

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). Through August 2007, the Company may not accrue a net amount to the CET Deferred Account for amortization that totals more than 1.0% of the total Utah jurisdictional GS-1 and GSS revenues based on the most recent 12-month period. 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. Through August 2007, the Company may not amortize CET accruals amounting on a net basis to more than 0.5% of total Utah jurisdictional GS-1 and GSS revenues based on the most recent 12-month period at the time of the amortization.

“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

2.12 DEMAND-SIDE MANAGEMENT (DSM)**DEFERRED ACCOUNT ACCRUAL**

The Company shall record all DSM-related expenses in the DSM Deferred Account (Account 182.4).

AMORTIZATION OF ACCRUAL

No less frequently than semi-annually, the Company will file with the Commission an application to amortize the balance in Account 182.4. 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 DSM Deferred Account balance, as adjusted for the corresponding tax deferral balance in Account 283. The DSM Deferred Account will be increased by the carrying charge.

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