

Liberty Utilities (Midstates Natural Gas) Corp.

d/b/a Liberty Utilities or Liberty

FOR – All Areas

Name of Issuing Corporation

Community, Town or City

## PURCHASED GAS ADJUSTMENT CLAUSE (CONT'D)

Such over- or under-recovery shall be determined by a monthly comparison of the actual (as billed) cost of gas as shown on the books and records of Company, and the cost recovery for the same month calculated by multiplying the volumes sold during said month by the sum of the currently effective cost components (the regular PGA factor and the prior period "Actual Cost Adjustment" ACA factor as herein defined).

For each twelve month billing period ended with the August revenue month, the difference of the comparisons described above, including any balance or credit for the previous year, shall be accumulated to produce a cumulative balance of over-recovered or under-recovered costs. However, the initial ACA period following the effective date of this tariff shall be the fifteen (15) month period from June 2006 through August 2007 for the Northeast area and the West area (excluding Butler) and shall be the twelve (12) month period ending August 2007 for the Southeast area, the Kirksville area and the West area (Butler only). ACA factors shall be computed by dividing the cumulative balance of the over-recoveries or under-recoveries by the estimated volumes of total sales during the subsequent twelve-month period. This adjustment shall be rounded to the nearest \$0.00001 per Ccf and applied to billings, beginning with the effective date of the Winter PGA. These ACA factors shall remain in effect until superseded by subsequent ACA factors calculated according to this provision. Company shall file any revised ACA factors in the same manner as all other adjustments performed in the PGA clause.

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.

Carrying costs shall be determined in the following manner:

For each month during the ACA period and for each month thereafter, at a simple rate equal to the prime bank lending rate (as published in the Wall Street Journal on the first business day of the following month), minus two (2) percentage points, shall be credited to customers for any over-recovery of gas costs or credited to the Company for any under-recovery of gas costs. Interest shall be computed based upon the average of the accumulated beginning and ending monthly over or under recoveries of all PGA related costs. The Company shall maintain detailed workpapers that provides the interest calculation on a monthly basis. The Staff and Public Counsel shall have the right to review and propose adjustments to the Company's monthly entries to the interest calculation.

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.

DATE OF ISSUE: September 16, 2021  
month day year

DATE EFFECTIVE: October 22, 2021  
month day year

ISSUED BY: Matthew DeCoursey Vice President Rates and Regulatory Strategy  
name of officer title

Londonberry, NH  
address

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**IV. REFUNDS**

Any refunds the Company receives in connection with natural gas services purchased, together with any interest included in such refunds, will be refunded to the Company's applicable customers unless otherwise ordered by the Commission. Such refunds shall be credited to the ACA account in the month received and shall receive interest as part of the overall ACA interest calculation.

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