

**OFFICE OF CONSUMER ADVOCATE  
DATA REQUEST**

DATE : February 15, 2017

DOCKET NO. : RPU-2016-0003

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

WITNESS : Jill Schwartz

SUBJECT : Gate Station Project

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45. Please explain the reason for the difference between the cost estimate for the Gate Station Project of \$1,400,000-\$1,700,000 that was included in Ms. Schwartz's direct testimony and the final cost of \$2,117,119.

Response:

On January 13, 2015, Liberty Midstates obtained a bid for direct labor costs for the Gate Station Project from a design consulting firm that developed the gate station design. The design consulting firm estimated the total direct costs (Labor, Materials, Outside Services) for the Gate Station Project as \$1,433,248.87. The estimate from the design consulting firm did not include actual overhead costs. Liberty Midstates applies actual overhead costs to capital projects monthly based on the total amount of direct capital costs recorded in a month.

When Ms. Schwartz's direct testimony was prepared, Ms. Schwartz unintentionally only included the estimated direct project costs for the Gate Station Project and testified the estimated project costs were between \$1.4 -\$1.7 million. In Ms. Schwartz's Rebuttal Testimony, Ms. Schwartz included in her rebuttal testimony the final actual cost for the Gate Station Project, or \$2,117,119, which includes actual direct project costs and soft costs (Overhead, AFUDC). Liberty Midstates has provided to Office of Consumer Advocate its general ledger and invoices supporting the costs spent on the Gate Station Project.

The Gate Station Project was placed in service in September 2016. The Gate Station Project is thus used and useful to customers and was completed within the statutory pro forma period ending on July 25, 2017.

NOTE: In the event the response to this data request contains confidential information, do not simply mark the entire response or attached document(s) confidential. Please highlight, or otherwise identify, the specific information that is claimed to be confidential.