**Section 525.50 Adjustments to Gas Costs**

a) The Adjustment Factor (Factor A) shall be treated as an addition to or an offset against actual gas costs. This Adjustment Factor shall include the total of the following items:

1) refunds, directly billed pipeline surcharges, unamortized balances of adjustments in effect as of the utility's implementation date, and other separately designated adjustments;

2) the cumulative difference between actual recoverable gas costs and purchased gas adjustment ("PGA") recoveries for months preceding the filing month; and

3) the unamortized portion of any Adjustment Factor(s) included in prior determinations of the Gas Charge(s).

b) If a utility determines the need to amortize the Adjustment Factor over a period longer than the base period, this Adjustment Factor shall be amortized over a period not to exceed 12 months. The utility shall, in the monthly filing in which Factor A is first amortized, include an amortization schedule showing the Adjustment Factor amount to be included in the base period. The associated carrying charge established by the Commission under 83 Ill. Adm. Code 280.70(e)(1) and in effect when the Adjustment Factor is first amortized shall be applied to each month's unamortized balance and included within Factor A.