

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

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

In the Matter of The Empire District	)	
Gas Company d/b/a Liberty (Empire)	)	<b><u>File No. GR-2022-0127</u></b>
Tariff Filing of the Purchased Gas	)	Tariff No. JG-2022-0147
Adjustment (PGA)	)	

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

Issue Date: November 17, 2021

Effective Date: December 1, 2021

On November 4, 2021, The Empire District Gas Company d/b/a Liberty (Empire) filed proposed tariff sheets 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 sheets also reflect adjustments to Empire’s Actual Cost Adjustment (ACA) factors. Empire requested an extended ACA recovery period due to the February 2021 Cold Weather Event. On November 10, 2021, Empire filed substitute tariff sheets which addressed minor errors noted by the Staff of the Commission (Staff). This order addresses the tariff sheets as substituted.

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-2022-0080. The tariff authorized in GT-2022-0080 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). Empire 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 Empire. This caused delivered gas prices to rise dramatically. This rise in gas prices increased Empire’s cost to serve its customers. In total, Empire’s cost of gas for Winter Storm Uri during this period was approximately \$31.2 million as compared to a typical February of approximately \$1.7 million, and \$15.4 million annually.

For its systems, Empire proposes the following Total PGA (Regular PGA plus ACA) rate changes:

	<b>Current</b>	<b>Proposed</b>
<b>North</b>	\$0.36195/Ccf <sup>1</sup>	\$0.71850
<b>Northwest</b>	\$0.32579/Ccf	\$0.64494
<b>South</b>	\$0.39040/Ccf	\$0.96720

Empire proposes to spread its 2020-2021 ACA under-recovery balance over three years for the North and Northwest Systems, and five years for the South System. Empire is recommending the following ACA rates for these systems as follows:

	<b>Current</b>	<b>Proposed</b>	<b>Total Impact ACA</b>
<b>North</b>	\$(0.04146)/Ccf	\$0.11724	\$0.1587
<b>Northwest</b>	\$(0.01835)/Ccf	\$0.12106	\$0.13941
<b>South</b>	\$(0.03861)/Ccf	\$0.16089	\$0.1995

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 Empire’s tariff. Thus, Staff recommends the Commission grant Empire’s request to extend its ACA recovery

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<sup>1</sup> 100 cubic feet.

period. Staff noted that in 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 or five years in lieu of the traditional 12 months.

This file was established to track Empire's natural gas costs to be reviewed in its 2020-2021 ACA filing. File No. GR-2021-0121 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-2021-0121 (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 sheets and Staff's recommendation. The Commission finds that the proposed tariff sheets conform to Empire'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 Empire'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 sheets 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-2021-0121 (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 sheets, as substituted, assigned Tracking No. JG-2022-0147 are approved on an interim basis and subject to refund, pending final Commission decisions in this file and in File No. GR-2021-0121. The specific tariff sheets approved are as follows:

**P.S.C. MO. No. 2**  
**17<sup>th</sup> Revised Sheet No. 62, Cancelling 16<sup>th</sup> Revised Sheet No. 62**

**P.S.C. MO. No. 2**  
**17<sup>th</sup> Revised Sheet No. 63, Cancelling 16<sup>th</sup> Revised Sheet No. 63**

**P.S.C. MO. No. 2**  
**17<sup>th</sup> Revised Sheet No. 65, Cancelling 16<sup>th</sup> Revised Sheet No. 65**

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". The signature is written in a cursive, flowing style.

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 17<sup>th</sup> day of November, 2021.**



  
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**Morris L. Woodruff**  
**Secretary**

**MISSOURI PUBLIC SERVICE COMMISSION**

**November 17, 2021**

**File/Case No. GR-2022-0127**

**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 (Empire)**

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**

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