

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 9th day of March, 2016.

In the Matter of Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities' Purchased Gas Adjustment Tariff Filing)	<u>File No. GR-2016-0075</u>
)	Tariff No. YG-2016-0224
)	

ORDER GRANTING VARIANCE AND APPROVING TARIFF

Issue Date: March 9, 2016

Effective Date: March 10, 2016

On February 24, 2016, Liberty Utilities (Midstates Natural Gas) Corp., d/b/a Liberty Utilities, filed an application seeking a variance from a provision of its Purchase Gas Adjustment (PGA) tariff. Liberty Utilities explains that the variance is necessary to correct an error in its current PGA rate.

A transcription error resulted in the company having filed an incorrect rate for the Actual Cost Adjustment (ACA) factor component of its PGA rate. As a result of that error, the total PGA rate in one of the company's four PGA service areas is too high. Liberty Utilities' PGA tariff allows the company the option to make PGA filings to adjust for changing circumstances, but the tariff requires that the optional PGA filing must maintain the existing ACA adjustments. Unfortunately, in this case, it is the existing ACA adjustment that is incorrect. Thus, Liberty Utilities needs a variance from its tariff to be able to make the needed adjustment to its PGA rate.

Liberty Utilities filed a tariff revision to make the needed adjustment in anticipation of receiving the requested variance. That tariff will become effective on

March 10, and Liberty Utilities asks that it be approved on an interim basis, subject to refund.

Staff filed a recommendation on March 1, advising the Commission to grant the requested variance. Staff explains that the correction to the misstated ACA balance will reduce Liberty Utilities' Total PGA rate for its Liberty Southeast Area (SEMO), including Jackson, Charleston, New Madrid, Caruthersville, Neelyville, and Kennett, from \$0.53793 per Ccf to \$0.24647 per Ccf. Staff recommends the Commission approve Liberty Utilities' tariff on an interim basis, subject to refund, pending final Commission decision in this file.

The Commission has reviewed the request for variance and proposed tariff sheet, as well as Staff's recommendation. The Commission independently finds that the requested variance should be granted and that the proposed tariff sheet should be approved to become effective on less than 30-day's notice, on an interim basis, subject to refund, pending final Commission decision in this file.

THE COMMISSION ORDERS THAT:

1. Liberty Utilities (Midstates Natural Gas) Corp., d/b/a Liberty Utilities' application for a variance to permit it to correct its Actual Cost Adjustment Factor component is granted.

2. The proposed tariff sheet filed on February 24, 2016, by Liberty Utilities (Midstates Natural Gas) Corp., d/b/a Liberty Utilities, assigned Tracking Number YG-2016-0224, and bearing an effective date of March 10, 2016, is approved on an interim basis, subject to refund, pending final Commission decision in this file. The tariff sheet approved is:

P.S.C. Mo. No. 2
22nd Revised Sheet No. 44, Cancelling 21st Revised Sheet No. 44.

3. This order shall become effective on March 10, 2016.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive style.

Morris L. Woodruff
Secretary

Hall, Chm., Stoll, Kenney, Rupp, and
Coleman, CC., concur.

Woodruff, Chief Regulatory Law Judge