

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 4th day of May, 2022.

In the Matter of the Application of Liberty Utilities)
(Midstates Natural Gas) Corp. d/b/a Liberty to) **File No. GT-2022-0118**
Change Its Infrastructure System Replacement) Tariff No. YG-2022-0194
Surcharge)

**ORDER APPROVING INFRASTRUCTURE
SYSTEM REPLACEMENT SURCHARGE**

Issue Date: May 4, 2022

Effective Date: June 3, 2022

Procedural History

On December 30, 2021, Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty filed an application pursuant to Sections 393.1009, 393.1012, and 393.1015, RSMo. 2016, and Commission Rules 20 CSR 4240-2.060, 2.080, and 3.265. The application requests that the Commission authorize changes to Liberty's Infrastructure System Replacement Surcharge (ISRS). In particular, Liberty asked for cumulative revenue of \$361,523 for its Northeast and West districts, and \$589,786 for its Southeast district, for a total increase of \$951,309.

Liberty also filed tariff sheets which bear an effective date of April 1, 2022. The Commission suspended those tariff sheets until June 28, 2022.

Staff filed its recommendation on March 30, 2022. The recommendation states that Liberty should receive cumulative revenue of \$348,255 for its Northeast and West districts, and \$542,031 for its Southeast district, for a total increase of \$890,286. Staff also requested non-monetary changes to Liberty's ISRS, including a requirement that

Liberty should have a study conducted by an external party regarding its corporate and overhead allocation methods.

Liberty responded, stating it had no objection to Staff's conditions, but that Staff's request for Liberty to have a study conducted about its corporate and overhead allocation methods would be duplicative of steps already taken. Staff replied that it was unaware of Liberty's efforts to have such a study done. No further responses were received.

Decision

The Commission finds that Liberty has complied with the requirements of the applicable ISRS statutes to authorize its use of an ISRS. The Commission concludes that Liberty shall be permitted to change its ISRS to recover ISRS revenues for this case in the amount of \$348,255 for its Northeast and West districts, and \$542,031 for its Southeast district, for a total increase of \$890,286.

Since the revenues and rates authorized in this order differ from those contained in the tariff sheet Liberty first submitted, the Commission will reject that tariff sheet. The Commission will allow Liberty an opportunity to submit a new tariff sheet consistent with this order.

THE COMMISSION ORDERS THAT:

1. Liberty is authorized to change its Infrastructure System Replacement Surcharge (ISRS) sufficient to recover ISRS revenues in the amount of \$348,255 for its Northeast and West districts, and \$542,031 for its Southeast district, for a total increase of \$890,286.

2. The tariff sheet filed by Liberty on December 30, 2021, and assigned Tariff Tracking No. YG-2022-0194, is rejected.

3. Liberty is authorized to file new tariffs to recover the revenue authorized in this Order.

4. Liberty shall update its notices to reflect a revenue requirement figure to reflect proper rates.

5. Liberty shall include a study indicating if the cost of replacing plastic adds incremental cost to ISRS eligible projects versus using existing infrastructure.

6. Liberty shall include a reconciliation of ISRS revenues with its next ISRS request.

7. Liberty shall work with Staff concerning notification of the status of the studies and/or audits Liberty has stated is being conducted, the scope of as well as other possible parameters of the capitalization study being conducted by the external accounting and auditing firm.

8. Liberty should also provide all deliverables and final results of all external studies/audits conducted for Staff review. This would include, but not be limited to, access to the same data and information provided to the external parties and the results of Liberty's external study for capitalization of overheads and the Cost Allocation Manual study that was conducted in 2021. The results of all studies/audits by the external firms shall be shared with Staff within 30 days from their conclusion. Staff will reflect the results of both of these in Liberty's next general rate case.

9. This order shall become effective on June 3, 2022.



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.

Pridgin, 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 4th day of May, 2022.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

May 4, 2022

File/Case No. GT-2022-0118

**Missouri Public Service
Commission**

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Commission**

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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.