

CUSTOMER USAGE TRACKER - RIDER C

I. Definitions

- (a) "Customer Usage Deferred Account" shall mean a deferred account established under this Rider C subject to the Customer Usage Deferred Account Adjustment for such account.
- (b) "Customer Usage Deferred Account Adjustment" shall mean a monthly adjustment to the applicable Customer Usage Deferred Account as calculated under this Rider C.
- (c) "Customer Usage Adjustment" shall mean a per-Therm amount calculated under this Rider C, as a decrement or increment, to refund or recover the balance in the applicable Customer Usage Deferred Account.
- (d) "Relevant Rate Order" shall mean the final Order of the Commission in Company's most recent rate case fixing Company's rates or the most recent final order of the Commission specifically prescribing the factors and procedures to be used in the application of this Rider C.

II. Applicable Rate Schedules

The base rates for Service under Company's Rate Schedule Nos. 101, 102, 125, 127, and 140 shall be subject to a Customer Usage Adjustment in accordance with this Rider C.

III. Computation of Customer Usage Deferred Account Adjustment

The Customer Usage Deferred Account Adjustment for each of the applicable rate classes shall be computed monthly to the nearest dollar using the following formulas:

Base Load Therms_i = Actual Customers_i x Base Load_i

Heat Sensitive Therms_i = Actual Customers_i x Heat Sensitivity Factor_i x Normal Degree Days

Normalized Therms_i = Base Load Therms_i + Heat Sensitive Therms_i

Normalized Margin_i = Normalized Therms_i x R Factor_i

Actual Margin_i = Actual Therms_i x R Factor_i

Customer Usage Deferred Account Adjustment_i = Normalized Margin_i – Actual Margin_i

Where:

i = any particular rate class

Actual Customers_i = actual customers billed for the billing cycle month for the ith rate class

Actual Therms_i = actual Therms used for the billing cycle month for the ith rate class

R Factor_i = base rate (approved rate less fixed and commodity cost of Gas) for the ith rate class used by the Commission in the Relevant Rate Order for the purpose of determining normalized test year revenues

Heat Sensitivity Factor_i = heat sensitivity factor for the ith rate class used by the Commission in the Relevant Rate Order for the purpose of determining normalized test year revenues

Normal Degree Days = average normal heating degree days used by the Commission in the Relevant Rate Order for the purpose of determining normalized test year revenues

Base Load_i = base load sales for the ith rate class used by the Commission in the Relevant Rate Order for the purpose of determining normalized test year revenues

IV. Monthly Reports

Company will file with the Commission monthly reports that include: (a) computation of each Customer Usage Deferred Account Adjustment; (b) a schedule showing the effective date of each Customer Usage Deferred Account Adjustment; and (c) a schedule showing the factors of values derived from the Relevant Rate Order used in calculating each Customer Usage Deferred Account Adjustment. Such reports will be filed within 45 days after the end of the applicable month.

V. Computation of Customer Usage Adjustment

Effective for the first day of the April billing cycle month and the first day of the October billing cycle month, the Customer Usage Adjustment for each of the applicable Rate Schedules shall be calculated to the nearest one-thousandth of a cent per Therm using the following formula:

$$\text{Customer Usage Adjustment}_i = \text{Customer Usage Deferred Account Balance}_i / \text{Annual Therms}_i$$

Where:

i = any particular rate class

$\text{Customer Usage Deferred Account Balance}_i$ = balance of Customer Usage Deferred Account as of the end of January or July, as applicable

Annual Therms_i = normalized volumes assigned by the Commission in the Relevant Rate Order

VI. Interest

Interest will be applied to the Customer Usage Deferred Account at a rate of 6.96% per annum. This rate shall be reviewed annually.

VII. Filing with Commission

Company will file a revision to its Tariff for Commission approval upon 14 days' notice to implement a decrement or increment each April and October. The filing will include the computation of each Customer Usage Adjustment.