

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held by telephone and internet audio conference on the 12th day of May, 2021.

In the Matter of the Application of Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities (MNG) to Change Its Infrastructure System Replacement Surcharge)
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File No. GT-2021-0073
Tariff No. YG-2021-0137

ORDER APPROVING ADJUSTED ISRS RATES AND TARIFF SHEET

Issue Date: May 12, 2021

Effective Date: June 1, 2021

On December 31, 2020, Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities, filed an application with the Missouri Public Service Commission pursuant to Sections 393.1009 to 393.1015, RSMo, and Commission Rules 20 CSR 4240-2.060, 2.080, and 3.265, requesting that the Commission authorize changes to Liberty Utilities' Infrastructure System Replacement Surcharges (ISRS). In its ISRS application, Liberty Utilities seeks to adjust its ISRS rate schedule to reflect costs incurred in connection with ISRS eligible infrastructure system replacements made during the period of April 1, 2018, through October 31, 2020. Liberty seeks ISRS rates that will generate \$1,080,420 annually. The specific infrastructure system replacements for which Liberty Utilities seeks ISRS recognition are set forth in Appendix A to its application.

Section 393.1015.2(3) requires a Commission order on an application to change a gas utility ISRS and any associated rate schedules to become effective no later than 180 days after the application is filed. Therefore, the Commission's order in this matter must be effective no later than June 29, 2021.

Section 393.1015.1(2), RSMo, requires that the Commission publish notice of Liberty Utilities' ISRS filing. Therefore, on January 5, 2021, the Commission directed that notice of the filing be mailed to the county commission of the counties served by Liberty Utilities, It also directed that notice be given to the media serving the area served by Liberty Utilities and to the members of the General Assembly representing that area. In that same order, the Commission directed that any person wishing to intervene in this matter file an application to intervene no later than January 29, 2021. The Commission received no applications to intervene.

On January 14, 2021, Liberty Utilities filed a revised tariff sheet to implement the ISRS change, the tariff sheet bore an effective date of March 15, 2021. Liberty Utilities later filed a substitute tariff sheet with the same rates and an effective date of June 1, 2021, to give the Commission additional time to consider its application.

Section 393.1015.2(2), RSMo, requires the Staff of the Commission (Staff) to file a report regarding an ISRS application no later than 90 days after it was filed. Staff filed its recommendation on March 31, 2021, advising the Commission to reject the tariff sheet filed January 14, 2021, and substituted Mach 2, 2021. Staff proposes six adjustments to Liberty Utilities' proposed ISRS revenues. Staff recommends that Liberty Utilities receive ISRS annual pre-tax revenues of \$516,307, which includes \$206,224 for its Southeast District and \$310,083 for its Northeast/West District. Those revenues are reflected in Appendixes A and B, attached to the Staff Recommendation. Liberty Utilities responded on April 5, 2021, stating that it agreed with and accepted Staff's recommendation.

On April 27, 2021, Liberty Utilities filed another substitute tariff sheet to comply with Staff's recommendation. Staff evaluated the substitute tariff sheet and filed a statement that the April 27, 2021, substitute tariff sheet fulfills the intent of Staff's

recommendation, and Staff requests that the Commission approve the tariff sheet to be effective June 1, 2021.

Based on Liberty Utilities' application and Staff's report regarding that application and tariff sheet the Commission concludes that Liberty Utilities should be permitted to adjust its ISRS rates. Liberty Utilities will be authorized to recover ISRS annual pre-tax revenues as described in Staff's Recommendation and Memorandum. Liberty Utilities substitute tariff sheet filed April 27, 2021, will be approved to implement that adjustment. So that Liberty Utilities tariff sheet becomes effective on June 1, 2021, the Commission will make this order effective in less than 30 days.

THE COMMISSION ORDERS THAT:

1. Liberty Utilities is authorized to adjust its Infrastructure System Replacement Surcharge rates as described Staff's Recommendation and Memorandum. Liberty Utilities ISRS surcharge revenues shall generate annual pre-tax revenues of \$516,307, inclusive of \$206,224 for Southeast District and \$310,083 for the Northeast/West District.
2. Liberty Utilities is authorized to file an ISRS rate for each customer class as reflected in Appendix B to Staff's Memorandum, which generates \$516,307 annually.
3. Liberty Utilities shall update its notices to show revenue requirement figures reflective of proper rates.
4. The substitute tariff sheet filed by Liberty Utilities on April 27, 2021, assigned tariff number YG-2021-0137, is approved to be effective on and after June 1, 2021. The tariff sheet approved is:

P.S.C. MO No. 2

11th Revised Sheet No. 19, Cancelling 10th Revised Sheet No. 19

5. Liberty Utilities shall meet with Staff 60 days prior to its next ISRS filing to address potential problems regarding intangible investment and supporting documentation.

6. This order shall become effective on June 1, 2021.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive, flowing style.

Morris L. Woodruff
Secretary

Silvey, Chm., Rupp, Coleman, and
Holsman, CC., concur.
Kolkmeier, C., abstains.

Clark, Senior Regulatory Law Judge