

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held by telephone and internet audio conference on the 10th day of February, 2021.

In the Matter of The Empire District Gas)
Company's Purchased Adjustment Tariff)
Filing) **File No. GR-2020-0124**

ORDER ESTABLISHING ENDING ACA BALANCE

Issue Date: February 10, 2021

Effective Date: March 12, 2021

The Commission opened this case to receive the 2018-2019 Purchased Gas Adjustment (PGA) and Actual Cost Adjustment (ACA) filings of The Empire District Gas Company (Empire). As directed, the Staff of the Commission (Staff) filed a recommendation regarding that ACA filing on December 15, 2020. Staff's recommendation and memorandum indicated Staff had completed an audit of billed revenues and actual natural gas costs, for the period September 1, 2018 through August 31, 2019, that were included in Empire's computation of its ACA balances.

Staff's recommendation and memorandum sets out the ending balances contained in Empire's 2018-2019 ACA filing with two adjustments. In its *Order Establishing Ending ACA Balances* in File No. GR-2019-0124 (the 2017-2018 ACA period), the Commission ordered Empire's account balances be adjusted to reflect certain Staff adjustments. Because that order became effective on March 14, 2020, after the current ACA period balances were filed in this case, Empire was unable to incorporate those ordered adjustments as part of its proposed 2018-2019 ACA balances. To update Empire's balances in the current file, Staff carried forward the adjustments as ordered in the prior

case. Staff recommended no further compliance or prudence adjustments for the 2018-2019 ACA period. However, Staff noted some non-monetary concerns and recommendations regarding Empire’s policies and practices including storage planning, reserve margins, and hedging.¹

Empire responded to Staff’s recommendations on January 8, 2021. Empire accepted Staff’s proposed adjustments to the ending ACA balances. Empire also accepted Staff’s non-monetary recommendations with one clarification of the target percentage of storage plans for the Panhandle Eastern Pipe Line Company (PEPL) and the ANR Pipeline Company (ANR).

After reviewing Staff’s recommendations and Empire’s response, the Commission concludes that Staff’s proposed ending ACA balances should be accepted as a resolution of Empire’s 2018-2019 ACA audit.

THE COMMISSION ORDERS THAT:

1. The ending (over)/under recovery balance for Empire’s 2018-2019 Actual Cost Adjustment are established as provided in the following table:

Area and Description	Company Filed Balance 8/31/19	Staff Adjustments	Staff Recommended Balances 8/31/19
South System: Firm ACA	\$ (1,052,608)	\$0	\$ (1,052,608)
Interruptible ACA	\$0	\$0	\$0
Take-or-Pay (TOP)	\$0	\$0	\$0
Transition Cost (TC)	\$0	\$0	\$0
Refund	\$0	\$0	\$0

¹ Staff Recommendation Regarding The Empire District Gas Company’s 2018-2019 Actual Cost Adjustment Filing, (filed December 15, 2020), Memorandum, pp. 4-7. Portions of Staff’s recommendations were designated as “confidential” so they are not set out here.

Area and Description	Company Filed Balance 8/31/19	Staff Adjustments	Staff Recommended Balances 8/31/19
North System: Firm ACA	(\$119,501)	\$3,000 ²	(\$116,501)
Interruptible ACA	\$0	\$0	\$0
Take-or-Pay (TOP)	\$0	\$0	\$0
Transition Cost (TC)	\$0	\$0	\$0
Refund	\$0	\$0	\$0
Northwest System: Firm ACA	\$102,536	\$(945) ³	\$101,591
Interruptible ACA	\$0	\$0	\$0
Take-or-Pay (TOP)	\$0	\$0	\$0
Transition Cost (TC)	\$0	\$0	\$0
Refund	\$0	\$0	\$0

2. This order shall become effective on March 12, 2021.
3. This file shall be closed on March 13, 2021.



BY THE COMMISSION

Morris L. Woodruff
Secretary

Silvey, Chm., Kenney, Rupp, Coleman, and
Holsman CC., concur.

Dippell, Deputy Chief Regulatory Law Judge

² The Commission originally ordered this adjustment in File No. GR-2019-0124 as an adjustment to Empire's 2017-2018 ACA period. Empire has included this adjustment in its 2019-2020 ACA filing in File No. GR-2021-0121.

³ The Commission originally ordered this adjustment in File No. GR-2019-0124 as an adjustment to Empire's 2017-2018 ACA period. Empire has included this adjustment in its 2019-2020 ACA filing in File No. GR-2021-0121.