

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 10<sup>th</sup> day of  
February, 2016.

In the Matter of Liberty Utilities (Midstates )  
Natural Gas) Corp. d/b/a Liberty Utilities' )  
Purchased Gas Adjustment Tariff Filing )

**File No. GR-2015-0095**

**ORDER ESTABLISHING ACA BALANCES**

Issue Date: February 10, 2016

Effective Date: February 20, 2016

On December 4, 2015, the Commission's Staff filed a recommendation on the 2013-2014 Actual Cost Adjustment ("ACA") filing of Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities.<sup>1</sup> Liberty Utilities originally filed its ACA for the 2013-2014 period on November 4, 2014. Staff's Procurement Analysis Unit reviewed Liberty Utilities' gas purchasing practices to evaluate the prudence of the company's purchasing decisions for the ACA period. Staff submitted recommendations regarding Liberty Utilities' Billed Revenue and Actual Gas Costs; Reliability Analysis and Gas Supply Planning; and, Hedging. Staff recommends the Commission direct Liberty Utilities to adjust the ACA account balance in its next filing.

Liberty Utilities filed a response to Staff's recommendation on January 21, 2016, in which it accepted the ACA balances recommended by Staff and generally accepted the other recommendations included in Staff's memorandum.<sup>2</sup> On January 29, Staff filed a

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<sup>1</sup> The Commission approved Liberty Utilities' Purchased Gas Adjustment tariff sheet in an order effective on December 1, 2014. In that order, the Commission directed Staff's Procurement Analysis Department to submit recommendations on the company's ACA filing before December 18, 2015.

<sup>2</sup> Since Liberty Utilities' responses to Staff recommendations were predominately marked as Highly Confidential they are not specifically referenced in this order.

reply to Liberty Utilities' response indicating that it had concerns over the company's answers to items related to Reliability Analysis and Gas Supply Planning.<sup>3</sup> However, Staff states that the only action on which it requests the Commission issue an order is the adjustment to the ACA account balances.

After reviewing Staff's recommendations and Liberty Utilities' response, the Commission concludes that Staff's ending ACA balances should be accepted as a resolution of Liberty Utilities' 2013-2014 ACA audit. Because Staff's recommended balances are unopposed, the Commission will allow this order to go into effect in less than thirty days.

### THE COMMISSION ORDERS THAT:

1. Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities shall adjust its ACA account balances in its next ACA filing to reflect the following Staff Balances for 2013-2014:

	Balance per Liberty Utilities' Filing	Commission Approved Adjustments Prior to 2013-2014 (G)	Staff Adjustments	Staff Balances for 2013-2014 (Ending 8-31-14)
<b>SEMO Area:</b>		\$1,494		
Demand ACA	(\$660,499)		\$0	(\$659,005)
Commodity ACA	(\$2,293,145)	\$159,168	(\$1,830) (A) (\$994) (F)	(\$2,136,801)
<b>Kirksville Area:</b>	(\$72,223)	\$16,867	\$0	(\$55,356)
Demand ACA				
Commodity ACA	\$95,328	\$23,618	(\$4,082)(B)	\$114,864
<b>WEMO Area:</b>	(\$24,012)	\$0	\$7,248 (C) \$91 (D)	(\$16,673)
Demand ACA				
Commodity ACA	\$259,466	\$22,618	\$43,643 (C) \$549 (D) (\$3,597) (E)	\$322,679
<b>NEMO Area:</b>		\$0		
Demand ACA	(\$553,034)		\$0	(\$553,034)
Commodity ACA	\$1,029,446	\$67,945	(\$221) (A)	\$1,097,170

- |                                  |                                  |
|----------------------------------|----------------------------------|
| (A) Scheduling Fee               | (B) Daily Swing Purchase Volumes |
| (C) Correction of ACA Balance    | (D) Interest on ACA Balance      |
| (E) Gas Transportation Agreement | (F) MRT Trading Fees             |

<sup>3</sup> Staff states that it does not agree with all aspects of the company's response, but a conference call was scheduled with Liberty Utilities to discuss disputed issues. Staff states that no Commission action is requested by Staff on those items of concern.

(G) Commission order issued March 7, 2015 approving adjusted amounts from 2012-2013 ACA. Due to the timing of Commission's order, Liberty Utilities has not included these adjustments in the 2013-2014 ACA filing.

2. This order shall become effective on February 20, 2016.
3. This file shall be closed on February 21, 2016.



**BY THE COMMISSION**

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff  
Secretary

Hall, Chm., Stoll, Kenney, Rupp, and  
Coleman, CC., concur.

Burton, Regulatory Law Judge,