

RIDER GUA
GAS UNCOLLECTIBLE ADJUSTMENT

1. Applicability and Purpose

1.1. Applicability. This Rider GUA is applicable to all Customers taking gas delivery services from Company.

1.2. Purpose. The purpose of this Rider GUA is to provide for monthly adjustments to Customer bills for any over-or-under recoveries of the Company's actual uncollectible expense amounts for a reporting year. Such adjustments are based on the incremental difference between actual uncollectible expense and the Commission-approved uncollectible amount included in the utility's rates that were in effect for the reporting year, as further defined by the formulas herein. This Rider GUA operates pursuant to Section 16-111.8 of the Public Utilities Act.

2. Incremental Uncollectible Adjustments

Incremental uncollectible adjustment amounts are determined pursuant to this Rider for delivery services (through the Incremental Delivery Uncollectible Adjustment) and for gas supply (through the Incremental Supply Uncollectible Amount). Both adjustments shall be computed separately for each Class Designation as follows:

IDUA Gas Delivery Class Designation	ISUA Class Designation
Residential Delivery Service	Rider PGA
Non-Residential Delivery Service	Rider PGA

The Residential Delivery Service class includes Customers taking service under rate schedules 110 and 170 (for those Pipeline Tap Customers considered Residential Customers).

The Non-Residential Delivery Service Class Designation consists of Customers taking service under each of the Company's other Rate Schedules except rate schedule 110 and Pipeline Tap Customers taking service under rate schedule 170 that are considered Residential Customers.

The incremental uncollectible adjustment amounts shall be the difference between the actual uncollectible expense amounts based on the Company's net write-offs for the year, and the uncollectible amounts included in the Company's rates that were in effect for the reporting year. The incremental uncollectible adjustment amounts shall be

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computed pursuant to the formulas herein and shall apply during the twelve month period, beginning with the first billing cycle of the June (June 2018 for the 2017 reporting year) billing period and extending through the last billing cycle of the subsequent May billing period.

The charge or credit for delivery services uncollectible adjustment amount shall be applied to the applicable delivery services tariff customer charge component on the monthly bill. The charge or credit for supply services uncollectible adjustment amount shall be applied to the applicable delivery services tariff customer charge component for those Customers also being billed for the Company's purchased gas supply charges.

3. Definitions

As used in this Rider GUA, the following terms shall have the meanings ascribed below:

(a) "*Automatic Balancing*" means the Company-determined automatic balancing component in dollars for each Class Designation, which is equal to the cumulative debit or credit balance (over-or-under recovery) resulting from application of the Incremental Uncollectible Adjustment for a prior period. The total amount of any over or under recovery Incremental Uncollectible Adjustment for a preceding effective period will be included in the Automatic Balancing component and thereby be reflected in the applicable Incremental Uncollectible Adjustment for a given Class Designation in the Effective Period following the reconciliation period.

(b) "*Class Designation*" means the class designation as set forth in Section 2 of this Rider GUA.

(c) "*Delivery Uncollectible Costs*" means the amount in dollars equal to net write off amounts other than those attributable to supply for each Class Designation, which shall be allocated based on Company records.

(d) "*Delivery Uncollectible Revenue*" means the amount in dollars of uncollectible costs included in base rates for delivery services. The Delivery Uncollectible Revenue amounts for each Class Designation, for each reporting year shall equal the billed revenues accrued in each month of the reporting year, derived by: (1) applying the stated base rate uncollectible charge, a dollar amount per Customer, per month, to (2) the number of times the monthly customer charge for each Class Designation is billed during such period, adjusted for any partial month prorated bills.

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(e) “*Effective Period*” means the period for which an Incremental Uncollectible Adjustment is to be billed to Customers.

(f) “*Expected Delivery Services Bills*” means the estimated number of times the monthly customer charge for a Class Designation will be billed during an Effective Period.

(g) “*Expected Supply Services Bills*” means the estimated number of times the monthly delivery services customer charge for a Class Designation will be billed in conjunction with gas supply services during an Effective Period.

(h) “*Factor O*” means the Commission-ordered adjustment amount, in dollars, for a Class Designation, which amount results from a Commission Order in a reconciliation proceeding, *plus* the calculated interest attributable to the Commission-ordered adjustment amount. Interest shall be at the rate established by the Commission under 83 Ill. Admin. Code 280.40(g)(1) (or a successor provision). Interest on the O component shall be applied from the end of the reconciliation period until the O component is refunded or charged to Customers through the Incremental Uncollectible Adjustment. The total amount of any Factor O for a preceding effective period will be reflected in the applicable Incremental Uncollectible Adjustment for the effective period following the Order.

(i) “*Incremental Uncollectible Adjustment*” means the Incremental Delivery Uncollectible Adjustment or the Incremental Supply Uncollectible Adjustment, or both, as applicable.

(j) “*Incremental Supply Uncollectible Adjustment*” means the amount in dollars, rounded to two decimals determined pursuant to the Supply Service

(k) “*Incremental Delivery Uncollectible Adjustment*” means the amount in dollars, rounded to two decimals determined pursuant to Section 4.1 of this Rider GUA. An Incremental Delivery Uncollectible Adjustment may be modified during an Effective Period due to Commission-ordered adjustment amounts, Company-determined automatic balancing adjustments, or for other reasons requiring a recalculation.

(l) “*Incremental Supply Uncollectible Adjustment*” means the amount in dollars, rounded to two decimals determined pursuant to subsection 4.2 of this Rider GUA. An Incremental Delivery Uncollectible Adjustment may be modified during an Effective Period due to Commission-ordered adjustment amounts, Company-

determined automatic balancing adjustments, or for other reasons requiring a recalculation.

(m) “*Supply Uncollectible Costs*” means the amount in dollars equal to net write off amounts attributable to supply for each Class Designation, which shall be allocated based on Company records.

4. Determination of Incremental Uncollectible Adjustment

4.1. Determination of Delivery Service Uncollectible Adjustment. The Incremental Delivery Uncollectible Adjustment charge or credit to be included in the monthly customer charge component of the delivery services monthly bill and for each reporting year and Class Designation shall be determined as follows:

$$IDUA_{EPc} = \frac{DUC_{Yc} - DUR_{Yc} + AB_c + O_c}{EDB_{EPc}}$$

Where:

$IDUA_{EPc}$ = Incremental Delivery Uncollectible Adjustment for an applicable Class Designation (C), during the applicable Effective Period (EP).

DUC_{Yc} = Delivery Uncollectible Costs for an applicable Class Designation (C) for the reporting year (Y).

DUR_{Yc} = Delivery Uncollectible Revenue for an applicable Class Designation (C) for the reporting year (Y).

EDB_{EPc} = Expected Delivery Services Bills issued by the Company during the applicable Effective Period (EP) the applicable IDUA will be in effect for the applicable Class Designation (C).

AB_c = The Automatic Balancing component for the applicable Class Designation (C).

O_c = The Factor O for a the applicable Class Designation (C) .

4.2. Supply Service Uncollectible Adjustment. The Incremental Supply Uncollectible Adjustment charge or credit shall be applicable to the monthly customer charge component of the delivery services bill for all Customers taking gas supply from the

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Company, and shall be determined for each reporting year and for each Class Designation as follows:

$$ISUA_{EPc} = \frac{SUC_{Yc} + AB_c + O_c}{ESB_{EPc}}$$

Where:

$ISUA_{EPc}$ = Incremental Supply Uncollectible Adjustment for an applicable Class Designation (C), during the applicable Effective Period (EP).

SUC_{Yc} = Supply Uncollectible Costs for an applicable Class Designation (C) for the reporting year (Y).

ESB_{EPc} = Expected Supply Services Bills issued by the Company during the applicable Effective Period (EP) the applicable ISUA will be in effect for the applicable Class Designation (C).

AB_c = The Automatic Balancing component for a given Class Designation.

O_c = The Factor O for the applicable Class Designation (C).

5. Reports and Reconciliations

5.1. Filing of Information Sheet and Corrections. The Company shall file an information sheet with supporting information for this Rider GUA with the Commission on or before the twentieth of the month preceding the effective date of an Incremental Uncollectible Adjustment. In the event the Company believes corrections should be made to an information sheet filed by it, it will submit such corrections on or before such effective date. Any filing after that time (not otherwise required or anticipated pursuant to the terms of this Rider GUA, nor ordered as a compliance filing by the Commission) will be accepted only if submitted as a special permission request under the provisions of Section 9-201(a) of the Public Utilities Act.

5.2. Petition for Reconciliation and Reports Required. No later than August 31 of each year, the Company shall file a petition seeking initiation of an annual review to reconcile all uncollectible amounts included in rates, plus amounts accrued pursuant to this Rider GUA with the actual uncollectible amount for the reporting year. The information submitted shall allow the Commission to verify that the Company collects the actual

uncollectible expense amounts as provided for in each applicable ICC Form 21 reporting year.

6. Audit

After the completion of Incremental Uncollectible Adjustments for a reporting year, the Company shall conduct an internal audit of the costs and recoveries of such costs pursuant to this Rider GUA. The internal audit shall test the following:

6.1. Annual Audit. Whether the uncollectible expenses included in the Incremental Uncollectible Adjustments were collected through other approved tariffs.

(a) Whether the Incremental Uncollectible Adjustments are properly billed.

(b) Whether the revenues associated with amounts received under this Rider GUA are properly recorded.

(c) Whether the uncollectible costs covered by this Rider GUA are properly recorded in account 904 and reported in Form 21 ILCC.

The above list of determinations does not limit the scope of the audit.

6.2. Filing of Report. The Company will provide a copy of the report regarding this audit to the Commission's Manager of the Accounting Department at accountingmgr@icc.illinois.gov, or such other email address as may be specified by the Commission by August 1 of each year. The internal audit report shall include a statement verified by an officer of the Company attesting that it is a true and complete copy of such report.

7. Other Terms and Conditions

This Rider GUA is subject to the service regulations and other provisions of the Company's tariff as well as any other applicable rates, riders, taxes, adjustments, fees or charges that may be approved by the Commission or are otherwise from time to time and in effect.