



October 7, 2021

VIA ELECTRONIC FILING

Mr. Morris Woodruff, Secretary
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

RE: The Empire District Gas Company d/b/a Liberty (“EDG” or the “Company”)
Tracking No. JG-2022-0059; Case No. GT-2022-0080

Dear Judge Woodruff:

On September 16, 2021, EDG initiated a “GT” case and submitted revised tariff sheets designed to narrowly amend EDG’s Rider PGA to allow flexibility to extend the Purchased Gas Adjustment (“PGA”) Actual Cost Adjustment (“ACA”) recovery period beyond 12 months, with a proposed effective date of October 22, 2021.

To address concerns that were raised by the Staff of the Commission, EDG is submitting substitute revised tariff sheets. The tariff language has been revised to clarify that an extended recovery period would only be for under-recovery situations, to add Staff and OPC as parties that may request an extended recovery period, and to clarify the carrying cost request language. The specific sheets being filed are as follows:

PSC MO No 2	1 st Revised Sheet No. 56 and
PSC MO No 2	1 st Revised Sheet No. 57.

As substitutes, these sheets continue to bear an issue date of September 16, 2021, and a requested effective date of October 22, 2021.

As noted with the initial filing, the requested tariff changes do not immediately impact rates or charges or the Company’s revenue requirement. Instead, the revisions will provide the possibility for EDG to defer certain costs that would otherwise be due in the near future under the Company’s current PGA/ACA tariff and potentially lengthen the recovery period for the fuel costs stemming from the extraordinary weather event that occurred in February of 2021. The specific recovery proposal will be made by the Company in the PGA/ACA submission to be filed by EDG between October 15 and November 4, 2021.

Please do not hesitate to contact me with any questions or concerns you may have regarding this substitute tariff filing.

Sincerely,

Diana Carter

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 2 1st Revised Sheet No. 56
Canceling P.S.C. MO. No. 2 Original Sheet No. 56

THE EMPIRE DISTRICT GAS COMPANY
d/b/a Liberty Utilities or Liberty
Joplin, MO 64802

FOR: All Communities and Rural Areas Receiving
Natural Gas Service

PURCHASED GAS ADJUSTMENT CLAUSE (continued)
GAS

II. ACTUAL COST ADJUSTMENT (ACA) FACTORS

- A. Company shall maintain ACA accounts for each of its North, South, and NW Systems, which shall be credited or debited by the amount of any gas cost recovery revenue in excess of or below the actual cost of natural gas purchased and distributed for sale to customers in each of its Missouri service areas. Included in these ACA accounts will be all TOP, TC, and Pipeline Refunds. Such amounts shall be debited or credited to the ACA account in the month received or paid, and shall include interest as part of the overall ACA interest calculation. If challenged, Company has the burden to prove that all costs included in the ACA were prudently incurred and appropriately allocated to classes.

All similar account balances shall be combined for the computation of the ACA to be filed with the scheduled PGA filing.

Any excess or deficit in total gas cost recovery shall be determined by a monthly comparison of the actual prudently incurred cost of natural gas purchased by Company with the actual authorized as-billed revenues recovered by the Commission-approved PGA. The ACA factors shall include any interest calculated, as defined in Carrying Costs, Sheet No. 56. The ACA factors filed with the Commission shall not include any Company developed amounts related to unbilled revenues or unbilled gas costs.

- B. The amounts of gas cost recovery revenue for each month shall be the product of that month's actual billed Ccf sales and the applicable authorized PGA factor(s) in effect during that same month.
- C. For each twelve (12) month period ending with the August revenue month, the differences resulting from the comparisons described above including any balance or credit for the previous year shall be accumulated to produce a cumulative balance of excess or deficit of gas cost recovery revenue for each of the Company's Systems. ACA factors shall be computed by dividing these cumulative balances by the estimated annualized and normalized sales volumes expected during the next ACA audit period. All actual ACA revenues recovered shall be debited or credited to the appropriate balance of the ACA account and any remaining balance shall be reflected in subsequent ACA factor computations.

Upon request by the Company, Staff, or OPC, and for good cause shown, when an extraordinary event has occurred, supported by affidavit, the Commission may permit the Company to divide the cumulative balances of each System's deficit gas cost recovery revenue (ACA account under-recovery) by estimated sales volumes for an extended period which shall not exceed 5 years.

- D. The Company's system ACA factors shall be rounded to the nearest \$.00001 per Ccf and applied to billings commencing with the scheduled PGA revenue period. These ACA factors shall remain in effect until superseded by a subsequent ACA calculated according to this provision.

DATE OF ISSUE: September 16, 2021
ISSUED BY: Matthew DeCoursey, Vice President
Rates and Regulatory Strategy

EFFECTIVE DATE: October 22, 2021

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 2 1st Revised Sheet No. 57
Canceling P.S.C. MO. No. 2 Original Sheet No. 57

THE EMPIRE DISTRICT GAS COMPANY
d/b/a Liberty Utilities or Liberty
Joplin, MO 64802

FOR: All Communities and Rural Areas Receiving
Natural Gas Service

PURCHASED GAS ADJUSTMENT CLAUSE (continued)
GAS

- E. Revenues received that are attributable to any non-permanent assignment of capacity under the transportation service schedules will be credited to the appropriate system ACA accounts. This credit shall be the greater of the maximum rate as published in the interstate pipeline's tariff applied to the assigned volumes or actual revenues received from the assignment. Also, all revenues collected which are attributable to the Daily Balancing Charge, Daily Out-of Balance Charge, Monthly Cash-Out Charge, Unauthorized Delivery Charge, and the Monthly Balancing Service charges shall be credited to the respective system ACA accounts.
- F. Any refunds which the Company receives in connection with natural gas services purchased, together with any interest included in such refunds, will be returned to the Company's appropriate customer classes unless otherwise ordered by the Commission. Such refunds shall be credited to the ACA account in the month received and shall be a part of the overall ACA interest calculation effective September 1, 2007.

III. CARRYING COSTS

For each month during the ACA period and for each month thereafter, interest at a simple rate equal to the prime bank lending rate, as published in the Wall Street Journal on the first business day of the following month, minus two (2) percentage points, shall be credited to customers for any over-recovery of gas costs or credited to the company for any under-recovery of gas costs. Interest shall be computed based upon the average of the accumulated beginning and ending monthly over or under recoveries of all PGA related costs. The Company shall maintain detailed work papers that provide the interest calculation on a monthly basis. The Staff and Public Counsel shall have the right to review and propose adjustment to the Company's monthly entries to the interest calculation.

If the Commission allows the Company to divide the cumulative balances of each System's deficit gas cost recovery revenue (under-recovery ACA balance) by estimated sales volumes for an extended period not to exceed five years, the Company may propose a carrying cost, subject to review, appropriate for the length of the extended period. If a hearing is required regarding the Company's request for Carrying Costs, it shall take place concurrently with the hearing for the ACA period that contains the extraordinary gas costs.