

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of The Empire District Gas)
Company d/b/a Liberty's Purchased Gas) Case No. GR-2025-0137
Adjustment Tariff Filing)

RESPONSE TO COMMISSION ORDER

COMES NOW The Empire District Gas Company d/b/a Liberty ("Liberty" or "EDG"), and for its Response to Commission Order, respectfully states as follows to the Missouri Public Service Commission ("Commission"):

1. Liberty submitted its Purchased Gas Adjustment ("PGA") Actual Cost Adjustment ("ACA") filing for the 2023-2024 period in this case on November 4, 2024. This filing revised the ACA rates based upon Liberty's calculations of its ACA account balance.

2. On November 24, 2025, the Staff of the Commission ("Staff") filed a recommendation and memorandum regarding its review of Liberty's 2023-2024 ACA filing.

3. On November 25, 2025, the Commission issued its *Order Directing Response*, directing Liberty to respond to Staff's recommendations by December 29, 2025.

4. As detailed in the memorandum attached hereto as Attachment A, EDG accepts Staff's analysis and recommendations.

WHEREFORE, EDG submits this Response to Commission Order and requests such relief as is just and proper under the circumstances.

Respectfully submitted,

/s/ Jermaine Grubbs
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CERTIFICATE OF SERVICE

I hereby certify that the above document was filed in EFIS on this 23rd day of December, 2025, with a copy sent to all counsel of record.

/s/ Jermaine Grubbs

ATTACHMENT A

2023-2024 PGA-ACA Case No. GR-2025-0137

THE EMPIRE DISTRICT GAS COMPANY D/B/A LIBERTY (“EDG”) RESPONSE TO STAFF RECOMMENDATION

On November 24, 2025, the Staff of the Commission (“Staff”) filed its Staff Recommendation regarding the 2023-2024 Actual Cost Adjustment of EDG and an attached Memorandum (“Staff Recommendation and Memorandum”) setting out the results of Staff’s analyses and recommendations concerning EDG’s 2023-2024 Actual Cost Adjustment (“ACA”) filing. On November 25, 2025, the Commission directed that EDG respond to the Staff Recommendation by December 29, 2025.

EDG will respond to the various issues identified by Staff in the following paragraphs. EDG’s response will reference the Staff Recommendation and Memorandum by use of the same section titles utilized by the Staff.

I. BILLED REVENUE AND ACTUAL GAS COSTS

ACA Balances

Staff noted the beginning ACA balances reported by EDG did not include adjustments ordered in Case No. GR-2024-0150 (2022-2023 ACA periods). Staff revised the EDG’s beginning balances to reflect changes agreed upon in that case. EDG agrees with this revision as reflected in the following table.

Cummulative ACA Ending Balance Adjustments					
System	Reclassified Transportation		Recalculated Interest		Total Adjustments
South	\$	(77,105.94)	\$	2,239.03	\$ (74,866.91)
North	\$	77,105.94	\$	(2,458.34)	\$ 74,647.60
Northwest	\$	-		\$	-

Billed Revenues

Staff reviewed PGA/ACA rates on a sample of customer bills and noted “no differences were discovered.” Therefore, no response from EDG is required.

Natural Gas Costs

Staff’s ACA review found that EDG had counted the balancing fees twice for all three service areas. EDG agrees the balancing fees should not have been included twice and accepts Staff’s adjustments as reflected in the following table.

Gas Costs				
System	Reported		Corrected	Adjustment
South	\$	11,988,539.72	\$ 11,890,531.00	\$ (98,008.72)
North	\$	2,115,243.86	\$ 2,088,796.04	\$ (26,447.82)
Northwest	\$	2,126,498.50	\$ 2,119,876.80	\$ (6,621.70)

Imbalances/Cash-outs

Based on their review of imbalances and cash out calculations, no material differences were noted by Staff. Therefore, no response on this point from EDG is required.

Carrying Costs

In September 2021, EDG submitted revised tariff sheets to amend the Company’s PGA rider to allow under-recoveries, with Commission approval, for an extended period not to exceed five years (Case No. GT-2022-0800, Tracking No. JG-2022-0059) effective October 22, 2021. EDG proposed a carrying cost for five years. Subsequent adjustments recommended by Staff are

summarized in the following table. EDG accepts these recommendations as reflected in the following table.

System	Carrying Costs		
	Reported	Corrected	Adjustment
South	\$ 678,351.81	\$ 672,923.51	\$ (5,428.30)
North	\$ (70,856.36)	\$ (66,478.92)	\$ 4,377.44
Northwest	\$ (136,913.47)	\$ (136,995.83)	\$ (82.36)

II. RELIABILITY ANALYSIS AND GAS SUPPLY PLANNING

Reserve Margins

On page 5 of the Staff Memorandum, Staff recommends EDG “continue to monitor its pipeline contracts and maintain an appropriate reserve margin for each service area.” EDG accepts this recommendation.

III. HEDGING

Staff recommends that EDG “continue to evaluate its hedging strategy in response to changing market dynamics as to how much the existing hedging strategy actually benefits its customers, while balancing market price risk.” Staff further recommends EDG “continue evaluating the appropriate volumes associated with various hedging instruments going forward.” EDG will continue to do so.

IV. EDG’S RESPONSE TO ACA ACCOUNT BALANCES RECOMMENDED BY STAFF

On page 6 of the Staff Memorandum, Staff recommends that the Commission issue an order requiring EDG to adjust the balances in its 2023-2024 ACA filing to reflect the ending (over)/under recovery balances for Firm ACA customer accounts per the following table:

Ending ACA Balances				
System	As Reported 8.31.2024		Adjustments	Corrected 8.31.2024
South	\$	8,757,382.22	\$ (178,303.93)	\$ 8,579,078.29
North	\$	(1,814,570.17)	\$ 52,577.22	\$ (1,761,992.95)
Northwest	\$	(2,229,204.39)	\$ (6,704.06)	\$ (2,235,908.45)

EDG agrees with these ending balances.