

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).

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 combined with the Distribution Charge 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.

GENERAL SERVICE PROVISIONS (Continued)

31. CARE COST ADJUSTMENT (Continued)

III. COMPUTATION

A. Current Factor

The current factor, calculated to the nearest .01¢ per therm, shall be computed and filed annually, 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. The annual program costs approved by the Commission in the Final Order in Case No. PUE-2009-00064 shall be divided by estimated firm annual throughput to calculate CCA factors for each participating customer class.
2. The calculated CCA factors will be added to the monthly distribution charge each month throughout the annual period.

B. Reconciliation Factor

A reconciliation shall be computed at the conclusion of each annual period of the CARE plan by comparing actual collections of the CCA factor with actual expenditures for the energy and conservation programs. The calculated under-or-over collection shall be included in the CCA factor in the following annual period commencing June each year.

IV. FILING

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

32. CARE PLAN PERFORMANCE INCENTIVE

I. PROVISION FOR ADJUSTMENT

The CARE Plan Performance Incentive shall be recovered from customers served under the Company's Rate Schedule No. 1 pursuant to GSP No. 16 (B) (1.) (k).

II. APPLICATION

- A. At the end of each CARE Plan year in which conservation and energy efficiency programs are producing verifiable net economics benefits, the incentive will be equal to a percentage of the net verifiable economic benefits as prescribed below.