

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

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

**Case No. GR-2023-0253**  
Tracking No. YG-2023-0148

**STAFF RECOMMENDATION**

**COMES NOW** the Staff of the Missouri Public Service Commission and for its *Staff Recommendation*, states as follows:

1. On February 7, 2023, Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty (“Liberty”) filed a tariff sheet bearing an effective date of February 22, 2023, in Tariff File No. YG-2023-0148, and an accompanying cover letter with supporting worksheets. Liberty voluntarily requested an **extension of its tariff effective date to February 23, 2023**, to account for a State holiday, as noted in EFIS Item No. 4 in this case file.

2. The tariff sheet was filed to reflect changes in Liberty’s Purchased Gas Adjustment (“PGA”) factors as a result of estimated changes in the cost of natural gas for the Kirksville service area. The tariff sheet does not change the Actual Cost Adjustment (“ACA”) factors.

3. The Commission issued an order on February 8, 2023, directing Staff to file a recommendation regarding Liberty’s tariff sheet in Tariff File No. YG-2023-0148, no later than February 14, 2023.

4. Staff has reviewed Liberty’s filing and determined it was calculated in conformance with Liberty’s PGA Clause and notes that optional PGA changes are authorized in Liberty’s tariff. Staff does not oppose the approval of the tariff sheet on

less than thirty (30) days' notice. Such action is supported by Liberty's Commission-approved PGA Clause allowing for ten (10) business days' notice for PGA change filings.

5. Staff recommends the Commission approve the tariff sheet in Tariff File No. YG-2023-0148, on an interim basis, subject to refund, **for service on and after February 23, 2023.**

**WHEREFORE**, for the foregoing reasons and those stated in Staff's Memorandum attached hereto, Staff recommends that the Commission issue an order approving Liberty's tariff sheet filed in Tariff File No. YG-2023-0148, on an interim basis, subject to refund status.

Respectfully submitted,

**/s/ Jamie S. Myers**  
Jamie S. Myers  
Deputy Staff Counsel  
Missouri Bar Number 68291  
P.O. Box 360  
Jefferson City, MO 65102  
573-526-6036 (Voice)  
573-526-6969 (Fax)  
[jamie.myers@psc.mo.gov](mailto:jamie.myers@psc.mo.gov)

Attorney for Staff of the  
Missouri Public Service Commission

### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record on this 14th day of February, 2023.

**/s/ Jamie S. Myers**

## MEMORANDUM

**TO:** Missouri Public Service Commission Official Case File  
Case No. GR-2023-0253, Tariff No. YG-2023-0148  
Liberty Utilities

**FROM:** Kimberly Tones, CPA, CIA – Lead Senior Utility Regulatory Auditor  
Procurement Analysis Department

/s/ David M. Sommerer 02/14/2023      /s/ Jamie Myers 02/14/2023  
Financial and Business Analysis Div./Date      Staff Counsel's Office/Date

**SUBJECT:** Staff Recommendation for Liberty Utilities (Midstates) Optional PGA Tariff Filing  
Effective February 23, 2023

**DATE:** February 14, 2023

On February 7, 2023, Liberty Utilities (Midstates Natural Gas) Corp., d/b/a Liberty (“Liberty” or “Company”), filed one (1) tariff sheet bearing a proposed effective date of February 22, 2023.<sup>1</sup> Liberty voluntarily requested an extension of its tariff filing effective date of **February 23, 2023**, as noted in EFIS Item No. 4. In addition, Liberty filed a single page cover letter and supporting worksheets. The tariff sheet was filed to reflect changes in Liberty’s Purchased Gas Adjustment (PGA) factors as the result of estimated changes in the cost of natural gas for the Kirksville service area. The Actual Cost Adjustment (ACA) factors did not change as a result of this filing nor did the PGA factors for Liberty’s other service areas.

Liberty states the following in its cover letter:

As a result of this filing, Liberty’s Kirksville service area will see a decrease in the firm PGA rate from the current \$1.09784 per Ccf to \$0.74447 per Ccf. Compared to existing rates, and assuming normal usage, the PGA rate change will decrease the average monthly bill of the typical Kirksville residential customer by \$19.44. The bill impact may be less or more depending on a customer’s actual usage, which is primarily affected by weather.

Kirksville customers experienced an unusually high increase in their PGA and ACA rates which took effect December 4, 2022, due to the average cost of stored gas for this service area rising over 130% from the previous period. A primary component of this increased cost for our Kirksville customers was the pipeline transportation cost from ANR pipeline as a

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<sup>1</sup> Tariff Sheet 30TH (REVISED) SHEET NO. 44 was issued with an effective date of February 22, 2023; however, Liberty voluntarily requested an effective date of February 23, 2023 to account for State holidays.

component of rates requested in an ongoing FERC case. ANR since reached a preliminary settlement in that case, which will result in a credit back to Liberty and other impacted gas distribution companies. Liberty is making this optional PGA filing to immediately pass lower gas costs back to our customers, instead of waiting for the annual PGA/ACA filing.

On February 8, 2023, the Commission issued “Order Directing Expedited Staff Recommendation and Setting Time for Responses” to Liberty’s “Purchases Gas Adjustment Tariff Filing” no later than February 14, 2023.

Case No. GR-2023-0253, under which these changes were filed, was established to track Liberty’s natural gas costs to be reviewed in its 2022-2023 ACA filing. These rate changes should be approved on an interim basis, subject to refund pending final Commission decisions in ACA Case Nos. GR-2023-0128 (2021-2022 ACA period) and GR-2022-0128 (2020-2021 ACA period). Due to the fact that this filing contains estimated gas costs subject to true-up in a subsequent ACA review, the Staff recommends the rates be approved on an interim basis subject to refund.

The Staff has verified that the Company has filed its annual report and is not delinquent on any assessment. Staff has reviewed this filing and is not aware of any issue currently pending before the Commission that affects or is affected by this filing, other than those mentioned above.

Staff has reviewed this filing and determined that the rates on the proposed tariff sheet is calculated in conformance with Liberty’s PGA Clause.

Staff asks the Commission to take notice of tariff language that allows for approval of these tariff sheets on less than thirty (30) days’ notice is demonstrated by Liberty’s Commission-approved PGA clause allowing for ten (10) business days’ for PGA change filings. **Liberty voluntarily requests the tariff sheet go into effect on February 23, 2023.** Therefore, Staff recommends that the following tariff sheets filed on February 7, 2023 be approved on an interim basis, subject to refund, with an **effective date of February 23, 2023.**

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

In the Matter of Liberty Utilities (Midstates ) **Case No. GR-2023-0253**  
Natural Gas) Corp. d/b/a Liberty's Purchased ) **Tracking No. YG-2023-0148**  
Gas Adjustment Tariff Filing )

**AFFIDAVIT OF KIMBERLY K. TONES, CIA, CPA**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

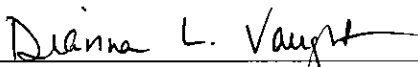
**COMES NOW** Kimberly K. Tones, CIA, CPA, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to her best knowledge and belief, under penalty of perjury.

Further the Affiant sayeth not.

  
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**KIMBERLY K. TONES, CIA, CPA**

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 14<sup>th</sup> day of February, 2023.

  
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Notary Public

DIANNA L. VAUGHT  
Notary Public - Notary Seal  
STATE OF MISSOURI  
Cole County  
My Commission Expires: July 18, 2023  
Commission #: 15207377