Liberty Utilities   **FOR – All Areas**

Name of Issuing Corporation   **Community, Town or City**

PURCHASED GAS ADJUSTMENT CLAUSE (CONT'D)

II.   REGULAR PURCHASED GAS ADJUSTMENTS

Charges for gas service contained in Company's then effective retail rate schedules on file with the Missouri Public Service Commission shall be adjusted by a Regular Purchased Gas Adjustment (RPGA) as determined in the following manner:

1. Computation of RPGA Factors:

Company's RPGA factors shall be calculated based on the best estimate of Company's gas costs and volumes purchased for resale, as calculated by Company and approved by the Commission. Calculation of the best estimate of Company's projected monthly demand levels, supply options, transportation options, storage options, and other miscellaneous charges and revenues that affect the RPGA rate calculation. The costs to be included in the RPGA rate calculation shall be limited to the projected costs necessary to deliver the volumes purchased for resale to Company's city gate. The actual gas costs shall include the commodity cost of storage withdrawals and exclude the commodity cost of storage injections.

The gas cost revenue requirement component of the RPGA factor, relating to fixed pipeline transportation and storage charges, fixed gas supply charges, and other fixed FERC authorized charges, will be determined in a manner similar to the way they have historically been determined in Company's PGA Clause.

For the gas commodity component of the RPGA factor, commodity related charges shall include but not be limited to producer gas supply commodity charges, pipeline transmission and gathering commodity charges, expected costs or cost reductions to be realized for the entire winter period, related storage withdrawals, gas purchases under fixed-price contracts, the Company's use of financial instruments, except for call options for which only cost reductions expected to be realized during the months covered by the Company's PGA filing shall be reflected. The Company will utilize any technique or method it deems reasonable for purposes of estimating the gas cost revenue requirement to be reflective for this component in each RPGA filing.

DATE OF ISSUE: August 3, 2012   DATE EFFECTIVE: September 2, 2012
                month   day   year   month   day   year
ISSUED BY: Victor Edwards   Director, Regulatory & Government Affairs   Jackson, MO
                name of officer   title   address

Liberty Utilities   **FOR – All Areas**

<u>Name of Issuing Corporation</u>   <u>Community, Town or City</u>

PURCHASED GAS ADJUSTMENT CLAUSE (CONT'D)

2. Liberty Utilities shall not seek recovery in Missouri rates for transportation charges resulting from the Gas Transportation Agreement between Atmos Energy Corporation ("Atmos") and Liberty Utilities dated February 2012, by which Atmos delivers natural gas to Liberty Utilities at or near the Missouri/Kansas border, until the effective date of rates in Liberty Utilities' next general rate case. Recovery of transportation rate charges shall be limited for a period of eight (8) years after the effective date of recovery of these charges to no more than $0.075MMBtu on a usage basis.

III. DEFERRED PURCHASED GAS COST – ACTUAL COST ADJUSTMENT ACCOUNTS:

Company shall establish and maintain a Deferred Purchased Gas Cost – Actual Adjustment (ACA) Account which shall be credited with any over-recovery resulting from the operation of Company's PGA procedure or debited for any under-recovery resulting from the same.

An ACA account shall be maintained for each of the following geographic areas: Northeast, Southeast, West, and Kirksville.

Section II, paragraph 2, Tariff Sheet 42A are incorporated herein.

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PILOT PROGRAMS

High Efficiency Natural Gas Water Heating and Space Heating Rebates

DESCRIPTION AND AVAILABILITY:

At annual funding levels determined by the EE Advisory Group pursuant to the General Terms and Conditions set forth at Sheet No. 115, the Company will promote more effective utilization of natural gas through the replacement of less efficient water heating and space heating equipment with high efficient Energy Star® rated natural gas equipment. Rebates are being offered to the Company's customers, on a limited basis, for a portion of the purchase and installation cost of programmable thermostats and Energy Star® rated natural gas equipment as described below.

The Program is voluntary and each type of rebate is available to any participant. Rebates must be redeemed through the Administrator. Participating Retailers and rebate forms are available at all of the Company's Missouri office locations as well as on the Company's website (http://www.libertyutilities.com/central/saving/ee_missouri.html), or by calling 1-877-333-9965.

DEFINITIONS:

Administrator - The Company or its Agent will administer this Conservation Effort.

Participant - A customer, under the residential or small general service classes, which is located in Missouri, and elects to purchase energy efficient gas saving equipment as described in this Conservation Effort.

Retailer - Any retailer who has agreed to sell the Energy Star® rated energy efficient natural gas equipment associated with this Program.

REBATES:

Rebates shall apply to customers purchasing programmable thermostats, Energy Star® rated natural gas furnaces, boilers, combo heating/ water heating systems, water heating systems, or other such equipment as may be approved by the Administrator.

Each participant will receive a rebate after the completed rebate form is submitted with proper information.

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