

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

In the Matter of Liberty Utilities (Midstates     )  
Natural Gas) Corp. d/b/a Liberty's Purchased     )     Case No. GR-2025-0138  
Gas Adjustment Tariff Filing                             )

**RESPONSE TO COMMISSION ORDER**

**COMES NOW** Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty ("Liberty"), 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 December 11, 2025, the Staff of the Commission ("Staff") filed a recommendation and memorandum regarding its review of Liberty's 2023-2024 ACA filing.
3.       On December 11, 2025, the Commission issued its *Order Directing Response*, directing Liberty to respond to Staff's recommendations by January 12, 2026.
4.       As detailed in the memorandum attached hereto as Attachment A, Liberty accepts Staff's analysis and recommendations.

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

Respectfully submitted,

/s/ Jermaine Grubbs

Jermaine Grubbs MBE #68970

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**CERTIFICATE OF SERVICE**

I hereby certify that the above document was filed in EFIS on this 23<sup>rd</sup> 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-2025-0138**

### **LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP. D/B/A LIBERTY**

#### **RESPONSE TO STAFF RECOMMENDATION**

On December 10, 2025, the Staff of the Commission (“Staff”) filed its Staff Recommendation regarding the 2023-2024 Actual Cost Adjustment (“ACA”) of Liberty. On December 11, 2025, the Commission directed Liberty to respond to the Staff Recommendation by January 12, 2026.

Liberty will respond to the various issues identified by Staff in the following paragraphs. Liberty’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 Liberty did not include adjustments ordered in Case No. GR-2023-0253 (2022-2023 ACA period). Staff revised the Company’s beginning balances to reflect changes agreed upon in that case. Liberty agrees with this revision reflected in the following table.

Staff Recommended Adjustments GR-2025-0138			
<b>NEMO</b>	<u>Regular</u>	<u>Storm Uri</u>	<u>Total Adjustment</u>
Demand	(\$427.36)	\$0.00	(\$427.36)
Commodity	(\$31,560.82)	\$31,218.98	(\$341.84)
<b>SEMO</b>			
Demand	\$15,634.01	\$0.00	\$15,634.01
Commodity	\$17,232.33	\$0.00	\$17,232.33
<b>WEMO</b>			
Demand	(\$182.37)	\$0.00	(\$182.37)
Commodity	(\$72,631.45)	\$60,259.77	(\$12,371.68)
<b>Kirksville</b>			
Demand	\$225.65	\$0.00	\$225.65
Commodity	\$11,728.96	\$0.00	\$11,728.96

### **Billed Revenues**

Staff reviewed PGA/ACA rates on a sample of customer bills and evaluated the reasonableness of reported revenues. Staff noted no material differences. Therefore, no response by Liberty is required.

### **Natural Gas Costs**

Staff reviewed invoices for all natural gas purchases made during the review period and reconciled invoiced rates to gas supply by service area. Staff also tested storage balances, hedging gains/loss allocations, injections/withdrawals, and weighted average cost of gas (“WACOG”), ensuring these items were consistent with the supporting documentation. Based on this review, Staff verified that invoiced natural gas rates were consistent with gas supply contract terms, First of Month (“FOM”) pricing, and the pipeline tariff. Staff noted no material differences. Therefore, no response by Liberty is required.

### **Imbalances / Cash-outs**

Based on their review of imbalances and cash out calculations, Staff noted no material exceptions.

## Carrying Costs

As a result to the Commission approved balance in Case No. GR-2023-0253 for the 2022-2023 ACA period, the impact of these balances resulted in an adjustment to carrying costs (interest).

Liberty agrees with this revision reflected in the following table.

Carrying Cost Adjustments by Service Area			
	<u>Reported</u>	<u>Corrected</u>	<u>Under/ (Overstated)</u>
<b>NEMO</b>			
Demand	(\$117,028.99)	(\$117,000.34)	\$28.65
Commodity (Regular)	(\$52,586.05)	(\$50,472.38)	\$2,113.67
Commodity (Storm Uri)	\$18,820.77	\$16,730.00	(\$2,090.77)
<b>SEMO</b>			
Demand	(\$70,804.29)	(\$71,851.35)	(\$1,047.06)
Commodity (Regular)	(\$95,757.17)	(\$96,911.24)	(\$1,154.07)
Commodity (Storm Uri)	\$0.00	\$0.00	\$0.00
<b>WEMO</b>			
Demand	(\$721.90)	(\$709.69)	\$12.21
Commodity (Regular)	(\$68,007.73)	(\$63,143.45)	\$4,864.28
Commodity (Storm Uri)	\$99,212.63	\$95,176.91	(\$4,035.72)
<b>Kirksville</b>			
Demand	(\$52,653.03)	(\$52,668.13)	(\$15.10)
Commodity (Regular)	\$15,229.34	\$14,443.85	(\$785.49)

## II. RELIABILITY ANALYSIS AND GAS SUPPLY PLANNING

Staff proposed no financial adjustments related to reliability analysis and gas supply planning. On page 6 of the Staff Memorandum, Staff calculated reserve margin for each of the regions and noted the range to be reasonable. Staff recommended that Liberty “continue to monitor and address transportation needs for its various service areas.” Liberty agrees with these recommendations.

## III. HEDGING

Staff recommended that Liberty “continually monitor and be aware of any significant changes in natural gas supply and demand fundamentals over time.” On page 8 of the Memorandum, Staff recommends Liberty “continue to assess and document the effectiveness of its hedges for the 2024-2025 ACA and beyond, including but not be limited to, whether the hedging implementation was

consistent with the hedging plan, identifying the benefits/costs based on the outcomes from the hedging strategy, and evaluating any potential improvements on the future hedging plan and its implementation.” Staff further recommended Liberty evaluate if hedging plans for each of its four systems have operational implications for warm and cold weather conditions. Staff concluded by recommending Liberty “continue to monitor the market movements diligently, employ *disciplined* (triggered primarily by the passage of time) as well as *discretionary* (hedge decisions influenced by the Company’s view of favorable pricing environments) approaches in its hedging practices, and look into the possibility of expanding its gas portfolio to include physical as well as financial hedges, in addition to storage, that more closely track physical price risk.”

Liberty agrees to these recommendations.

#### **IV. LIBERTY’S RESPONSE TO ACA ACCOUNT BALANCE RECOMMENDATIONS**

Liberty accepts the ACA balances recommended by Staff. The Company agrees to incorporate the (over)/under-recovered ending ACA balances proposed by Staff below, as of August 31, 2024.

<b>August 31, 2024 Ending ACA Balances</b>				
<b>WEMO</b>		<b>Reported</b>	<b>Adjustments</b>	<b>Staff Recommended</b>
Regular ACA Commodity	\$	(1,553,585.14)	\$ 77,495.73	\$ (1,476,089.41)
Regular ACA Demand	\$	76,660.96	\$ 194.58	\$ 76,855.54
Storm Uri ACA	\$	1,373,547.47	\$ (64,295.50)	\$ 1,309,251.97
Total ACA	\$	(103,376.71)	\$ 13,394.81	\$ (89,981.90)
<b>SEMO</b>				
Regular ACA Commodity *	\$	(2,155,366.57)	\$ (18,386.40)	\$ (2,173,752.97)
Regular ACA Demand	\$	(605,212.37)	\$ (16,681.07)	\$ (621,893.44)
Storm Uri ACA *	\$	-	\$ -	\$ -
Total ACA	\$	(2,760,578.94)	\$ (35,067.47)	\$ (2,795,646.41)
<b>NEMO</b>				
Regular ACA Commodity	\$	(1,536,224.75)	\$ 33,674.49	\$ (1,502,550.26)
Regular ACA Demand	\$	(2,513,625.60)	\$ 456.00	\$ (2,513,169.60)
Storm Uri ACA	\$	120,927.98	\$ (33,309.74)	\$ 87,618.24
Total ACA	\$	(3,928,922.37)	\$ 820.75	\$ (3,928,101.62)
<b>Kirksville</b>				
Regular ACA Commodity	\$	(350,192.86)	\$ (12,514.45)	\$ (362,707.31)
Regular ACA Demand	\$	(285,880.82)	\$ (240.75)	\$ (286,121.57)
Total ACA	\$	(636,073.68)	\$ (12,755.20)	\$ (648,828.88)