

WEATHER NORMALIZATION ADJUSTMENT RIDER

APPLICABILITY

The Weather Normalization Adjustment (“WNA”) Rider is applicable to each ccf of gas delivered under the terms of the residential and small commercial rate schedules of Liberty Utilities (Empire Gas Distribution) Corp’s d/b/a Liberty Utilities (“Liberty”) until such time as it may be discontinued or modified by order of the Commission in a general rate case. The North-South and Northwest regions will have the same rider rates that will be applied as a separate line item on a customer’s bill.

CALCULATION OF ADJUSTMENT

The WNA Factor will be calculated for each billing cycle and billing month as follows:

$$WNA_i = \sum_{j=1}^{18} ((NDD_{ij} - ADD_{ij}) \cdot C_{ij}) \cdot \beta$$

Where:

- i= the applicable billing cycle month
- WNA_i = Weather Normalization Adjustment
- j = the billing cycle
- NDD_{ij} = the total normal heating degree days based upon the daily normal weather as determined in the most recent rate case.
- ADD_{ij} = the total actual heating degree days, base 65° at the applicable weather station: Kansas City International Airport for the North-South region and Conception Missouri for the Northwest region.
- C_{ij} = the total number of customer charges charged in billing cycle j and billing month i
- B = the applicable coefficient: **0.1138846** for the residential class, **0.2524515** for the small general service sales class and **0.3860507** for the small general service transportation class in the North-South region; and **0.1102637** for the residential class, and **0.2313321** for the small general service sales class in the Northwest region.

1. Monthly WNA_i = WNA_i × Weighted Volumetric Rate (“WRVR”)_i
2. For the residential rate class, the WRVR in the North-South and Northwest regions shall be equal to the Residential Distribution Commodity rate established at the conclusion of each general rate case. For Case No. GR 2021-0320, the amount is **\$x.xxxxx**.

For the small general service rate class, the WRVR in the North-South and Northwest regions shall be equal to the Small General Service Distribution Commodity rate established at the conclusion of each general rate case. For Case No. GR 2021-0320, the amount is **\$x.xxxxx**.

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3. The Current Annual WNA ("CAWNA") shall be the sum of the billing cycle WNA for each of the twelve Monthly WNA_i for the billing months in the applicable twelve-month period divided by the annual volumetric billing determinates set for the residential rate class in the most recent rate case.
4. Annual Reconciliation Rate ("SRR"): Three (3) months prior to the end of the twelve (12) months of billing of each CAWNA, the over- or under-billing of the numerator of the CSWNA shall be calculated based on nine (9) months actual sales and three (3) months projected sales. The amount of over- or under-billing shall be adjusted as ordered by the Commission, if applicable. The resulting amount shall be divided by the annual volumetric billing determinates set for the residential rate class in the most recent rate case. Three (3) months prior to the end of the twelve (12) months of billing of each SRR, the over- or under-billing of the SRR shall be calculated based on nine (9) months actual sales and three (3) months projected sales. Any remaining over- or under-billing from the SRR shall be applied to the next SRR. The three (3) months projected sales associated with each CSWNA and SSR shall be trued-up with actuals upon calculation of the next applicable SSR.
5. The Company will make an annual rate filing with the Commission 30 days prior to the first effective day referenced in the CAWNA table to adjust the WNA Rider. Each CSWNA and SRR will remain in effect for twelve (12) months. The total WNA Rider rate shall be the sum of all effective CAWNAs and SRRs.
6. There shall be a limit of \$0.05 per ccf on upward adjustments for the WNA and no limit on downward adjustment. Any WNA adjustment amounts in excess of \$0.05 per ccf will be deferred for recovery from customers in the next WNA adjustment and applicable to part a. below.
 - a. Each month, carrying costs, at a simple rate of interest equal to the prime bank lending rate (as published in The Wall Street Journal on the first business day of such month), minus two percentage points, shall be applied to the Company's average beginning and ending monthly WNA balances. In no event shall the carrying cost rate be less than 0%. Corresponding interest income and expense amounts shall be recorded on a net cumulative basis for the WNA deferral period

Residential Rates for the North-South and Northwest regions:

CAWNA Table:

<u>Period</u>	<u>Rate First Effective</u>	<u>Months</u>	<u>Rate Ending Effective</u>	<u>CSWNA (Annual)</u>
2024	4/1/2023	12	3/31/2024	TBD
2023	Effective Date of this Sheet		3/31/2023	0.0000

SRR Table:

<u>Period</u>	<u>Rate First Effective</u>	<u>Months</u>	<u>Rate Ending Effective</u>	<u>SRR (Annual)</u>
2024	4/1/2023	12	3/31/2024	TBD
2023	Effective Date of this Sheet		3/31/2023	0.0000

WNA Rider Rate:

<u>Period</u>	<u>Rate First Effective</u>	<u>Months</u>	<u>Rate Ending Effective</u>	<u>Monthly WNA Rider Rate</u>
2024	4/1/2023	12	3/31/2024	TBD
2023	Effective Date of this Sheet		3/31/2023	0.0000

Small General Service Rates for the North-South and Northwest regions:

CAWNA Table:

<u>Period</u>	<u>Rate First Effective</u>	<u>Months</u>	<u>Rate Ending Effective</u>	<u>CSWNA (Annual)</u>
2024	4/1/2023	12	3/31/2024	TBD
2023	Effective Date of this Sheet		3/31/2023	0.0000

SRR Table:

<u>Period</u>	<u>Rate First Effective</u>	<u>Months</u>	<u>Rate Ending Effective</u>	<u>SRR (Annual)</u>
2024	4/1/2023	12	3/31/2024	TBD
2023	Effective Date of this Sheet		3/31/2023	0.0000

WNA Rider Rate:

<u>Period</u>	<u>Rate First Effective</u>	<u>Months</u>	<u>Rate Ending Effective</u>	<u>Monthly WNA Rider Rate</u>
2024	4/1/2023	12	3/31/2024	TBD
2023	Effective Date of this Sheet		3/31/2023	0.0000