

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

In the Matter of Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities' Purchased Gas Adjustment (PGA) Factors to be reviewed in its 2016-2017 Actual Cost Adjustment (ACA)	) ) ) )	<b><u>Case No. GR-2018-0077</u></b> Tariff No. YG-2018-0057
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**STAFF RECOMMENDATION**

**COMES NOW** the Staff of the Missouri Public Service Commission, by and through counsel, and for its recommendation in this matter hereby respectfully states:

1. On November 3, 2017, Liberty Utilities (Midstates Natural Gas) Corp. d/b/a/ Liberty Utilities ("Liberty" or "Company") filed a tariff sheet to reflect changes in its Purchased Gas Adjustment (PGA) factors and changes in the Company's Actual Cost Adjustment (ACA) factors. The tariff sheet bears a proposed effective date of December 1, 2017.
2. The Commission ordered Staff to file its recommendation regarding Liberty's tariff filing no later than November 14, 2017.
3. Pursuant to Liberty's tariffs, its Total PGA rate includes two factors: (1) the Regular Purchased Gas Adjustment (RPGA), which reflects the Company's best estimate of its cost of gas for the upcoming season, and (2) the Actual Cost Adjustment (ACA), which results from the corrections made through the Deferred Purchased Gas Cost-Actual Cost Adjustment Accounts.
4. For the Liberty West Area (WEMO), the effect of these changes will decrease the Firm Total PGA rate from the current \$0.47388 per Ccf (100 cubic feet) to \$0.37624 per Ccf. This represents a \$0.09764 per Ccf decrease.

5. For the Liberty Kirksville Area, the effect of these changes will increase the Firm Total PGA rate from the current \$0.52618 per Ccf to \$0.63570 per Ccf. This represents a \$0.10952 per Ccf increase.

6. For the Liberty Northeast Area (NEMO), the effect of these changes will increase the Firm Total PGA rate from the current \$0.43433 per Ccf to \$0.52065 per Ccf. This represents a \$0.08632 per Ccf increase.

7. For the Liberty Southeast Area (SEMO), the effect of these changes will increase the Firm Total PGA rate from the current \$0.29399 per Ccf to \$0.54625 per Ccf. This represents a \$0.25226 per Ccf increase.

8. The Company's filing also reflects adjustments to the Company's ACA factors. The ACA tracks the Company's over- or under-collections based on its actual cost of gas. Staff's Procurement Analysis Unit (PAU) will review the Company's ACA filing and may recommend adjustments to the ACA account balance(s). Due to the limited time available to review the documentation supporting the ACA factors represented in this filing, the PAU has requested permission to submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 17, 2018.

9. Case No. GR-2018-0077, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2016-2017 ACA filing. Case No. GR-2017-0089 was established to track the Company's PGA factors to be reviewed in its 2015-2016 ACA filing. Any rate change implemented pursuant to this tariff filing should be implemented on an interim basis, subject to refund, pending final Commission decisions in Case Nos. GR-2018-0077 and GR-2017-0089.

10. As explained in the Staff Recommendation set forth in the accompanying Memorandum, which is incorporated herein by reference, Staff has reviewed the current filing and determined that it was calculated in conformance with Liberty's PGA Clause. Therefore, Staff recommends the Commission approve the tariff sheet on an interim, subject to refund status pending final Commission decisions in Case Nos. GR-2018-0077 and GR-2017-0089.

11. Staff also recommends the Commission order PAU Staff to file the results of its review of the ACA factors represented in this filing no later than December 17, 2018.

12. Staff has verified that the Company has filed its annual report, and is not delinquent on its PSC assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing except as noted herein.

13. Staff is of the opinion that good cause 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' notice for PGA change filings.<sup>1</sup>

**WHEREFORE**, Staff recommends the Commission issue an order approving the following tariff sheet to become effective December 1, 2017, on an interim basis, subject to refund pending final Commission decisions in Case Nos. GR-2018-0077 and GR-2017-0089, and that the Commission order PAU Staff to file the results of its ACA review in this docket no later than December 17, 2018:

P.S.C. MO. No. 2  
24th Revised Sheet No. 44, Cancelling 23rd Revised Sheet No. 44

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<sup>1</sup> Liberty has requested an effective date of December 1, 2017.

Respectfully submitted,

**/s/ Jeffrey A. Keevil**

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record this 14th day of November, 2017.

**/s/ Jeffrey A. Keevil**

**MEMORANDUM**

TO: Missouri Public Service Commission Official Case File  
Case No. GR-2018-0077, Tariff No. YG-2018-0057  
Liberty Utilities (Midstates Natural Gas) Corp., d/b/a Liberty Utilities

FROM: Henry E. Warren, PhD - Procurement Analysis Unit

/s/ David M. Sommerer 11/14/2017      /s/ Jeffrey A. Keevil 11/14/2017  
Commission Staff Division/Date      Staff Counsel's Office/Date

SUBJECT: Staff Recommendation for Liberty Utilities' Scheduled Winter Purchased Gas Adjustment (PGA) Filing Effective December 1, 2017

DATE: November 14, 2017

On November 3, 2017, Liberty Utilities (Midstates Natural Gas) Corp., d/b/a Liberty Utilities ("Liberty" or "Company") filed a tariff sheet requesting an effective date of December 1, 2017. This tariff sheet was filed to reflect scheduled changes in Liberty's Purchased Gas Adjustment (PGA) factors as a result of estimated changes in the cost of natural gas for the upcoming winter heating season and changes in the Company's Actual Cost Adjustment (ACA) factors.

Pursuant to Liberty's tariffs, each Area's Total PGA rate includes two factors: (1) the Regular Purchased Gas Adjustment (RPGA), which reflects the Company's best estimate of its cost of gas for the upcoming season, and (2) the Actual Cost Adjustment (ACA), which results from the corrections made through the Deferred Purchased Gas Cost-Actual Cost Adjustment Accounts.

For the Liberty West Area ("WEMO") including Butler, Rich Hill and Hume served by Panhandle Eastern Pipe Line Company ("PEPL") and Southern Star Central Gas Pipeline Company ("SCC"), the effect of this change will decrease the firm Total PGA rate from the current \$0.47388 per Ccf (100 cubic feet) to \$0.37624 per Ccf. This represents a \$0.09764 per Ccf decrease.

For the Liberty Kirksville Area including Kirksville and Lancaster, served by the ANR Pipeline Company ("ANR"), the effect of these changes will increase the firm Total PGA rate from the current \$0.52618 per Ccf to \$0.63570 per Ccf. This represents a \$0.10952 per Ccf increase.

For the Liberty Northeast Area ("NEMO") including Hannibal, Canton, Bowling Green and Palmyra or Combined District served by the PEPL Company, the effect of this change will increase the firm Total PGA rate from the current \$0.43433 per Ccf to per \$0.52065 Ccf. This represents a \$0.08632 per Ccf increase.

For the Liberty Southeast Area ("SEMO") including Jackson, Charleston, New Madrid, Caruthersville, Neelyville and Kennett, served by the Natural Gas Pipeline Company of America, Texas Eastern Pipeline Company, Mississippi River Transmission, and Ozark Gas

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Transmission, the effect of these changes will increase the firm Total PGA rate from the current \$0.29399 per Ccf to \$0.54625 per Ccf. This represents a \$0.25226 per Ccf increase.

Case No. GR-2018-0077, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2016-2017 ACA filing. Case No. GR-2017-0089 was established to track the Company's PGA factors to be reviewed in its 2015-2016 ACA filing. These rate changes should be made on an interim, subject to refund status pending final Commission decisions in ACA Case Nos. GR-2017-0089 and GR-2018-0077.

Due to the limited time available to review the documentation supporting the ACA factors represented in this filing, the Procurement Analysis Unit (PAU) has requested permission to submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 17, 2018.

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

Staff has reviewed this filing and has determined that it was calculated in conformance with Liberty's PGA Clause. Staff is of the opinion that good cause for approval of this tariff sheet on less than thirty (30) days' notice is demonstrated by Liberty's Commission-approved PGA clause allowing for ten (10) business days' notice for PGA change filings. Therefore, Staff recommends that the following tariff sheet be approved effective December 1, 2017, interim subject to refund pending final Commission decisions in Case Nos. GR-2018-0077 and GR-2017-0089:

P.S.C. MO No. 2

24<sup>th</sup> Revised Sheet No. 44, Cancelling 23<sup>rd</sup> Revised Sheet No. 44

