BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the Matter of the Verified Application of The Empire District Gas Company d/b/a Liberty for Approval of Amendment to Rider PGA to Allow Recovery Period Flexibility

File No. GT-2022-____

APPLICATION FOR APPROVAL OF AMENDMENT OF RIDER PGA AND MOTION FOR WAIVER OF 60-DAY NOTICE FILING REOUIREMENT

COMES NOW The Empire District Gas Company d/b/a Liberty ("EDG" or the "Company") and submits this Verified Application for Approval of Amendment of Rider PGA. With this filing, and the tariff submitted under Tracking No. JG-2022-0059, EDG seeks to narrowly amend its Rider PGA to allow flexibility to extend the Purchased Gas Adjustment ("PGA") Actual Cost Adjustment ("ACA") recovery period beyond 12 months. To the extent required, EDG also moves for waiver of the 60-day notice requirement under Rule 20 CSR 4240-4.017(1)(D). In support of its requests, EDG respectfully states as follows to the Missouri Public Service Commission ("Commission"):

1. EDG is a corporation organized and existing under the laws of the state of Kansas and provides natural gas utility service throughout a number of Missouri counties. EDG is a "public utility," as defined by RSMo. §386.020 and, therefore, is subject to the general regulatory jurisdiction of the Commission as provided by law.

2. A certified copy of EDG's Certificate of Authority to do business as a foreign corporation evidencing EDG's authority to conduct business in Missouri was submitted in Case No. GO-2006-0205 and is incorporated herein by this reference. The information on such Certificate is currently applicable and correct. EDG has no pending or final unsatisfied judgments or decisions against it from any state or federal agency or court that involve customer service or rates and that have occurred within the three years immediately preceding this filing. EDG's Annual Reports and assessment fees are not overdue. 3. On February 24, 2021, the Commission issued its *Order Directing Staff to Investigate and Submit Report* in Case No. AO-2021-0264 noting that "(m)uch of the Midwest, including Missouri, experienced unseasonably cold temperatures in February 2021. Such temperatures resulted in rolling electrical blackouts and extreme natural gas price spikes in Missouri."

4. This weather emergency presented an event that was unpredictable and unexpected. Utility service and underlying natural gas markets throughout the region experienced a profound crisis arising from the unusually cold and unusually persistent winter weather. As a result of this weather crisis, demand for natural gas in the region escalated dramatically and prices rose on the spot and daily index markets accordingly. The converging factors of reduced supply and increased demand placed temporary but severe constraints on EDG's ability to obtain adequate natural gas supply to satisfy customer needs. The Company was obliged to purchase supplemental quantities of gas supply through the spot and daily index markets and incurred extraordinary costs and carrying charges for these emergency measures.

5. Pursuant to its tariff, EDG's next PGA/ACA filing must be made between October 15 and November 4, 2021. Absent tariff revisions or other action, all of the Winter Storm Uri costs incurred by EDG on behalf of its Missouri customers would be reflected in that PGA/ACA filing, for collection over a twelve month period.

6. On February 26, 2021, EDG submitted its Notice of Intended Case Filing pursuant to Commission Rule 20 CSR 4240-4.017, initiating Case No. GU-2021-0275 and stating that it intended to seek an AAO to allow the Company to assist its customers by deferring certain costs that would otherwise be due in the near future under the Company's current PGA/ACA tariff. EDG further stated that modification of the PGA/ACA tariff would be necessary.

7. On August 2, 2021, Liberty filed an additional Notice in Case No. GU-2021-0276 noting that the Company remained committed to assisting its customers by deferring recovery of the

unusually high fuel costs incurred by EDG on behalf of its customers during the extraordinary weather event and that modification of the PGA/ACA tariff – or an authorized variance from the tariff terms – would be necessary.

8. At that time, EDG intended to address the matter in its pending general rate case. EDG has since determined, however, that the matter may be better addressed through a separate tariff filing and this Application. Accordingly, EDG herein seeks to narrowly amend its Rider PGA to allow flexibility under Rider PGA to extend the ACA recovery period beyond 12 months. Specifically, EDG seeks the addition of two provisions:

Upon request by the Company and for good cause shown, the Commission may permit the Company to divide the cumulative balances of each System's excess or deficit gas cost recovery revenue by estimated sales volumes for an extended period.

If the Commission allows the Company to divide the cumulative balances of each System's excess or deficit gas cost recovery revenue by estimated sales volumes for an extended period, the carrying cost calculations shall be adjusted to allow a carrying cost that is reasonable given the length of the extended period.

9. These additions are reflected in the tariff sheets being submitted in this docket, and which were submitted under Tracking No. JG-2022-0059 on September 16, 2021. The tariff sheets bear a proposed effective date of October 22, 2021. The requested effective date is more than 30 days after filing, and, as such, EDG does not need to seek expedited approval of the tariff sheets. As noted above, EDG's next PGA/ACA filing must be made between October 15 and November 4, 2021, and, absent these tariff revisions, all of the Winter Storm Uri costs incurred by EDG on behalf of its Missouri customers would be reflected in that PGA/ACA filing, for collection over a twelve month period. As such, it is imperative that the tariff sheets not be suspended and that they be allowed to take effect by the date requested.

10. Commission Rule 20 CSR 4240-4.017(1) provides, in part, that "(a)ny person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case. Such notice shall detail the type of case and issues likely to be before the

commission and shall include a summary of all communication regarding substantive issues likely to be in the case between the filing party and the office of the commission that occurred in the ninety (90) days prior to filing the notice. The filing of such notice shall initiate a new noticed case and be assigned an appropriate case designation and number." EDG did not file such a 60-day notice with regard to this filing.

11. As noted above, however, EDG submitted a 60-day notice regarding possible AAO and tariff filings in Case No. GU-2021-0275. Pursuant to Rule 4.017(1)(D), waivers of the 60-day notice requirement may be granted for good cause shown. In this regard, the Company declares (as verified) that they have had no ex parte communications with the Office of the Commission (as defined in Commission Rule 20 CSR 4240-4.015(10)) within the prior 150 days regarding any substantive issue likely to be in this case. Additionally, it would serve no purpose to delay the Commission's consideration and approval of the requests being made herein, especially given the notice provided in Case No. GU-2021-0275. The extraordinary nature of Winter Storm Uri and the required timing of EDG's next PGA/ACA filing provide additional good cause for the requested waiver.

WHEREFORE, EDG respectfully requests that the Commission waive the 60-day notice requirement to allow for the acceptance of this Application at this time and allow the revised tariff sheets filed in Tracking No. JG-2022-0059 to take effect by October 22, 2021.

Respectfully submitted,

<u>/s/ Diana C. Carter</u> Diana C. Carter MBE #50527 Liberty Utilities (Midstates Natural Gas) Corp. 428 E. Capitol Ave., Suite 303 Jefferson City, Missouri 65101 Joplin Office Phone: (417) 626-5976 Cell Phone: (573) 289-1961 E-Mail: Diana.Carter@LibertyUtilities.com

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VERIFICATION

On behalf of the applicant, The Empire District Gas Company, and pursuant to Commission Rule 20 CSR 4240-2.060(1)(M), the undersigned, upon her oath and under penalty of perjury, hereby states that the above filing is true and correct to the best of her information, knowledge, and belief.

/s/ Dana Liner

Dana Liner Manager, Rates and Regulatory Affairs

CERTIFICATE OF SERVICE

I hereby certify that the above document was filed in EFIS on this 16th day of September, 2020, and sent by electronic transmission to the Staff of the Commission and the Office of the Public Counsel.

/s/ Diana C. Carter