

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

In the Matter of The Empire District Gas)
Company's d/b/a Liberty Request to File) **File No. GR-2021-0320**
Tariffs to Change its Rates for Natural Gas)

STAFF STATEMENT OF POSITION

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and for its *Staff Statement of Position*, states as follows:

1. Should the Commission approve the recommendations filed on behalf of the MSBA?

No. Please refer to Staff witness Keenan Patterson's rebuttal testimony, and Staff's positions below on 1.a.-c. for more information.

a. Should the Commission modify EDG's Aggregation, Balancing, and Cash-out Charges in this case?

Staff recommends the Commission deny MSBA's request related to aggregation, balancing and cash-out charges. Empire's fee for balancing services to small transportation customers was supported on a cost basis when it was established in Case No. GR-2009-0434 (Patterson Rebuttal, pg. 12, ll. 1-13). Staff's analysis indicates that these costs have increased (Patterson Rebuttal, pg. 12, l. 10-pg. 13, l. 23), though neither Empire nor Staff recommend an increase of the balancing fee. Cash-outs are a common and reasonable practice for resolving imbalances for both gas corporations and interstate pipelines (Patterson Rebuttal, pg. 6, ll. 1-15, pg. 8, ll. 3-19). The application of multipliers to cash-out prices is another common practice of gas corporations and interstate pipelines that use an economic signal to encourage shippers to closely balance gas delivered and received (Patterson Rebuttal, pg. 15, l. 12-pg. 16, l. 11). The specific

multipliers used by Empire are consistent with those it is charged by upstream pipelines, and it uses the same schedule as the least severe pipeline tariff (Patterson Rebuttal, pg. 16, ll. 1-11).

b. Should the Commission establish a section within EDG's tariff or standalone rate schedule applicable only to special statutory provisions for School Transportation Program? If so, when should a revised tariff be submitted to the Commission?

Staff recommends the Commission deny MSBA's request for a separate school aggregation tariff at this time. A separate tariff is not required nor practically necessary to implement a school aggregation program (Patterson Rebuttal, pg. 17, ll. 8-17). In addition, it would be challenging to properly vet a new tariff section in the time remaining in this case to assure it does not introduce confusion or unintended consequences (Patterson Rebuttal, pg. 18, l. 17-pg. 19, l. 5).

c. Should the Commission adopt EDG's proposal to change current tariff language regarding Empire's passage of charges on to customers for actions or inactions of their suppliers, marketers or aggregators, or adopt MSBA's proposal to retain current tariff language until the Commission later reviews outcomes of pending federal court cases and Commission complaints and establishes parameters applicable to all Missouri Gas Corporation tariffs?

Staff recommends the Commission deny MSBA's request and approve the tariff changes requested by Empire. Transportation customers are the recipients of service under the tariff, and they are responsible for compliance and charges under the tariff (Patterson Rebuttal, pg. 19, ll. 16-17, and pg. 20, ll. 9-10). Aggregators and marketers act as agents of transportation customers, and their relationships and responsibilities to each

other are governed by their contracts (Patterson Rebuttal, pg. 19, ll. 17-20, and pg. 20, ll. 10-12). Further, Empire's proposed tariff clarifies that it will charge aggregators and agents for cash-outs, OFO penalties, and related fees, charging customers if their agents fail to comply (Patterson Rebuttal, pg. 19, l. 21-pg. 20, l. 6, and pg. 20, ll. 13-15).

WHEREFORE, Staff submits its *Staff Statement of Position* for the Commission's information and consideration.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 20th day of April, 2022, to all counsel of record.

/s/ Jamie S. Myers