

GENERAL SERVICE PROVISIONS (Continued)

29. EARNINGS SHARING MECHANISM (ESM) (Continued)

- j. The CARE Cost Adjustment (CCA) (described in General Service Provision No. 31) revenues and actual per book expenditures for energy conservation programs shall be excluded from any earnings test performed under this provision.
- k. The Company will perform a second earnings test, to exclude the impact of the CARE Ratemaking Adjustment ("CRA") described below in General Service Provision No. 32 on earnings shared with Washington Gas customers who are not included in the CARE plan.

30. CARE RATEMAKING ADJUSTMENT

I. PROVISION FOR ADJUSTMENT

In Case No. PUE-2009-00064, pursuant to the Conservation and Ratemaking Efficiency ("CARE") Act, the Commission approved a CARE Plan for Washington Gas. In accordance with the CARE Plan, customers receiving service under the Company's Rate Schedule Nos. 1 and 1A shall be subject to a CARE Ratemaking Adjustment ("CRA").

II. APPLICATION

- A. The CRA shall be computed monthly and comprised of: (a) a "current factor", as determined in III. A. below, and (b) a "reconciliation factor", as determined in III. B. below. The CRA charge or credit shall be applied to monthly bills beginning with the billing month of July 2010.
- B. The CRA shall be included in the item "All Applicable Riders" on customers' bills. The Company shall furnish Commission Staff sufficient workpapers for the review and audit of the CRA.

III. COMPUTATION

A. Current Factor

The current factor, calculated to the nearest .01¢ per therm, shall be computed and filed monthly, by dividing the respective total amount allocated (as hereinafter defined) by the estimated total firm throughput for the applicable period by firm rate schedule.

The amount to be charged or credited to each customer shall be determined as follows:

1. Monthly test year firm non-gas distribution charge revenue shall be determined by class from the latest base rate proceeding.
2. Such monthly distribution test year firm non-gas distribution charge revenues shall be divided by the monthly test year number of customers to calculate a monthly fixed revenue amount for each customer class.
3. The monthly fixed non-gas distribution revenue per customer determined in III.A.2. is multiplied by the current month's number of customers to determine the monthly target non-gas distribution charge revenue for the month by customer class.

GENERAL SERVICE PROVISIONS (Continued)

30. CARE RATEMAKING ADJUSTMENT (Continued)

4. The actual per book cycle month non-gas distribution charge revenue including the monthly weather normalization adjustment where applicable is subtracted from the monthly target firm distribution charge revenue to calculate the required revenue adjustment by customer class.
5. The required revenue adjustment determined in III.A.4.above shall be divided by the estimated firm throughput for the second succeeding month for each customer class to determine the CRA rate per therm adjustment to be applied through the CRA surcharge.

B. Monthly Reconciliation Factor

A reconciliation shall be computed monthly by comparing actual collections or credits with the calculated CRA amount and any applicable reconciling amount as filed. The calculated under or over collection shall be included in the CRA factor in the second succeeding month.

C. Annual Reconciliation

At the end of each year, the actual average number of customers shall be determined by class for the year and multiplied by the average annual test year firm non-gas distribution charge revenues per customer for the applicable customer class from the latest base rate proceeding to determine the annual Allowed Distribution Revenue (ADR). Actual CRA credits or charges for the twelve month reconciliation period shall be totaled and subtracted from the ADR to determine the annual true-up adjustment. The annual true-up adjustment shall be included in the monthly reconciliation computation of the CRA effective for the billing month of August each year.

IV. FILING

The Company shall file monthly with the Commission a copy of the computation of the CRA current factors and/or reconciliation factors at least fifteen days prior to application on customers' bills.

31. CARE COST ADJUSTMENT

I. PROVISION FOR ADJUSTMENT

The monthly Distribution Charges billed under the Company's Rate Schedule Nos. 1 and 1A, shall be subject to an adjustment which is called a CARE Cost Adjustment (CCA), included in the item "All Applicable Riders" on customers' bills.

II. APPLICATION

- A. The CCA shall be computed monthly and comprised of: (a) a "current factor", as determined in III. A. below, and (b) a "reconciliation factor", as determined in III. B. below. The CCA shall be applied to monthly bills beginning with the implementation of the energy efficiency programs.
- B. The CCA shall be included in the item "All Applicable Riders" on customers' bills as appropriate by designated rate schedule and applied to customer bills. The Company shall furnish Commission Staff sufficient workpapers for the review and audit of the CCA.