

**2.11 CONSERVATION ENABLING TARIFF (CET)**

The CET is a mechanism designed to ensure that the Company only collects from GS-1 and GSS customers the Commission-authorized revenue per customer. The CET applies only to the GS-1 and GSS rate schedules.

**DEFERRED ACCOUNT ACCRUAL**

The Company shall record monthly over- or under-recoveries of authorized GS-1 and GSS DNG revenue in the CET Deferred Account (Account 191.9). The allowed revenue for a given month is equal to the allowed DNG revenue per customer for that month times the actual number of customers. The monthly accrual (positive or negative) is determined by calculating the difference between the actual billed GS-1 and GSS DNG revenue and the allowed revenue for that month.

The allowed DNG Revenue per Customer per Month is as follows:

Jan	=	\$42.45	Apr	=	\$20.34	Jul	=	\$10.03	Oct	=	\$15.48
Feb	=	\$34.03	May	=	\$13.28	Aug	=	\$ 9.44	Nov	=	\$26.47
Mar	=	\$26.42	Jun	=	\$10.25	Sep	=	\$10.83	Dec	=	\$36.51

The formula for calculating the accrual each month can be shown as follows:

$$\begin{aligned} \text{Allowed Revenue (for each month)} &= \text{Actual GS-1 \& GSS Customers} \times \text{Allowed Revenue per Customer for that month} \\ \text{Monthly Accrual} &= \text{Allowed Revenue} - \text{Actual GS-1 \& GSS DNG Revenue} \end{aligned}$$

**AMORTIZATION OF ACCRUAL**

No less frequently than semi-annually, the Company will file with the Commission an application to amortize the balance (positive or negative) in Account 191.9. The balance will be amortized by a uniform percentage increase or decrease to the GS-1 and GSS DNG block rates of the magnitude necessary to amortize the balance over one year.

**“TWO-WAY” CARRYING CHARGE**

An annual interest rate of 6% simple interest (.50% per month) shall be applied monthly to the CET Deferred Account balance, as adjusted for the corresponding tax deferral balance in Account 283. The CET Deferred Account will be increased by the carrying charge during months when the balance in the account represents revenue that is under-collected and reduced when over-collected.

Issued by A. K. Allred, President	Advice No.	Section Revision No.	Effective Date
		2	