

**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'	)	<b><u>File No. GR-2015-0095</u></b>
Purchased Gas Adjustment Tariff Filing	)	Tariff No. YG-2015-0203

**STAFF RECOMMENDATION TO CHANGE PGA RATES**

**COMES NOW** the Staff of the Missouri Public Service Commission, by and through counsel, and for its recommendation in this matter hereby respectfully states:

1. On November 4, 2014, Liberty Utilities (Midstates Natural Gas) Corp. d/b/a/ Liberty Utilities ("Liberty" or "Company") filed a tariff sheet to adjust its winter Purchased Gas Adjustment (PGA) rate for its four service areas. The tariff sheet bears a proposed effective date of December 1, 2014.

2. The Commission ordered Staff to file its recommendation regarding Liberty's tariff no later than November 14, 2014.

3. Pursuant to Liberty's tariffs, its Total PGA rate includes two factors: (1) the Regular Purchased Gas Adjustment (RPGA), which reflects the Company's best estimate of its cost of gas for the upcoming winter season, and (2) the Actual Cost Adjustment (ACA), which reflects the Company's true-up of its previous PGA estimates in effect during the 2013-2014 ACA period. This filing adjusts Liberty's Total PGA rate for the months November through March.

4. Staff's *Memorandum*, attached here as Appendix A and incorporated by reference, outlines the proposed rates.

5. For the Liberty West Area (WEMO) including Butler, Rich Hill and Hume, the effect of this change will be to increase the firm PGA rate from the current \$0.49373

per Ccf (100 cubic feet) to \$0.57396 per Ccf. This represents a \$0.08023 per Ccf increase.

6. For the Liberty Kirksville Area including Kirksville and Lancaster, the effect of these changes will increase the firm PGA rate from the current \$0.59464 per Ccf to \$0.65242 per Ccf. This represents a \$0.05778 per Ccf increase.

7. For the Liberty Northeast Area (NEMO) including Hannibal, Canton, Bowling Green and Palmyra or Combined District, the effect of this change will be to increase the firm PGA rate from the current \$0.53588 per Ccf to \$0.60103 per Ccf. This represents a \$0.06515 per Ccf increase.

8. For the Liberty Southeast Area (SEMO) including Jackson, Charleston, New Madrid, Caruthersville, Neelyville and Kennett, the effect of these changes will decrease the firm PGA rate from the current \$0.57302 per Ccf to \$0.53843 per Ccf. This represents a decrease of \$0.03459 per Ccf.

9. The ACA factor filed in this case reflects Liberty's calculation of its actual cost of gas during the 2013-2014 period, as compared to the revenue billed through its PGA rate in effect during that period. Staff's Procurement Analysis Unit (PAU) will review Liberty's calculation of its actual cost of gas in this filing, and requests the Commission order PAU Staff to submit its recommendations regarding Liberty's ACA account balances in this docket no later than December 18, 2015.

10. Case No. GR-2014-0060 was established to track the Company's PGA factors to be reviewed in its 2012-2013 ACA filing. Staff will file its recommendation in that matter no later than December 19, 2014. Other than GR-2014-0060, Staff is not aware of any other case that affects or is affected by this filing.

11. These rate changes in this filing should be on an interim basis, subject to refund status pending a final Commission decisions in ACA Case Nos. GR-2014-0060 and GR-2015-0095. Staff recommends the Commission approve the tariff sheet to take effect December 1, 2014, as requested by Liberty, because Liberty's tariff permits PGA filings to take effect on ten days' notice.

**WHEREFORE**, Staff recommends the Commission approve the revised tariff sheets filed by Liberty in this matter and set out below, to become effective on December 1, 2014 as requested by Liberty:

P.S.C. MO. No. 2

20th Revised Sheet No. 44, Cancelling 19th Revised No. 44

Respectfully Submitted,

**/s/ John D. Borgmeyer**

John D. Borgmeyer  
Deputy Legal Counsel  
Missouri Bar No. 61992  
Attorney for the Staff of the  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, Missouri 65102  
Telephone: (573) 751-5472  
Fax: (573) 751-9285  
Email: john.borgmeyer@psc.mo.gov

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing were served electronically to all counsel of record this 14<sup>th</sup> day of November, 2014.

**/s/ John D. Borgmeyer**

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File,  
File No. GR-2015-0095, Tariff No. YG-2015-0203  
Liberty Utilities

FROM: Byron M. Murray, Energy Unit – Tariffs/Rate Design Section

/s/ Thomas M. Imhoff 11/14/14      /s/ John D. Borgmeyer 11/14/14  
Utility Operations Division/Date      Staff Counsel's Office/Date

SUBJECT: Staff Recommendation for Liberty Utilities' Winter PGA Filing Effective  
December 1, 2014

DATE: November 14, 2014

On November 4, 2014, Liberty Energy (Midstates Natural Gas) Corp. d/b/a Liberty Utilities (“Liberty” or “Company”) of Jackson, Missouri, filed a tariff sheet requesting an effective date of December 1, 2014. This tariff sheet was filed to reflect changes in the Liberty’s PGA factors as a result of estimated changes in the cost of natural gas for the upcoming winter heating season and changes in the Company’s ACA factor. In accordance with Liberty’s tariffs, the winter heating season includes the months of November through March.

For the Liberty West Area (WEMO) including Butler, Rich Hill and Hume served by Panhandle Eastern Pipe Line Company (PEPL) and Southern Star Central Gas Pipeline Company (SCC), the effect of this change will be to increase the firm PGA rate from the current \$0.49373 per Ccf (100 cubic feet) to \$0.57396 per Ccf. This represents a \$0.08023 per Ccf increase.

For the Liberty Kirksville Area including Kirksville and Lancaster, served by the ANR Pipeline Company (ANR), the effect of these changes will increase the firm PGA rate from the current \$0.59464 per Ccf to \$0.65242 per Ccf. This represents a \$0.05778 per Ccf increase.

For the Liberty Northeast Area (NEMO) including Hannibal, Canton, Bowling Green and Palmyra or Combined District served by the PEPL Company, the effect of this change will be to increase the firm PGA rate from the current \$0.53588 per Ccf to \$0.60103 per Ccf. This represents a \$0.06515 per Ccf increase.

For the Liberty Southeast Area (SEMO) including Jackson, Charleston, New Madrid, Caruthersville, Neelyville and Kennett, served by the Natural Gas Pipeline Company of America, Texas Eastern Pipeline Company, Mississippi River Transmission, and Ozark Gas Transmission, the effect of these changes will decrease the firm PGA rate from the current \$0.57302 per Ccf to \$0.53843 per Ccf. This represents a decrease of \$0.03459 per Ccf.

Case No. GR-2015-0095, under which these changes were filed, was established to track the Company’s PGA factors to be reviewed in its 2013-2014 ACA filing. Case No. GR-2014-0060

was established to track the company's PGA factors to be reviewed in its 2012-2013 ACA filing. These rate changes should be made on an interim, subject to refund status pending final Commission decisions in ACA Case Nos. GR-2015-0095 and GR-2014-0060.

Due to the limited time available to review the documentation supporting the ACA factor represented in this filing, the Procurement Analysis Unit (PAU) has requested permission to submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 18, 2015.

Staff has verified that the Company has filed its annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

Staff has reviewed this filing and has determined that it was calculated in conformance with Liberty's PGA Clause. Staff is of the opinion that good cause for approval of this tariff sheet on less than thirty (30) days notice is demonstrated by Liberty's Commission-approved PGA clause allowing for ten (10) business days notice for PGA change filings. Therefore, Staff recommends that the following tariff sheet be approved, interim subject to refund:

P.S.C. MO. No. 2

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20<sup>th</sup> Revised Sheet No. 44, Cancelling 19<sup>th</sup> Revised Sheet No. 44

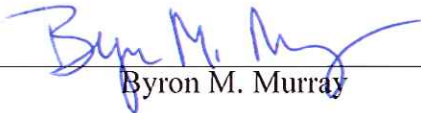
**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of Liberty Utilities	)	Case No. GR-2015-0095
(Midstates Natural Gas) Corp. d/b/a	)	File No. YG-2015-0203
Liberty Utilities' Purchased Gas	)	
Adjustment Tariff Filing	)	

**AFFIDAVIT OF BYRON M. MURRAY**

STATE OF MISSOURI    )  
                                  ) ss  
COUNTY OF COLE     )

Byron M. Murray, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.

  
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Byron M. Murray

Subscribed and sworn to before me this 14<sup>th</sup> day of November, 2014.

SUSAN L. SUNDERMEYER  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Callaway County  
My Commission Expires: October 28, 2018  
Commission Number: 14942086

  
\_\_\_\_\_  
Notary Public