

**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 Liberty Utilities (Midstates)
Natural Gas) Corp. d/b/a Liberty Utilities') **File No. GR-2020-0126**
Purchased Gas Adjustment Tariff Filing)

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 Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities (Liberty). 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 Liberty's computation of its ACA balances.

Staff's recommendation and memorandum sets out the ending balance contained in Liberty's ACA filing, but does not recommended any monetary adjustments to that ending balance. However, Staff noted substantial over-recovery balances in Liberty's Southeast Missouri (SEMO) and Kirksville service areas. Staff recommended that Liberty closely evaluate the purchases and sales estimates used to establish the PGA and ACA rates, and monitor the level of ACA balances throughout the year to determine if the use of an optional PGA filing is warranted. Staff also recommended that Liberty describe the

cause of any large discrepancies in future ACA filings.

Staff noted some non-monetary concerns and recommendations regarding Liberty’s policies and practices including reserve margins, transportation customers and school aggregation, and hedging.¹ Liberty responded to Staff’s recommendations on January 8, 2021, indicating its acceptance of and agreement with Staff’s recommendations and the ending ACA balances as recommended.

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

THE COMMISSION ORDERS THAT:

1. The ending (over)/under recovery balance for Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities’ 2018-2019 Actual Cost Adjustment are established as provided in the following table:

All Areas:	Company Filed Balance 8/31/19	Staff Adjustments	Staff Recommended Balances 8/31/19
SEMO Area			
Demand ACA	\$ 291,688	\$0.00	\$ 291,688
Commodity ACA	\$(3,103,075)	\$0.00	\$(3,103,075)
Kirksville Area			
Demand ACA	\$ (139,084)	\$0.00	\$ (139,084)
Commodity ACA	\$(1,249,026)	\$0.00	\$(1,249,026)

¹ Staff Recommendation Regarding Liberty Utilities’ 2018-2019 Actual Cost Adjustment Filing, (filed December 15, 2020), Memorandum, pp. 3-7. Portions of Staff’s recommendations were designated as “confidential” so they are not set out here.

All Areas:	Company Filed Balance 8/31/19	Staff Adjustments	Staff Recommended Balances 8/31/19
WEMO Area			
Demand ACA	\$ (3,003)	\$0.00	\$ (3,003)
Commodity ACA	\$ 220,453	\$0.00	\$ 220,453
NEMO Area			
Demand ACA	\$(570,936)	\$0.00	\$(570,936)
Commodity ACA	\$(679,996)	\$0.00	\$(679,996)

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

Morris L. Woodruff
Secretary

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

Dippell, Deputy Chief Regulatory Law Judge