

PSC NO. 1 GAS

Liberty Utilities (St. Lawrence Gas) Corp.

Initial Effective Date: 07/01/2023

Issued in Compliance with Commission Order in Case 21-G-0577, dated June 22, 2023

Leaf: 199

Revision: 1

Superseding Revision: 0

GENERAL INFORMATION

2. General Rules, Regulations, Terms and Conditions: (Cont'd)

XIII.iv Safety and Reliability Surcharge:

A Safety and Reliability Surcharge ("SRS") Mechanism will apply to all customers. The SRS provides recovery of \$1,076,00 in operation and maintenance expense equally over five years, or \$214,600 per year, beginning June 1, 2016, plus carrying costs for capital projects outlined in case 15-G-0382, dated July 15, 2016, for the Company's in-line inspections ("ILI") program.

Before commencing recovery of carrying costs for the capital projects through the SRS, the Company must make a compliance filing with the Secretary after the project has been properly inspected. Further, after the Company makes its initial SRS filing, it must make an annual filing within 60 days of the end of each rate year, *i.e.*, May 31, 2017, May 31, 2018 and May 31, 2019. The annual filing will reconcile actual to authorized collections and update the surcharge for any accumulated depreciation associated with the projects. Any over-collections or under-collections will accrue interest at the Other Customer Provided Capital Rate established by the Commission each year. The revised surcharge will go into effect 60 days after submittal, subject to review.

The SRS will remain in place until the Commission issues a rate order in the Company's next general rate case.

XIII.v Tax Cuts and Job Act 2017:

The Tax Cuts and Jobs Act 2017 surcredit calculation shall include both the annual ongoing savings beginning with the October 1, 2018 time period, and an amortization of the savings associated with the corporate income tax rate change to 21% for the period January 1, 2018 through September 30, 2018, over a three-year period.