

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

In the Matter of The Empire District)
Gas Company d/b/a Liberty (Empire))
Tariff Filing of the Purchased Gas)
Adjustment (PGA))
Case No. GR-2022-0127

**STAFF RECOMMENDATION REGARDING
THE EMPIRE DISTRICT GAS COMPANY
2020-2021 ACTUAL COST ADJUSTMENT FILING**

COMES NOW the Staff of the Missouri Public Service Commission in the above-captioned matter and files its Actual Cost Adjustment (“ACA”) Recommendation in this case concerning The Empire District Gas Company d/b/a Liberty (Empire) (“Empire”) 2020-2021 ACA filing as set forth in the accompanying Staff Recommendation Memorandum (Appendix A), and further states as follows:

1. Empire filed its ACA for the 2020-2021 period in this case on November 4, 2021. This filing revised the ACA rates based upon Empire’s calculations of its ACA account balance.

2. The Commission’s Procurement Analysis Department Staff (“Staff”) has reviewed Empire’s filing and submits its recommendation as further explained in the accompanying Staff Recommendation Memorandum, marked as Appendix A and incorporated herein by reference. Staff’s analysis consisted of a review of Empire’s natural gas supply plans including a review of Empire’s gas purchasing practices to evaluate the prudence of the purchasing decisions for this ACA period; a reliability analysis; and a hedging review. Staff’s analysis also included a review of Empire’s billed revenues compared with its actual gas costs to determine whether there exists an over-recovery or under-recovery of the ACA balance. An over-recovery is shown as a

negative ACA balance that must be returned to customers; an under-recovery is shown as a positive ACA balance that must be collected from customers.

3. Based on its review, as discussed in further detail in the accompanying Staff Recommendation Memorandum (in “Public” and “Confidential” formats), Staff recommends the Commission issue an order requiring Empire to establish the ACA account balance to reflect the over-recovery and under-recovery balances as of August 31, 2021, as shown in the table in the “Recommendations” section of the Staff Recommendation Memorandum.

4. Based on its review Staff has certain comments, concerns and recommendations as set forth in the Billed Revenue and Actual Gas Costs, Reliability Analysis and Gas Supply Planning, and Hedging sections of the accompanying Staff Recommendation Memorandum. Staff recommends the Commission order Empire to respond to these concerns, comments, and recommendations within thirty (30) days.

WHEREFORE, for the reasons stated above and discussed in detail in the accompanying Staff Recommendation Memorandum, Staff recommends the Commission issue an order directing Empire to respond within thirty (30) days to Staff’s concerns, comments, and recommendations discussed in the Billed Revenue and Actual Gas Costs, Reliability Analysis and Gas Supply Planning, and Hedging sections of Staff’s Recommendation Memorandum, and to establish the ACA account balances to reflect the over-recovery and under-recovery balances as of August 31, 2021, as shown in the table in the “Recommendations” section of the Staff Recommendation Memorandum.

Respectfully submitted,

/s/ Jamie S. Myers

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been emailed to all parties and/or counsel of record on this 12th day of December, 2022.

/s/ Jamie S. Myers