

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its offices in Jefferson City, Missouri on the 17th day of November, 2021.

In the Matter of Liberty Utilities)	
(Midstates Natural Gas) Corp. d/b/a)	<u>File No. GR-2022-0128</u>
Liberty (MNG) Purchased Gas Adjustment)	Tariff No. JG-2022-0148
(PGA) Tariff Filing)	

**ORDER APPROVING PGA TARIFF AND
APPROVING EXTENDED RECOVERY PERIOD**

Issue Date: November 17, 2021

Effective Date: December 1, 2021

On November 4, 2021, Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty (MNG) filed a proposed tariff sheet with an effective date of December 1, 2021, to reflect changes in its Purchased Gas Adjustment (PGA) factors as a result of estimated changes in the cost of natural gas for the upcoming winter season. The tariff sheet also reflects adjustments to MNG's Actual Cost Adjustment (ACA) factors. MNG requested an extended ACA recovery period due to the February 2021 Cold Weather Event.

Different from typical PGA filings, this PGA proposes to defer recovery of natural gas costs, which was authorized by the Commission in File No. GT-2022-0079. The tariff authorized in GT-2022-0079 allows expansion of PGA recovery beyond the previous limitation of twelve months. The specific tariff language authorizes "extraordinary" impacts to be mitigated over longer periods of time (fluctuating up to five years). MNG testifies that during the month of February 2021, from February 10 through February 18, extreme cold (Winter Storm Uri) in the region created demand for gas by consumers far in excess of seasonal norms for utilities throughout the Midwest, including MNG. This caused

delivered gas prices to rise dramatically. This rise in gas prices increased MNG’s cost to serve its customers. In total, MNG’s cost of gas for Winter Storm Uri during this period was approximately \$7.7 million as compared to a typical February of approximately \$2.2 million, and \$21.8 million annually.

For firm sales in its systems, MNG proposes the following Total PGA (Regular PGA plus ACA) rate changes:

	Current	Proposed
Liberty West Area	\$0.31944/Ccf ¹	\$0.71708
Kirksville	\$0.21708/Ccf	\$0.38409
Northeast	\$0.18555/Ccf	\$0.59928
Southeast	\$0.27687/Ccf	\$0.64267

MNG proposes to spread its 2020-2021 ACA under-recovery balance over three years for all systems except Kirksville. The Kirksville service area was described as not being significantly impacted by the extreme weather due to utilization of available storage.

MNG is recommending the following ACA firm rates for these systems as follows:

	Current	Proposed
Liberty West Area	\$0.02834/Ccf	\$0.27468
Kirksville	\$(0.16072)/Ccf	\$(0.16781)
Northeast	\$(0.15555)/Ccf	\$0.07718
Southeast	\$(0.12783)/Ccf	\$0.06987

The Staff of the Commission (Staff) filed its recommendation on November 12, 2021. Staff acknowledges that the February 2021 Cold Weather Event had a significant impact on certain natural gas prices, and is, in Staff’s opinion, an extraordinary event as contemplated in MNG’s tariff. Thus, Staff recommends the Commission grant MNG’s request to extend its ACA recovery period. Staff noted that in

¹ 100 cubic feet.

addition to the significant increase related to ACA under-recoveries, current estimated natural gas prices as reflected in the Regular PGA estimate have increased significantly over last year's mandatory PGA filing. Customers will be paying both for past price increases from Winter Storm Uri and present increases in current natural gas costs. This is true despite the mitigation of the Winter Storm Uri impacts due to spreading past costs incurred over three years in lieu of the traditional 12 months.

This file was established to track MNG's natural gas costs to be reviewed in its 2020-2021 ACA filing. File No. GR-2021-0101 was established to track the Company's natural gas costs to be reviewed in its (2019-2020) ACA filing. Staff recommends approval of the rate changes, made on an interim basis, subject to refund pending final Commission decisions in ACA File No. GR-2022-0127 (2020-2021 ACA period) and ACA File No. GR-2021-0101 (2019-2020 ACA period). Due to the limited time available to review the documentation supporting the ACA factors submitted in this filing, the Commission's Procurement Analysis Department requests permission to submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 15, 2022. No objections or responses to the tariff filing or Staff's recommendation were received.

The Commission has reviewed the proposed tariff sheet and Staff's recommendation. The Commission finds that the proposed tariff sheet conforms to MNG's Commission-approved PGA tariff. The Commission also finds that an extended ACA recovery period due to the February 2021 Cold Weather Event is appropriate. In addition, because MNG's PGA clause allows for PGA change filings to take effect on ten-days' notice, good cause has been shown pursuant to Section 393.140(11), RSMo 2016, to

permit the tariff to become effective on less than 30-days' notice. The Commission concludes the proposed tariff sheet should be approved to become effective on December 1, 2021, on an interim basis, subject to refund, pending final Commission decisions in ACA File No. GR-2022-0127 (2020-2021 ACA period) and ACA File No. GR-2021-0101 (2019-2020 ACA period). Further, the Commission will also direct its Staff to file the results of its ACA review in this case no later than December 15, 2022.

THE COMMISSION ORDERS THAT:

1. The Commission approves the uncontested request for an extended ACA recovery period due to the February 2021 Cold Weather Event.
2. The tariff sheet, as substituted, assigned Tracking No. JG-2022-0148 are approved on an interim basis and subject to refund, pending final Commission decisions in this file and in File No. GR-2021-0101. The specific tariff sheet approved are as follows:

P.S.C. MO. No. 2
28th Revised Sheet No. 44, Cancelling 27th Revised Sheet No. 44

3. On or before December 15, 2022, Staff's Procurement Analysis Department shall submit the results of its ACA review of the changes.
4. This order shall become effective on December 1, 2021.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

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

Hatcher, Regulatory Law Judge

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 17th day of November, 2021.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

November 17, 2021

File/Case No. GR-2022-0128

**Missouri Public Service
Commission**
Staff Counsel Department
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
staffcounsel@psc.mo.gov

Office of the Public Counsel
Marc Poston
200 Madison Street, Suite 650
P.O. Box 2230
Jefferson City, MO 65102
opcservice@opc.mo.gov

Liberty (MNG)
Diana C Carter
428 E. Capitol Avenue, Suite 303
Jefferson City, MO 65101
Diana.Carter@LibertyUtilities.com

**Missouri Public Service
Commission**
Jamie Myers
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
jamie.myers@psc.mo.gov

Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Morris L. Woodruff
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.