755  
Company Response Number: SRK 5.04  
Date: 18 June 2014

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SRK 5.04 (Schedule C-10, Rate Case Expense) Referring to the Company's response to Staff data request SRK 1.01, Rate Case Expense, please provide all supporting documentation for the requested rate case expense amount of \$200,000 for SPI Energy Group including the time hours expended for services performed or the hourly rate.

**RESPONSE:**

SPI ENERGY GROUP was retained by the Company in October 2013 in order to provide assistance with preparation, and participation in what is now assigned ICC Docket No. 14-0371. The hourly rate of \$200.00 was established by both parties prior to work by SPI actually beginning.

Several months into the process the Company and SPI estimated roughly that a minimum of 1000 hours would be required for preparation, expert testimony and follow through of the rate case process once the filing was actually made. It was also agreed that certain out of pocket costs incurred by SPI would be reimbursed by the Company as long as these costs were approved in advance by the Company. The 1000 hour estimate formed the basis for the SPI ENERGY GROUP portion of rate case expense requested by the Company.

The work provided by SPI to date has included preparation of filing documents, expert testimony related to cost of service, revenue requirements, revenue allocation and rate calculation.

To date, SPI's participation has resulted in 789.50 hours billed to the Company, as well as \$781.24 in out of pocket costs associated with printing of the actual filing documents.

At the hourly rate stated above, the 789.50 hours, plus out of pocket costs, have resulted in total SPI bills of \$158,681.24 for the months of November 2013 through May 2014. Copies of these bills are provided electronically with this response.

With an original total cost estimate of \$200,000 for 1000 hours work, the hours billed above result in remaining estimated hours of 210.5, or \$42,100.00.

Based upon activities to date, the Company believes it is likely that the original \$200,000.00 estimate will be exceeded. Initial discovery associated with the Company's filing is ongoing. Below is a list of the minimum remaining activities in which SPI will participate.

REVIEW AND DEVELOPMENT OF DISCOVERY ASSOCIATED WITH STAFF DIRECT TESTIMONY

DEVELOPMENT OF COMPANY REBUTTAL TO STAFF DIRECT TESTIMONY

RESPONSE TO DISCOVERY ASSOCIATED WITH COMPANY REBUTTAL TESTIMONY

REVIEW AND DEVELOPMENT OF DISCOVERY ASSOCIATED WITH STAFF REBUTTAL TESTIMONY

DEVELOPMENT OF COMPANY SURREBUTTAL TESTIMONY

PARTICIPATION IN EVIDENTIARY HEARING PROCESS

REVIEW OF PROPOSED ORDERS AND DEVELOPMENT OF REVENUE EFFECTS OF PROPOSED ORDERS AND FINAL ORDER.

DEVELOPMENT OF FINAL RATES AND RATE SCHEDULES

FILING OF FINAL RATE SCHEDULES

**LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.**  
**d/b/a LIBERTY UTILITIES**  
**DOCKET NO. 14-0371**  
**SUPPLEMENTAL**  
**RESPONSE TO ILLINOIS COMMERCE COMMISSION STAFF**

Response provided by: Christopher D. Krygier  
Title: Director, Regulatory & Government Affairs  
Company: Liberty Utilities  
Address: 2751 North High Street  
Jackson, MO 63755  
Company Response Number: **SRK 5.04**  
Date: September 15, 2014

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**SRK 5.04** (Schedule C-10, Rate Case Expense) Referring to the Company's response to Staff data request SRK 1.01, Rate Case Expense, please provide all supporting documentation for the requested rate case expense amount of \$200,000 for SPI Energy Group including the time hours expended for services performed or the hourly rate.

RESPONSE (June 18, 2014) :

SPI ENERGY GROUP was retained by the Company in October 2013 in order to provide assistance with preparation, and participation in what is now assigned ICC Docket No. 14-0371. The hourly rate of \$200.00 was established by both parties prior to work by SPI actually beginning.

Several months into the process the Company and SPI estimated roughly that a minimum of 1000 hours would be required for preparation, expert testimony and follow through of the rate case process once the filing was actually made. It was also agreed that certain out of pocket costs incurred by SPI would be reimbursed by the Company as long as these costs were approved in advance by the Company. The 1000 hour estimate formed the basis for the SPI ENERGY GROUP portion of rate case expense requested by the Company.

The work provided by SPI to date has included preparation of filing documents, expert testimony related to cost of service, revenue requirements, revenue allocation and rate calculation.

To date, SPI's participation has resulted in 789.50 hours billed to the Company, as well as \$781.24 in out of pocket costs associated with printing of the actual filing documents.

At the hourly rate stated above, the 789.50 hours, plus out of pocket costs, have resulted in total SPI bills of \$158,681.24 for the months of November 2013 through May 2014. Copies of these bills are provided electronically with this response.

With an original total cost estimate of \$200,000 for 1000 hours work, the hours billed above result in remaining estimated hours of 210.5, or \$42,100.00.

Based upon activities to date, the Company believes it is likely that the original \$200,000.00 estimate will be exceeded. Initial discovery associated with the Company's filing is ongoing. Below is a list of the minimum remaining activities in which SPI will participate.

REVIEW AND DEVELOPMENT OF DISCOVERY ASSOCIATED WITH STAFF DIRECT TESTIMONY

DEVELOPMENT OF COMPANY REBUTTAL TO STAFF DIRECT TESTIMONY

RESPONSE TO DISCOVERY ASSOCIATED WITH COMPANY REBUTTAL TESTIMONY

REVIEW AND DEVELOPMENT OF DISCOVERY ASSOCIATED WITH STAFF REBUTTAL TESTIMONY

DEVELOPMENT OF COMPANY SURREBUTTAL TESTIMONY

PARTICIPATION IN EVIDENTIARY HEARING PROCESS

REVIEW OF PROPOSED ORDERS AND DEVELOPMENT OF REVENUE EFFECTS OF PROPOSED ORDERS AND FINAL ORDER.

DEVELOPMENT OF FINAL RATES AND RATE SCHEDULES

FILING OF FINAL RATE SCHEDULES

## SUPPLEMENTAL RESPONSE:

As seen above in request SRK5.04, the Company's original estimate for rate case expense related to the participation of SPI Energy Group was \$200,000.00.

Exhibit 5.9 contained an updated estimate of \$225,000.00 for rate case participation by SPI Energy Group.

The original tasks and responsibilities for SPI Energy Group still apply as those items were set forth in the Company's original response to Staff Request SRK 5.04.

However, SPI was involved in work that was not anticipated in the original rate case expense estimate. That work included formulating responses to deficiency items and data request responses as well as working with Staff on the form and content of those responses. The time involved in this effort was not anticipated earlier. It is the Company's belief that if the deficiency items noted by the Commission could have been dealt with prior to filing, the original estimate for rate case expense would have been accordingly higher. As a result, the Company believes its updated estimate for SPI Energy Group rate case expense is reasonable as it represents the total cost of work related to rate case participation both prior to and subsequent to the filing of the case.

The original estimate of rate case expense for SPI was \$200,000.00.

As of August 5, 2014, the Company had incurred \$180,581.00 in expense for SPI. That left \$19,419.00 of the original estimate remaining to be spent.

The Company examined the remaining aspects of the case as of August 5, 2014 and determined that the remaining estimated cost at that time was insufficient to cover the remaining participation of SPI Energy Group.

As a result, the Company found it necessary to increase the estimate by \$25,000.00, for a total revised estimate of \$225,000.00 for SPI.

**LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.  
d/b/a LIBERTY UTILITIES  
DOCKET NO. 14-0371  
RESPONSE TO ILLINOIS PUBLIC SERVICE COMMISSION STAFF**

Response provided by: Christopher D. Krygier  
 Title: Director, Regulatory & Government Affairs  
 Company: Liberty Utilities  
 Address: 2751 North High Street  
 Jackson, MO 63755  
 Company Response Number: SRK 5.05  
 Date: 18 June 2014

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Q. **(Schedule C-10, Rate Case Expense)** Referring to the Company’s response to Staff data request SRK 1.01, Rate Case Expense, please provide all supporting documentation for the requested rate case expense amount of \$60,000 for Sussex Economics Advisors including a breakdown by **consultant** of the following: (1) the services to be performed, (2) by whom they will be performed, (3) the estimated time to be expended, and (4) the hourly rate charged

**RESPONSE:**

The \$60,000 estimate for Sussex Economic Advisors was based on the quote provided to the Company. The tasks to be performed include Direct Testimony, Discovery Support, Rebuttal Testimony, Hearing participation and post-hearing assistance. Included in the table below is a table listing the individual role performing the tasks, hourly rate, number of hours estimated by individual role and total cost. Please note that the estimated cost in the table is higher by \$300 but for purposes of the contract, an even total of \$60,000 was agreed to.

Position	Rate	Hours	Cost
Managing Partner			
Executive Advisor, Principal			
Managing Consultant			
Consultant			
Administrative Assistant			
TOTAL			



**LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.  
d/b/a LIBERTY UTILITIES  
DOCKET NO. 14-0371  
RESPONSE TO ILLINOIS PUBLIC SERVICE COMMISSION STAFF**

Response provided by: Christopher D. Krygier  
 Title: Director, Regulatory & Government Affairs  
 Company: Liberty Utilities  
 Address: 2751 North High Street  
 Jackson, MO 63755  
 Company Response Number: SRK 5.05  
 Date: September 15, 2014

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Q. **(Schedule C-10, Rate Case Expense)** Referring to the Company’s response to Staff data request SRK 1.01, Rate Case Expense, please provide all supporting documentation for the requested rate case expense amount of \$60,000 for Sussex Economics Advisors including a breakdown by **consultant** of the following: (1) the services to be performed, (2) by whom they will be performed, (3) the estimated time to be expended, and (4) the hourly rate charged

**RESPONSE:**

The \$60,000 estimate for Sussex Economic Advisors was based on the quote provided to the Company. The tasks to be performed include Direct Testimony, Discovery Support, Rebuttal Testimony, Hearing participation and post-hearing assistance. Included in the table below is a table listing the individual role performing the tasks, hourly rate, number of hours estimated by individual role and total cost. Please note that the estimated cost in the table is higher by \$300 but for purposes of the contract, an even total of \$60,000 was agreed to.

Position	Rate	Hours	Cost
Managing Partner			
Executive Advisor, Principal			
Managing Consultant			
Consultant			
Administrative Assistant			
TOTAL			

## SUPPLEMENTAL RESPONSE

The additional \$ [REDACTED] reflects tasks not included in Sussex Economic Advisors' original proposal. In particular, Sussex developed a series of financial forecasts for the Company's 2015 balance sheet, income statement, and statement of cash flows. Sussex then prepared historical financial statements for 2013 and forecasted financial statements for year-end 2014 with the same model used to prepare the 2015 forecasted financial statements. In addition, the original proposal did not contemplate the breadth of issues surrounding capital structure addressed in rebuttal testimony, or costs associated with Surrebuttal testimony.

**LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.**  
**d/b/a LIBERTY UTILITIES**  
**DOCKET NO. 14-0371**  
**RESPONSE TO ILLINOIS PUBLIC SERVICE COMMISSION STAFF**

Response provided by: Christopher D. Krygier  
Title: Director, Regulatory & Government Affairs  
Company: Liberty Utilities  
Address: 2751 North High Street  
Jackson, MO 63755

Company Response Number: SRK 5.06

Date of Response June 11, 2014

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Q. **(Schedule C-10, Rate Case Expense)** Referring to the Company’s response to Staff data request SRK 1.02, Rate Case Expense, please provide all supporting documentation as to how outside consultant Bourassa was selected. Please provide the information requested.

**RESPONSE:**

Please see the attached resume labeled as “SRK 5.06 - Bourassa Resume”. Mr. Bourassa was selected as a consultant due to his extensive experience in rate regulated utility accounting and ratemaking among other fields. Additionally, Mr. Bourassa has worked with other Liberty Utilities on other rate cases and is very familiar with the company’s financial systems and processes. This experience allows him to work efficiently and cost effectively which made him a reasonable choice to assist on the case.

**Exhibit A**  
**RESUME OF THOMAS J. BOURASSA, CPA**

**EDUCATIONAL BACKGROUND**

B.S. Northern Arizona University Chemistry/Accounting (1980)  
M.B.A. University of Phoenix with Emphasis in Finance (1991)  
C.P.A. State of Arizona (1995)  
Continuing Professional Education – In areas of tax, accounting, management, economics, finance, ethics (80 hrs every two years)

**MEMBERSHIPS**

Arizona Society of CPAs  
Water Utilities Association of Arizona  
American Water Works Association  
Society of Regulatory Financial Analysts

**EMPLOYMENT EXPERIENCE**

1995 – Present	CPA - Self Employed Consultant to utilities on regulatory matters including all aspects of rate applications (rate base, income statement, cost of capital, cost of service, and rate design), rate reviews, certificates of convenience and necessity (CC&N), CC&N extensions, financing applications, accounting order applications, and off-site facilities hook-up fee applications. Provide expert testimony as required.  Consult on various aspects of business, financial and accounting matters including best business practices, generally accepted accounting principles, generally accepted ratemaking principles, project analysis, cash flow analysis, regulatory treatment of certain expenditures and investments, business valuations, and rate reviews.  Litigation support services.
1992-1995	Employed by High-Tech Institute, Phoenix, Arizona as Controller and C.F.O.
1989-1992	Employed by Alta Technical School, a division of University of Phoenix as Division Controller.
1985-1989	Employed by M.L.R. Builders, Tampa and Pensacola, Florida as Operations/Accounting Manager

1982-1985            Employed by and part owner in Area Sand and Clay Company,  
Pensacola, Florida.

1981-1982            Employed by Purdue University, West Lafayette, Indiana as  
Teaching Assistant.

**SUMMARY OF REGULATORY WORK EXPERIENCE AS SELF EMPLOYED  
CONSULTANT**

**COMPANY/CLIENT**

**FUNCTION**

<p>Pima Utility Company Docket W-02199A-11-0329 Docket SW-02199A-11-0330</p>	<p>Permanent Rate Application – Water and Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.</p> <p>Work on financing application (pending).</p>
<p>California Pacific Energy Company</p>	<p>Work on preparation of permanent rate application.</p>
<p>Livco Water Company Docket SW-02563A-11-0213</p>	<p>Permanent Rate Application – Water and Sewer. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.</p>
<p>Orange Grove Water Company Docket W-02237A-11-0180</p>	<p>Permanent Rate Application. Prepared schedules on Plant, Income Statement, Revenue Requirement, and Rate Design.</p>
<p>Goodman Water Company Docket W-02500A-10-0382</p>	<p>Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.</p>
<p>Doney Park Water Docket W-01416A-10-0450</p>	<p>Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.</p>
<p><i>Grimmelmann, et. al. v. Pulte Home Corporation, et. al.</i>, case no. CV-08-1878-PHX-FJM, the United States District Court for the District of Arizona.</p>	<p>Consultant to defendant and expert witness for defendant on rates and ratemaking.</p>
<p>Southern Arizona Home Builders Association</p>	<p>Consultant on ratemaking aspects to line extension policies (electric).</p>
<p>H2O Water Company</p>	<p>Valuation</p>
<p>Tierra Linda HOA Water Company</p>	<p>Valuation</p>

**COMPANY/CLIENT**

**FUNCTION**

Las Quintas Serenas Water Company  
Docket W-01583A-09-0589

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Coronado Utilities  
Docket SW-04305A-09-0291

Permanent Rate Application – Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Little Park Water Company  
Docket W-02192A-09-0531

Permanent Rate Application. Prepared schedules on Plant, Income Statement, Revenue Requirement, and Rate Design.

Sahuarita Water Company  
Docket W-03718A-09-0359

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, Cost of Service, and Cost of Capital.

Bella Vista Water Company  
Southern Sunrise Water Company  
Northern Sunrise Water Company  
Docket W-02465A-09-0414  
W-02453A-09-0414  
W-02454A-09-0414

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, Cost of Service, and Cost of Capital.

Rio Rico Utilities, Inc  
Docket WS-02676A-09-0257

Permanent Rate Application – Water and Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Litchfield park Service Company  
Docket SW-01428A-09-0103  
W-01428A-09-0104

Permanent Rate Application – Water and Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, Cost of Service, and Cost of Capital.

*Town of Thatcher v. City of Safford, CV 2007-240, Superior Court of Arizona*

Consultant to plaintiff on ratemaking and cost of service.

**COMPANY/CLIENT**

**FUNCTION**

Valencia Water Company  
Before the California Public Utility  
Commission 09-05-002

Cost of Capital

Valley Utilities  
Docket W-01412A-08-0586

Permanent Rate Application. Prepared  
schedules and testified on Rate Base,  
Plant, Income Statement, Revenue  
Requirement, and Rate Design.

Black Mountain Sewer Company  
Docket SW-02361A-08-0609

Permanent Rate Application – Sewer.  
Prepared schedules and testified on Rate  
Base, Plant, Income Statement, Revenue  
Requirement, Rate Design, and Cost of  
Capital.

Far West Water and Sewer Company  
Docket WS-03478A-08-0608

Interim Rate Application (Emergency  
Rates)

Farmers Water Company  
Docket W-01654A-08-0502

Permanent Rate Application. Prepared  
schedules and testified on Rate Base,  
Plant, Income Statement, Revenue  
Requirement, and Rate Design.

Far West Water and Sewer Company  
Docket WS-03478A-08-0454

Permanent Rate Application. Sewer.  
Prepared schedules and testified on Rate  
Base, Plant, Income Statement, Revenue  
Requirement, Rate Design and Cost of  
Capital.

Ridgeline Water Company, LLC  
Docket W-20589A-08-0173

Certificate of Convenience and Necessity  
– Water. Prepared pro-forma balance  
sheets, income statements, plant  
schedules, rate base, and financing.

Sacramento Utilities, Inc.  
Docket SW-20576A-08-0067

Certificate of Convenience and Necessity  
– Wastewater. Prepared pro-forma  
balance sheets, income statements, plant  
schedules, rate base, and financing.

Johnson Utilities  
Docket WS-02987A-08-0180

Permanent Rate Application. Water and  
Sewer. Prepared schedules and testified  
on Rate Base, Plant, Income Statement,  
Revenue Requirement, Rate Design and

**COMPANY/CLIENT**

**FUNCTION**

	Cost of Capital.
	Participate in 40-252 proceeding.
Orange Grove Water Company Docket W-02237A-08-0455	Permanent Rate Application. Prepared schedules on Plant, Income Statement, Revenue Requirement, and Rate Design.
Far West Water and Sewer Company Docket WS-03478A-07-0442	Financing Application. Prepare schedules to support application.
Oak Creek Water No.1 Docket W-01392A-07-0679	Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.
ICR Water Users Association Docket W-02824-07-0388	Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.
Johnson Utilities	Valuation consultant in the matter of the sale of Johnson Utilities assets to the Town of Florence.
H2O, Inc Docket W-02234A-07-0550	Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.
Chaparral City Water Company Docket W-02113A-07-0551	Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.
Valley Utilities Docket W-01412A-07-0561	Financing Application. Prepare schedules to support application.
Valley Utilities Docket W-01412A-07-280	Emergency Rate Application. Prepare schedules to support application.
Valley Utilities	Accounting Order. Assist in preparing

**COMPANY/CLIENT**

**FUNCTION**

Docket W-01412A-07-0278

definition and scope of costs for deferral for future regulatory consideration and treatment.

Litchfield Park Service Company  
Docket W-01427A-06-0807

Accounting Order. Assist in preparing definition and scope of costs for deferral for future regulatory consideration and treatment.

Golden Shores Water Company  
Docket W-01815A-07-0117

Permanent Rate Application. Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Diablo Village Water Company  
Docket W-02309A-07-0140

Off-site facilities hook-up fee application. Prepare schedules to support application.

Diablo Village Water Company  
Docket W-02309A-07-0399

Permanent Rate Application (Class C). Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Sahuarita Water Company  
(Rancho Sahuarita Water Co.)  
Docket W-03718A-07-0687

Extension Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, and financing.

Utility Source, L.L.C.  
Docket WS-04235A-06-0303

Permanent Rate Application- Water and Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Tierra Buena Water Company

Valuation of Tierra Buena Water Company for estate purposes.

Goodman Water Company  
Docket W-02500A-06-0281

Permanent Rate Application (Class C). Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, and Cost of Capital.

Links at Coyote Wash Utilities

Certificate of Convenience and Necessity

**COMPANY/CLIENT**

**FUNCTION**

Docket SW-04210A-06-0220

– Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

New River Utilities  
Docket W-0173A-06-0171

Extension Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, and financing.

Johnson Utilities  
Docket WS-02987A-04-0501  
Docket WS-02987A-04-0177

Extension of Certificate of Convenience and Necessity – Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Bachmann Springs Utility  
Docket WS-03953A-07-0073

Permanent Rate Application – Water and Sewer. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Avra Water Cooperative  
Docket W-02126A-06-0234

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Gold Canyon Sewer Company  
Docket SW-025191A-06-0015

Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

*State of Arizona v. Far West Water and Sewer*, No. 1 CA-CR 06-0160

Expert witness on behalf of defendant in penalty phase of case.

Far West Water and Sewer Company  
Docket WS-03478A-05-0801

Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Black Mountain Sewer Company  
Docket SW-02361A-05-0657

Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of

**COMPANY/CLIENT**

**FUNCTION**

Balterra Sewer Company  
Docket SW-02304A-05-0586

Capital.  
  
Certificate of Convenience and Necessity – Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Community Water Company of Green Valley  
Docket W-02304A-05-0830

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

McClain Water Systems  
Northern Sunrise Water  
Southern Sunrise Water  
Docket W-020453A-06-0251

Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Valley Utilities Water Company  
Docket W-01412A-04-0376

Off-site facilities hook-up fee application. Prepare schedules to support application.

Valley Utilities Water Company  
Docket W-01412A-04-0376

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Rate Design.

Beardsley Water Company  
Docket W-02074A-04-0358

Permanent Rate Application – Water. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Pine Water Company, Inc.  
Docket W-03512A-03-0279

Interim and Permanent Rate Application, Financing Application - Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Cost of Capital, and Rate Design.

Chaparral City Water Company  
Docket W-02113A-04-0616

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, and Income Statement. Assisted in preparation Rate Design.

Tierra Linda Home Owners Association

Certificate of Convenience and Necessity

**COMPANY/CLIENT**

Docket W-0423A-04-0075

**FUNCTION**

– Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Diamond Ventures - Red Rock Utilities  
Docket WS-04245A-04-0184

Certificate of Convenience and Necessity – Water and Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Arizona-American Water Company, Inc.  
Docket WS-01303A-02-0867  
Docket WS-01303A-02-0868  
Docket WS-01303A-02-0869  
Docket WS-01303A-02-0870  
Docket WS-01303A-02-0908

Permanent Rate Application Water and Sewer (10 divisions). Prepared schedules and testimony on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Rate Design.

Bella Vista Water Company, Inc.  
Docket W-02465A-01-0776

Permanent Rate Application - Water. Prepared schedules and testimony on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Cost of Capital and Rate Design.

Green Valley Water Company  
Docket (2000 Not Filed)

Permanent Rate Application. Prepared schedules and testimony on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Cost of Capital and Rate Design.

Gold Canyon Sewer Company  
Docket SW-02519A-00-0638

Permanent Rate Application - Sewer. Prepared schedules and testimony on Rate Base, Plant, Revenue Requirement, and Income Statement. Assisted in preparation of Cost of Capital and Rate Design.

Rio Verde Utilities, Inc.  
Docket WS-02156A-00-0321

Permanent Rate Application – Water and Sewer. Prepared schedules and testimony on Rate Base, Plant, Revenue Requirement, and Income Statement. Assisted in

**COMPANY/CLIENT**

**FUNCTION**

Livco Water Company  
Livco Sewer Company  
Docket SW-02563A-05-0820

preparation of Cost of Capital and Rate Design.

Permanent Rate Application – Water.  
Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Livco Water Company  
Docket SW-02563A-07-0506

Permanent Rate Application – Water and Sewer. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Cave Creek Sewer Company

Revenue Requirement, Rate Adjustment and Rate Design - Sewer.

Avra Water Cooperative  
Docket W-02126A-00-0269

Permanent Rate Application – Water.  
Assisted in preparation of Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Town of Oro Valley

Revenue Requirements, Water Rate Adjustments and Rate Design.

Far West Water Company  
Docket WS-03478A-99-0144

Permanent Rate Application – Water.  
Assisted in preparation of schedules for Rate Base, Income Statement, Revenue Requirement, Lead-Lag Study, Cost of Capital, and Rate Design.

MHC Operating Limited Partnership  
Sedona Venture Wastewater  
Docket W-

Permanent Rate Application – Sewer.  
Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

Vail Water Company  
Docket W-01651B-99-0406

Permanent Rate Application. Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

E&T Water Company  
Docket W-01409A-95-0440

Permanent Rate Application - Water.  
Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

New River Utility

Permanent Rate Application - Water.

**COMPANY/CLIENT**

Docket W-01737A-99-0633

Golden Shores Water  
Docket W-01815A-98-0645

Ponderosa Utility Company  
Docket W-01717A-99-0572

Chaparral City Water Company  
Docket (1999 Not Filed)

**FUNCTION**

Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

Permanent Rate Application – Water.  
Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

Permanent Rate Application – Water.  
Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

Permanent Rate Application - Water.  
Prepared schedules and testimony on Rate Base, Plant, Revenue Requirement, and Income Statement. Assisted in preparation of Cost of Capital and Rate Design.

**LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.**  
**d/b/a LIBERTY UTILITIES**  
**DOCKET NO. 14-0371**  
**RESPONSE TO ILLINOIS PUBLIC SERVICE COMMISSION STAFF**

Response provided by: Christopher D. Krygier  
Title: Director, Regulatory & Government Affairs  
Company: Liberty Utilities  
Address: 2751 North High Street  
Jackson, MO 63755

Company Response Number: SRK 5.07

Date of Response June 11, 2014

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- Q. **(Schedule C-10, Rate Case Expense)** Referring to the Company’s response to Staff data request SRK 1.02, Rate Case Expense, states that “Dr. Schmidt was a consultant hired for initial planning and preparation of the Illinois rate case, his rates were comparable to other similarly situated consultants.” Please respond to the following:
- a) Please provide Dr. Schmidt’s curriculum vitae;
  - b) Please indicate whether Dr. Schmidt is listed on Schedule C-10;
  - c) Please state the estimated cost of Dr. Schmidt’s services;
  - d) Please indicate the specific services Dr. Schmidt will perform, for how many hours and at what rate per hour?
  - e) Please provide the hourly rates of other similarly situated consultants.

RESPONSE:

- a) Please see the attached file labeled “SRK 5.07 (a) - Resume Dr. Mike Schmidt”.
- b) Dr. Schmidt was not listed on Schedule C-10.
- c) Approximately \$10,000.
- d) Dr. Schmidt assisted in the preparation phase of the rate application including creation of some of the 285 filing schedules.
- e) Examples of other consultants used in this rate case include Mr. Dan Long and Mr. Tom Bourassa whose rates are \$200 and \$250 per hour respectively.

## **MICHAEL R. SCHMIDT**

3322 SW Rolling Ct., Topeka, KS 66610  
(785)783-2815 (h) or (785)817-6331 (c)  
[michaelschmidt@msn.com](mailto:michaelschmidt@msn.com)

### **QUALIFICATIONS SUMMARY**

Public utility regulatory economist with hands-on analytical and managerial experience:

- Utility ratemaking, cost of service, rate design, alternative methods of ratemaking including performance based ratemaking, project analysis, finance, forecasting and capital budgeting in the gas, electric and water industries.
- Managed numerous energy related consulting projects both domestically and overseas.
- Testified in over 60 gas and electric utility pricing cases.
- Testified on cost of service and pricing matters before various state public commissions, the Alberta Energy Board, the Energy Regulatory Board of the Philippines, the Federal Energy Regulatory Commission (FERC), the U.S. Court of Claims, the Illinois State Legislature, the Kansas State Legislature and the Superior Court of the state of Washington.
- Held supervisory responsibilities at the manager (first line) and director levels (second line) in consulting firms, investor-owned utilities, and state regulatory agencies.
- Built and worked with numerous Excel cost-of-service/rate design/financial models.
- Experience includes training on behalf of the Energy Utility Consultants (EUCI) – performance based ratemaking, American Public Power Association - rate design; staff training for the Philippines Energy Regulatory Board – cost of service/rate design/automatic adjustment clauses.
- Adjunct professor at the University of Phoenix and Golden Gate University – finance/economics/small business development.
- Masters and Doctorate degrees in public utility economics and transportation.
- Undergraduate degrees in physics (electronics/electrical theory) and math.
- Accomplished author – six books on public utility pricing and other issues; numerous articles.

## CAREER HIGHLIGHTS

### **LIBERTY UTILITIES, Oakville, Ontario**

**2012 – present**

**National Rates Advisor:** Liberty Utilities (Canada) Corp. providing services as a Rates Advisor. In this capacity I advise the regulated operating companies of Liberty Utilities Company, including Granite State, on pricing matters and participate in their rate cases.

- Prepared cost of service and rate design for Algonquin Water Resources of Missouri, LLC d/b/a Liberty Utilities.
- Prepared report on pension and PBOP benefits.

### **KANSAS CORPORATION COMMISSION, Topeka, KS**

**2010 - 2012**

**Director, Utility Division:** Political appointee providing services as Utility Director. Directed a staff of 45 accountants, economists, and engineers in the regulation of electric, gas, telephone, water utilities. Also responsible for pipeline safety in the state of Kansas. Five direct reports – Audit, Economics, Utility Operations, Telecommunications, and Pipeline Safety. My approach was to strive for a balance among residential consumers (reasonable rates), industry (cost based rates), and utility shareholders (the need to attract and reward capital investment).

- Interact daily in developing Staff (training/delegating/assignments/strategy/hiring).
- Routinely met with utility management, Staff and utility attorneys, and government staff/officials.
- Negotiate settlements with utilities, identify litigation issues, and prepare and/or direct Staff testimony.
- Prepare and direct testimony in major rate cases, prudence reviews, certificate of need proceedings for transmission and generation upgrades.
- Met with and advised the Commissioners on various technical issues – energy efficiency (emphasis on cost effective programs), major rate design overhaul (elimination of promotional rates, increases in fixed charges), telecommunications subsidies (Universal Service Fund and the Kansas Universal Service Fund), and cost of capital.

### **CLECO POWER, Pineville, LA**

**2008 – 2009**

**Manager Regulatory Planning:** Consultant for Cleco Power providing services to prepare and file a general rate case – first in 20 years. Worked with the AMI initiative, and proposed an RPS standard and energy conservation alternatives.

### **SEMPRA ENERGY (Southern California Gas and San Diego Gas & Electric), San Diego, CA**

**1998 – 2008 (retired)**

**Regulatory Strategy Manager (2000-2008):** As part of management largest gas and electric utilities in the country, assignments included preparing expert witness testimony and developing pricing policy alternatives including performance based ratemaking; responses to Federal and California Commission initiatives including supply planning, green house gas emissions, transmission pricing and renewable energy.

- Developed an opposition report on a major municipalization initiative and created new line extension policies
- Active in Company's conservation, energy efficiency initiatives
- Published article on Company's energy efficiency efforts and ways to enhance earnings
- Case management
- Testified in various rate, conservation, line extension, and economic impact cases
- Developed Excel based models for cost of service and cost allocation

**Regulatory Policy Leader (1998-2000):** Intense involvement with the gas industry and its challenges while resolving uses involving direct access, the power markets, and the ISO on the electric side. The wholesale power market was brutalized in California, dominated by few suppliers, market restrictions on long-term contracts, anti-trust challenges, price caps at the retail but not at the wholesale level, and unchecked market participants.

**NEVADA POWER COMPANY, Las Vegas, NV**

**1995 - 1998**

**Director of Pricing and Economic Analysis:** Responsible resolving all rate related issues including virtually daily interaction with customers, consumer groups, the rate advisory committee, the Nevada Public Service Commission and the news media during a period of unprecedented growth, abnormally high cost increases, and rate design challenges as well as overseeing a staff of 12 associates.

- Handled intense pressure from large customers to obtain direct access to alternative suppliers
- Negotiated pricing alternatives with major casino developers that threatened self-generation.
- Developed staff training program

**RESOURCE MANAGEMENT INTERNATIONAL(Now Part of Navigant Consulting),  
Sacramento, CA**

**1987 - 1995**

**Director of Regulatory Economics:** Completed a number of consulting assignments in the Philippines, Israel, and Indonesia which involved the economic benefits and ratemaking associated with the construction of utility infrastructure calculating benefit/cost, shadow pricing, opportunity costs, currency and political risk, transfer pricing, hyper-inflation, and performance risks.

- Represented domestic clients in rate cases before various state regulatory agencies, the FERC, District Courts, and City Councils. Supervised rates department staff.
- As Project Manager was responsible for advising clients regarding transmission access and pricing, independent power production pricing, and other ratemaking issues for the Energy Regulatory Board of the Philippines including developing a regulatory model that could be used as a long-term goal in a

competitive power market. The World Bank funded project included transmission access issues, stand-by generation policies, automatic adjustment for changes in fuel costs, and the calculation of avoided costs for the purchase of cogenerated power.

- Completed a four-year General Services Administration contract involving preparing for and testifying in several electric and gas utility rate cases.

### **RW BECK & ASSOCIATES (now part of SAIC), Seattle, WA**

#### **Associate and Manager Analytical Section**

Rate case intervention on behalf of large industrial clients. Supervised analytical department. Elected an Associate of the firm by the Partners.

- Served as lead economist for a feasibility study of developing a proposed \$7 billion hydroelectric project in the Middle East including developing shadow prices for project inputs, evaluated electric load forecasts, calculated benefit cost ratios, and project cash flows under various scenarios. Recommended that the project not be pursued.
- Participated in numerous municipal bond financings, working with utility management, bond council, underwriters, and bond rating agencies to ensure companies rates supported financial success of the projects.
- Prepared cost of service studies for electric and water utilities.

### **ILLINOIS COMMERCE COMMISSION**

#### **Manager Policy Analysis and Research**

Implementation of the requirements of PURPA. Supervised Policy and Research staff.

- Provided testimony on marginal cost pricing which included a discussion of the theory of marginal cost, various methods for reconciling marginal cost-based revenues, and problems with the development of marginal cost data.
- Developed uniform fuel adjustment and PGA clauses.

### **EDUCATION**

Ph.D. in Business Administration – Indiana University, Bloomington, IN

(Double major in Transportation/Public Utilities and Economics/Public Policy)

MBA in Finance and Public Utility Management – Indiana University, Bloomington, IN

Special Program in Engineering Economy for Public Utilities - Stanford University

Leadership Development for Executives – University of Southern California

BA in Business Administration (in Finance & Accounting) - University of Minnesota

BS in Physics/Math (Electronics, Electrical Theory, and Mathematics) - University of Minnesota

### **PUBLICATIONS**

**Published 6 books on utility issues:**

Resume – Michael R. Schmidt

*Automatic Adjustment Clauses, Theory and Practice* – Michigan State University Press 1980;  
*Rate Design for Public Power Systems* (co-author) – American Public Power Association 1984;  
*Valuing an Electric Utility: Theory and Application* (co-author), Public Utilities Reports, Inc (1999)  
*Performance Based Ratemaking: Theory and Application*, Public Utilities Reports, Inc (2000)  
*Implementing Retail Energy Competition: Making the Transition*, Public Utilities Reports, Inc (2001)  
*Energy Services Outsourcing - the Opportunities and Challenges* (lead author), Public Utilities Reports, Inc (2002)

**Recent articles include:**

“Ratemaking by Formula,” Public Utilities Fortnightly, March 2010.

"Earning on Conservation," Public Utilities Fortnightly, December 2007, p. 30

"Can You ESO?" Energy Customer Management, November/December 2002, p. 24

"California's Power Gamble: Long-term Contracts, Locked-in Risk," Public Utilities Fortnightly, May 15, 2001

**LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.**  
**d/b/a LIBERTY UTILITIES**  
**DOCKET NO. 14-0371**  
**RESPONSE TO ILLINOIS PUBLIC SERVICE COMMISSION STAFF**

Response provided by: Christopher D. Krygier  
Title: Director, Regulatory & Government Affairs  
Company: Liberty Utilities  
Address: 2751 North High Street  
Jackson, MO 63755

Company Response Number: SRK 5.08

Date of Response June 11, 2014

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Q. **(Schedule C-10, Rate Case Expense)** Referring to the Company's response to Staff data request SRK 1.03, Rate Case Expense, please reconcile the amount per SRK 1.03 of \$9,320 for Mike Schmidt with the supporting detailed invoice dated 12/31/2013.

**RESPONSE:**  
The difference is due to the foreign currency difference between US Dollars and Canadian dollars.

**LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.  
d/b/a LIBERTY UTILITIES  
DOCKET NO. 14-0371  
RESPONSE TO ILLINOIS PUBLIC SERVICE COMMISSION STAFF**

Response provided by: Christopher D. Krygier  
Title: Director, Regulatory & Government Affairs  
Company: Liberty Utilities  
Address: 2751 North High Street  
Jackson, MO 63755

Company Response Number: SRK 8.01

Date of Response July 11, 2014

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SRK 8.01 **(Schedule C-10, Rate Case Expense)** Referring to the Company's response to Staff data request SRK 5.01, Rate Case Expense – ZPW Law, please provide the estimated hours by attorney by rate case stages, by completing Attachment A, that supports the requested rate case expense amount of \$400,000 for ZPW Law.

**RESPONSE:**

As indicated in the Company's response to Staff data request SRK 5.01, the \$400,000 requested rate case amount is an estimate made by the Company at the time of filing of the case following discussions with its attorneys and is an overall estimate, based on certain factors as set forth in the response to SRK 5.01, including the supporting information provided with that response. The Company does not possess an estimate broken down by attorney and/or by rate case stages.

However, the Company did populate the Attachment A with amounts relating to the stages that have occurred to date.

As indicated in the Company's response to SRK 5.01, the Company continues to believe its estimate is very conservative. Because legal costs may vary greatly depending on the number and complexity of legal issues raised in the proceeding, the Company may revise its estimate after the extent of issues in this docket are determined.

SRK 8.01 ATTACHMENT A - CONFIDENTIAL AND PROPRIETARY

Rate Case Expense

	<u>Bresnahan</u>			<u>Huver</u>			<u>ZPWB</u>
	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	<u>Amount</u>
Preparation of Case through Filing (3/31/2014)							
Work Through Deficiency Filing (5/28/2014)							
Work Through June 2014							
Work Through Preparation for Evidentiary Hearing							
Evidentiary Hearing							
Post Hearing Briefs Through Compliance Filing							
Totals							

**LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.  
d/b/a LIBERTY UTILITIES  
DOCKET NO. 14-0371  
RESPONSE TO ILLINOIS PUBLIC SERVICE COMMISSION STAFF**

Response provided by: Christopher D. Krygier  
Title: Director, Regulatory & Government Affairs  
Company: Liberty Utilities  
Address: 2751 North High Street  
Jackson, MO 63755

Company Response Number: SRK 8.01

Date of Response 9 September 2014

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SRK 8.01 **(Schedule C-10, Rate Case Expense)** Referring to the Company's response to Staff data request SRK 5.01, Rate Case Expense – ZPW Law, please provide the estimated hours by attorney by rate case stages, by completing Attachment A, that supports the requested rate case expense amount of \$400,000 for ZPW Law.

RESPONSE: (July 11, 2014)

As indicated in the Company's response to Staff data request SRK 5.01, the \$400,000 requested rate case amount is an estimate made by the Company at the time of filing of the case following discussions with its attorneys and is an overall estimate, based on certain factors as set forth in the response to SRK 5.01, including the supporting information provided with that response. The Company does not possess an estimate broken down by attorney and/or by rate case stages.

However, the Company did populate the Attachment A with amounts relating to the stages that have occurred to date.

As indicated in the Company's response to SRK 5.01, the Company continues to believe its estimate is very conservative. Because legal costs may vary greatly depending on the number and complexity of legal issues raised in the proceeding, the Company may revise its estimate after the extent of issues in this docket are determined.

## SUPPLEMENTAL RESPONSE

Please see the attached First Supplemental Attachment A for rate case expense amounts incurred through August 2014.



**LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.**  
**d/b/a LIBERTY UTILITIES**  
**DOCKET NO. 14-0371**  
**RESPONSE TO ILLINOIS PUBLIC SERVICE COMMISSION STAFF**

Response provided by: Christopher D. Krygier  
Title: Director, Regulatory & Government Affairs  
Company: Liberty Utilities  
Address: 2751 North High Street  
Jackson, MO 63755

Company Response Number: SRK 8.02  
Date: 7 July 2014

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SRK 8.02 **(Schedule C-10, Rate Case Expense)** Referring to the Company's response to Staff data request SRK 5.02, Rate Case Expense – Consultant Bourassa, has the consultant completed his work for this proceeding? If not, what other services, and the cost thereof, will Mr. Bourassa provide in this proceeding?

**RESPONSE:**

The Company anticipates that Mr. Bourassa's work is materially complete with the exception of potentially reviewing ADIT calculations and workpapers of Staff later in the proceeding.

**LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.**  
**d/b/a LIBERTY UTILITIES**  
**DOCKET NO. 14-0371**  
**RESPONSE TO ILLINOIS PUBLIC SERVICE COMMISSION STAFF**

Response provided by: Christopher D. Krygier  
Title: Director, Regulatory & Government Affairs  
Company: Liberty Utilities  
Address: 2751 North High Street  
Jackson, MO 63755  
  
Company Response Number: SRK 8.03  
Date: 7 July 2014

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SRK 8.03 **(Schedule C-10, Rate Case Expense)** Referring to the Company's response to Staff data request SRK 5.07, Rate Case Expense – Consultant Schmidt, has the consultant completed his work for this proceeding? If not, what other services, and the cost thereof, will Mr. Schmidt provide in this proceeding?

RESPONSE:

Dr. Schmidt's work is complete.