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June 1, 2016

VIA ELECTRONIC FILING

Mr. Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: Conservation Improvement Program Request for Cost Recovery
Docket No. _____

Dear Mr. Wolf:

Attached hereto, please find Greater Minnesota Gas, Inc.'s Gas Petition for Approval of CIP Recovery Rider, along with the requisite Summary of Filing, for filing in a new docket.

All individuals identified on the attached service list have been electronically served with the same.

Thank you for your assistance. Please do not hesitate to contact me should you have any questions or concerns or if you require additional information. My direct dial number is (507) 665-8657 and my email address is kanderson@greatermngas.com.

Sincerely,

GREATER MINNESOTA GAS, INC.

/s/

Kristine A. Anderson
Corporate Attorney

Enclosure

cc: Service List

CERTIFICATE OF SERVICE

I, Kristine Anderson, hereby certify that I have this day served a true and correct copy of the following document to all persons at the addresses indicated on the attached list by electronic filing, electronic mail, or by depositing the same enveloped with postage paid in the United States Mail at Le Sueur, Minnesota:

**Greater Minnesota Gas, Inc.'s Petition for
Approval of CIP Recovery Rider and Summary of Filing
Docket No. _____**

filed this 1st day of June, 2016.

/s/ Kristine A. Anderson
Kristine A. Anderson, Esq.
Corporate Attorney
Greater Minnesota Gas, Inc.

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	No	GEN_SL_Greater Minnesota Gas, Inc._GMG PGA Monthly Filing
Kristine	Anderson	kanderson@greatermngas.com	Greater Minnesota Gas, Inc.	202 S. Main Street Le Sueur, MN 56058	Electronic Service	No	GEN_SL_Greater Minnesota Gas, Inc._GMG PGA Monthly Filing
Bob	Emmers	bemmers@greatermngas.com	Greater Minnesota Gas, Inc.	202 South Main St. PO Box 68 Le Sueur, MN 56058	Electronic Service	No	GEN_SL_Greater Minnesota Gas, Inc._GMG PGA Monthly Filing
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No	GEN_SL_Greater Minnesota Gas, Inc._GMG PGA Monthly Filing
Nicolle	Kupser	nkupser@greatermngas.com	Greater Minnesota Gas, Inc.	202 South Main Street P.O. Box 68 Le Sueur, MN 56058	Electronic Service	No	GEN_SL_Greater Minnesota Gas, Inc._GMG PGA Monthly Filing
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	No	GEN_SL_Greater Minnesota Gas, Inc._GMG PGA Monthly Filing
Greg	Palmer	gpalmer@greatermngas.com	Greater Minnesota Gas, Inc.	PO Box 68 202 South Main Street Le Sueur, MN 56058	Electronic Service	No	GEN_SL_Greater Minnesota Gas, Inc._GMG PGA Monthly Filing
Eric	Swanson	eswanson@winthrop.com	Winthrop Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	GEN_SL_Greater Minnesota Gas, Inc._GMG PGA Monthly Filing
Daniel	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551022147	Electronic Service	No	GEN_SL_Greater Minnesota Gas, Inc._GMG PGA Monthly Filing

**STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

Beverly Jones Heydinger
Nancy Lange
Dan Lipschultz
Matt Schuerger
John Tuma

Chair
Commissioner
Commissioner
Commissioner
Commissioner

Docket No. _____

In the Matter of Greater Minnesota
Gas, Inc.'s Conservation Improvement
Program Request for Cost Recovery

SUMMARY OF FILING

Please take notice that on June 1, 2016, Greater Minnesota Gas, Inc. ("GMG") filed with the Minnesota Public Utilities Commission a Petition for Approval of CIP Recovery Rider seeking approval to implement an annually-adjustable rate rider to recover costs associated with its statutorily-required Conservation Improvement Plan. The filing contemplates implementing the rider effective January 1, 2017,, subject to subsequent Commission approval.

Dated: June 1, 2016

/s/ Kristine A. Anderson
Kristine A. Anderson
Corporate Attorney
Greater Minnesota Gas, Inc.
202 S. Main Street
Le Sueur, MN 56068
Phone: 888-931-3411

**STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

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Docket No. _____

In the Matter of Greater Minnesota
Gas, Inc.'s Conservation Improvement
Program Request for Cost Recovery

**PETITION FOR
APPROVAL OF CIP
RECOVERY RIDER**

Greater Minnesota Gas, Inc. ("GMG"), a natural gas utility serving communities throughout rural Minnesota, submitted its Conservation Improvement Program ("CIP") for the 2017-2019 Triennial to the Minnesota Department of Commerce pursuant to Minnesota Rules Parts 7825.2800 to 7825.2840 contemporaneously with this filing. Although GMG has not historically implemented a Rider to recover its CIP expenses, GMG's growth coupled with its expanded CIP offerings warrants GMG seeking the statutorily authorized program cost recovery. GMG respectfully requests approval of its request to implement a CIP Rider and its proposed natural gas Conservation Improvement Program ("CIP") Adjustment Factor for 2017. The proposed Factor provides for recovery of GMG's approved program costs and allows for inclusion of a future financial incentive, both of which are statutorily authorized.

SUMMARY OF FILING

Pursuant to Minnesota Rule Part 7829.1300, Subpart 1, a one-paragraph summary of this filing, sufficient to apprise potentially interested parties of its nature and general content, accompanies this Petition.

SERVICE ON REQUIRED AND INTERESTED PARTIES

Pursuant to Minnesota Rule Part 7829.1300, Subpart 2, GMG served a copy of this Report on the Residential Utilities Division of the Office of the Attorney General. Pursuant to Minnesota Rule Part 7825.2840, GMG served the Summary of Filing and Notice of Availability of Report on all parties reflected on the accompanying Certificate of Service and Service List.

GENERAL FILING INFORMATION

Pursuant to Minnesota Rule Part 7829.1300, Subpart 3, the following specific content is provided:

A. Name, Address and Telephone Number of the Utility

Greater Minnesota Gas, Inc.
202 South Main Street
P.O. Box 68
Le Sueur, Minnesota 56058
Telephone: (888) 931-3411

B. Name, Address and Telephone Number of the Attorney for Utility

Outside Counsel: Eric F. Swanson
Winthrop & Weinstine, P.A.
225 South Sixth Street, Suite 350
Minneapolis, Minnesota 55402-4629
Telephone: (612) 604-6400

In-House Counsel: Kristine A. Anderson
Corporate Attorney
Greater Minnesota Gas, Inc.
202 S. Main Street
Le Sueur, MN 56068
Phone: 888-931-3411

C. Date of Filing and Proposed Effective Date of Rate Change

Date Filed: June 1, 2016
Proposed Effective Date: January 1, 2017

D. Statute Controlling Time Frame for Processing Filing

Minn. Stat. § 216B.16, subd. 1, permits a utility to place a rate change into effect subsequent to 60 days' notice to the Commission, unless the rate change is suspended under Minn. Stat. 216B.16, subd. 2. Further, Minn. Stat. § 216B.16, subd. 6b and subd. 6c allow public utilities to file rate schedules providing for annual recovery of actual conservation costs and approved incentives. Under Minn. R. 7829.0100, subp. 11, this Petition constitutes a miscellaneous filing because no determination of the Company's general revenue requirements is necessary. Minn. R. 7829.1400, subp. 1, permits initial comments on miscellaneous filings to be made within 30 days of filing and reply comments 10 days thereafter.

E. Utility Employee Responsible for this Filing (and Signature):

/s/ Kristine A. Anderson
Kristine A. Anderson, Esq.
Corporate Attorney

OVERVIEW

GMG submits the enclosed tariff component for review by the Commission seeking approval to implement a rate adjustment rider to provide cost recovery for GMG's Conservation Improvement Program Adjustment ("CIP Rider"). GMG is dedicated to the broader process of implementing the increased conservation goals established in the 2007 Next Generation Energy Act and continuing to expand its CIP. GMG originally instituted its CIP without any CIP Rider and has operated it almost entirely at the Company's expense since that time.

Although the Commissioner of Commerce is tasked with approval of GMG's proposed CIP programs pursuant to Minn. Stat. § 216B.241, Subd. 2, the Commission is vested with the authority to approve proposed recovery of approved CIP expenses and incentives by Minn. Stat. § 216B.16, Subd. 6b and 216B.241, Subd. 2b. (2015). Those statutes provide for recovery of CIP expenses through a rate rider mechanism without a general rate case proceeding. Under Minn. Stat. § 216B.16, subd. 6c, the Commission also has the authority to allow GMG to earn an incentive designed to encourage vigorous participation and compensate the utility for its conservation efforts. Through a series of prior dockets, the Commission developed a rate mechanism that allows utilities to implement incentive earning. GMG proposes employing a similar natural gas CIP Adjustment Factor mechanism to allow GMG to recover both its approved CIP expenses and allowed incentives¹. GMG further proposes that it submit annual filings that include an annually adjusted rider amount and the allowed incentive calculated in accordance with its Commission-approved formula.

HISTORY

Minnesota's governing bodies have demonstrated a commitment to conservation and energy savings throughout recent decades. The Next Generation Energy Act, adopted in 2007, established minimum energy savings goals. As the Commission is aware, all utilities were required to be operating under an energy-savings plan by the year 2010. Minn. Stat. § 216B.241, Subd. 1c (c) (2015). Minn. Stat. § 216B.241 details Minnesota's policy for utility investment in energy conservation measures. Generally, the statute provides that qualifying energy conservation improvements are utility investments or expenses that result in a net reduction in energy use. Pursuant to the statutory requirements, GMG was obligated to develop a qualified CIP; and, its CIP was developed to provide a mechanism to meet the requisite goals and comply with the State's utility energy conservation investment requirements.

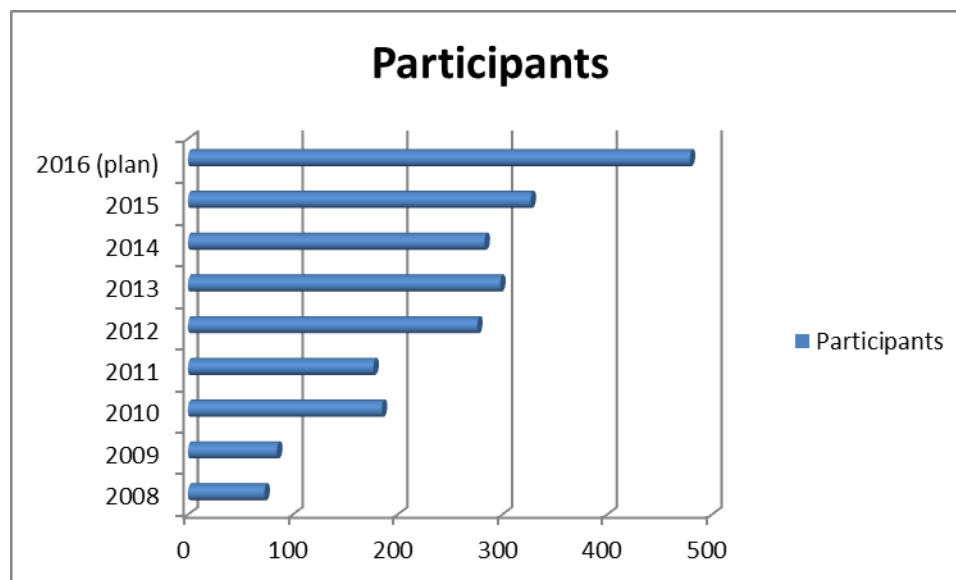
GMG began implementing conservation improvement programming with a residential option in 2008. GMG subsequently filed a Conservation Improvement Plan ("CIP") on August 18, 2009; and, an associated Conservation Cost Recovery Charge ("CCRC") was established in its rate

¹. At present, GMG is not proposing an incentive plan given the substantial changes to its Triennial Plan and its desire to minimize the CIP Rider rate impact on GMG's customers. GMG anticipates proposing an incentive plan following the first year of the next triennial when it has empirical data regarding the success of its program. GMG has included an incentive factor line item in its proposed adjustment calculation; but, for the current proposal, that amount is set at \$0.00.

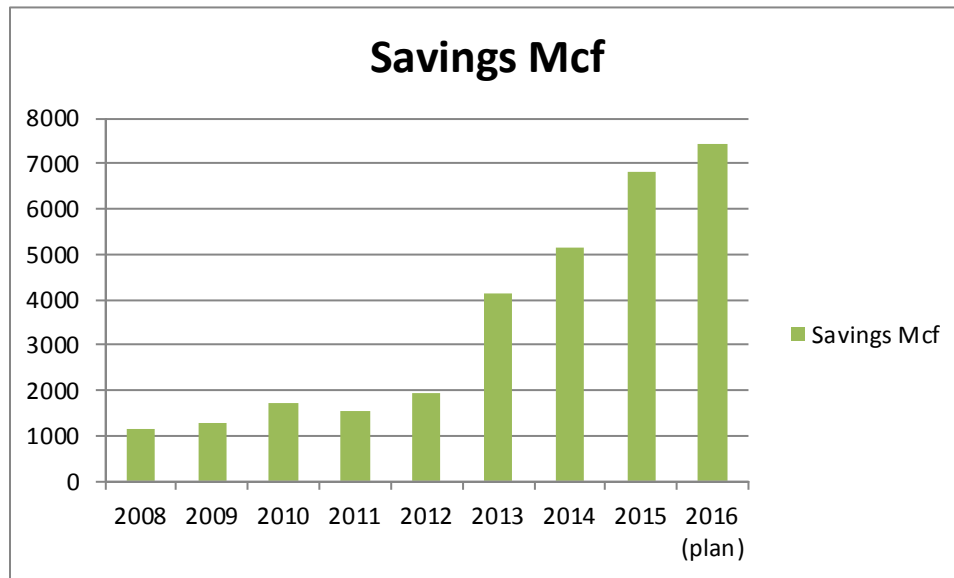
case as discussed in more detail below. On June 27, 2012, GMG filed its most recent CIP for the Triennial Period of 2013 through 2015. That CIP represented a significant redesign of GMG's CIP offerings and was based on a partnership with the Neighborhood Energy Connection for program administration. That CIP also dramatically increased the program budget over GMG's initial CIP. Pursuant to the Commissioner's Order, GMG submitted a compliance filing extending its Triennial CIP by one year, through 2016, which was approved. GMG's proposed Triennial CIP for 2017 through 2019, which was filed contemporaneously herewith, demonstrates GMG's commitment to continue improving conservation efforts and opportunities for its customers.

Statutory requirements provide that GMG must spend at least 0.5% of gross operating revenue on CIP programs, Minn. Stat. § 216B.241, Subd. 1a (1) (2015); that it spend 0.4% of its residential natural gas Gross Operating Revenue on low-income programs, Minn. Stat. § 216B.241, Subd. 7 (2015); and, that it have a savings goal equivalent to 1.5% and no less than 1.0% of gross annual retail sales. Minn. Stat. § 216B.241, Subd. 1c (b) (2015). GMG's proposed Triennial CIP meets the requisite spending goals. However, given the increase in GMG's CIP, it is imperative that the Company be permitted to begin recovering its CIP costs in accordance with statutory provisions.

A historical review of GMG's CIP programs demonstrates the substantial improvements that GMG has made in its CIP options and in its CIP participation; but, it also reflects the substantial increases in CIP costs. GMG's continued commitment to improving its CIP offerings have resulted in considerably improved program participation, with the number of customers availing themselves of CIP offerings increasing exponentially.



Similarly, the increased participation and program improvements have resulted in dramatic increases in energy savings.



GMG's growth in recent years has been the subject to much discussion with the Department and the Commission; and, the CIP is impacted by GMG's growth, as well. Since the energy savings and program expenditure requirements are necessarily a function of GMG's retail sales and revenue levels, they have to follow GMG's growth. The CIP growth comes at a cost. By way of example, GMG provides the following information:

- Industrial sales have grown approximately ten times since 2011 and now make up 57% of GMG's sales.
- The required CIP savings more than doubled in the new triennial plan; but, the easily implemented programs—the proverbial low hanging fruit—savings opportunities have not; ergo, the savings must be achieved with more complex programming.
- New savings opportunities are increasingly based on custom projects, meaning that GMG and its CIP partner, NEC, cannot gain much economy of scale from implementing them.

GMG's conservation portfolio as reflected in its CIP for the next triennial includes seven programs for residential customers, including two specifically targeted to low income customers, and four programs for business and institutional customers. Residential programs range from providing rebates for heating, water heaters, and new home efficiency to providing targeted conservation opportunities and tune ups. Similarly, commercial programs include a combination of rebate and efficiency programs and a custom rebate program that will tailor conservation plans for specifically for large commercial customers. The commercial/industrial CIP portfolio will be much larger than in previous years, reflecting GMG's customer and sales trends. Development of GMG's industrial customer base has

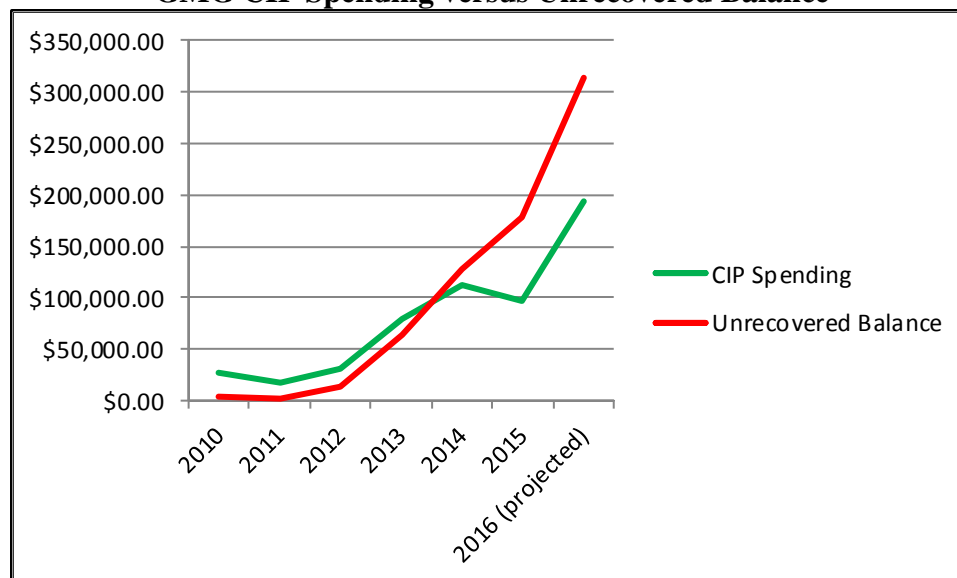
transformed its conservation plan in general; and, GMG and the NEC have developed new CIP offerings to serve GMG's growing sectors.

Although the increased spending requirements present their own challenge, the cost of meeting the savings requirement is the largest factor in propelling the CIP budget upward. GMG's increased investment in its CIP is warranted not only because of its growth, but as a result of creative program development in the spirit of conservation. By partnering with NEC and increasing its investment, GMG's participation in the conservation programs also saw dramatic improvements in program performance and participation.

NEED FOR COST RECOVERY

GMG has operated its CIP since the CIP's institution almost entirely out of the Company's own resources, save the conservation cost recovery charge approved in GMG's last rate case. A summary review of GMG's CIP Tracker balance information shows that there has been a significant shortfall between the level of CIP cost recovery in rates via the CCRC and the level of CIP spending approved in GMG's historic CIPs. While the details of the spending and cost recovery are reflected in the tables in Exhibit B, the following graph provides a visual illustration of how significant the cost recovery shortfall has been.

GMG CIP Spending versus Unrecovered Balance



Absent cost recovery, GMG's under-recovery of CIP costs will continue to increase substantially. Ultimately, increased unrecovered CIP costs will grow to significant heights and will likely result in a substantial and sudden increase in cost to GMG's customers due to their anticipated impact in a future rate case. However, by allowing cost recovery to be built into current rates via a CIP Rider, GMG's customers will have a softened impact on customer rates by periodically adjusting the recovery rate to match ongoing conservation costs. Moreover, a CIP Rider that is subject to annual adjustment furthers the policy of fairness by ensuring that GMG's current customers pay for current CIP programs, thus preventing a penalizing mismatch

in payment responsibility for the CIP. Ergo, instituting cost recovery at the current time facilitates the least amount of rate shock to GMG's customers.

GMG's expanding footprint throughout rural Minnesota and the changing dynamics of its customer base have resulted in new program developments and offerings. However, making such changes to continue to strive toward energy efficiency and conservation goals require continued cash flow to fund the CIP investment. Implementing the statutorily allowed CIP cost recovery mechanism will also help relieve some of the constraints on GMG's finances.

RIDER REQUEST

GMG proposes to recover a portion of the costs of its CIP pursuant to instituting a CIP Rider. The balance of any cost deficiency would be subject to recovery in future GMG rate cases. Statutory authority allows a utility to recover expenses resulting from a CIP and contributions and assessments to the energy and conservation account, unless the recovery would be inconsistent with a financial incentive proposal approved by the Commission. Minn. Stat. § 216B.241, Subd. 2b (2015).

GMG proposes that the Rider include a base charge of \$0.0413 per Dth, which is the Commission-approved CCRC incorporated into GMG's distribution charge, and an Adjustment with a beginning rate of \$0.18 per Dth. Once an adjustment rate has been approved, GMG will communicate with customers to explain the adjustment and it will appear as a separate line item on customer invoices to ensure transparency.

GMG currently has an unrecovered CIP Tracker balance of \$178,161 through December 31, 2015, as reflected in Exhibit B. GMG's projected 2016 CIP spending is \$194,080; and, in 2017, GMG projects that its annual spending will be \$201,996 based on its proposed Triennial Plan. Simply recovering the currently unrecovered balance through 2016 will not address what will certainly be an ongoing discrepancy between the recovery level via the CCRC and GMG's increasing CIP budgets. Consequently, GMG proposes to use a three-year amortization of the projected December 2016 CIP tracker balance and factor in a recovery component for anticipated Triennial Expenditures.

GMG's proposed tariff language, attached hereto as Exhibit A, reflects an annual rate adjustment. Such an adjustment is necessary to recalibrate CIP recovery levels to reflect the significant increases in CIP spending required to achieve the increased CIP energy savings. GMG's proposal would result in a Conservation Improvement Program Adjustment of \$0.18 per dekatherm. GMG respectfully requests Commission approval to implement the new rate as of January 1, 2017. The Rider Adjustment would be applied to customers' bills as a separate line item. The calculation methodology for the proposed adjustment is identified in Exhibit C.

On a prospective basis, the Company proposes to file its Conservation Improvement Program Adjustment on July 1 of each year and implement the new Adjustment on January 1.

REQUEST FOR COMMISSION ACTION

GMG recognizes that Minnesota encourages energy efficiency and that it plays an important role in encouraging its customers to maximize their energy efficiency efforts. GMG believes that this proposal is a balanced one that, by matching conservation expenses with recovery, takes into consideration the needs of both consumers and the utility and works to minimize the impact of the overall program costs to GMG's customers.

Dated: June 1, 2016

Respectfully submitted,

/s/ Kristine A. Anderson
Kristine A. Anderson
Corporate Attorney
Greater Minnesota Gas, Inc.
202 S. Main Street
Le Sueur, MN 56068
Phone: 888-931-3411

Exhibit A

CONSERVATION IMPROVEMENT PROGRAM ADJUSTMENT RIDER Proposed Tariff Language

Applicability:

This Conservation Improvement Program Adjustment Rider is applicable to the Company's Minnesota retail gas sales and transportation rate schedules.

The following entities shall be exempt from application of this Rider:

"Large Energy Facility", as defined in Minn. Stat. 216B.2421 customers shall receive a monthly exemption from conservation improvement program charges pursuant to Minn. Stat. 216B.16, subd. 6b Energy Conservation Improvement. Upon exemption from conservation program charges, the "Large Energy Facility" customers can no longer participate in any utility's Energy Conservation Improvement Program.

"Large Customer Facility" customers that have been exempted from the Company's Conservation Improvement Program charges pursuant to Minn. Stat. 216B.241, Subd. 1a (b) shall receive a monthly exemption from conservation improvement program charges pursuant to Minn. Stat. 216B.16, subd. 6b Energy Conservation Improvement. Such monthly exemption will be effective beginning January 1 of the year following the grant of exemption. Upon exemption from conservation program charges, the "Large Customer Facility" customers can no longer participate in the Company's Energy Conservation Improvement Program.

"Commercial Gas Customers" that have been exempted from the Company's Conservation Improvement Program charges pursuant to Minn. Stat. 216B.241, Subd. 1a (c) shall receive a monthly exemption from conservation improvement program charges pursuant to Minn. Stat. 216B.16, subd. 6b Energy Conservation Improvement. Such monthly exemption will be effective beginning January 1 of the year following the grant of exemption. Upon exemption from conservation program charges, the "Commercial Gas Customers" can no longer participate in the Company's Energy Conservation Improvement Program.

Rate Rider:

A Conservation Improvement Program Adjustment (CIP Adjustment) Factor shall be included on each non-exempt customer's monthly bill. The applicable factor shall be multiplied by the customer's monthly billing in Therms for gas service before any adjustments, surcharges or sales tax. In addition to the CIP Adjustment Factor, a Base Charge of \$0.0413 per Dth, also known as the Conservation Cost Recovery Charge (CCRC), is billed as part of the distribution charge authorized in Docket No. G022/GR-09-962. The CCRC is approved and applied on a per Dth basis by dividing the test-year CIP expenses by the test-year sales volumes (net of CIP-exempt volumes).

Determination of Conservation Improvement Program Adjustment Factor:

The Conservation Improvement Program factor shall be calculated for each customer. The Conservation Improvement Program factor shall be calculated for each customer class by dividing the Recoverable Conservation Improvement costs and incentives, not recovered through the Base Charge, by the projected sales volumes for a designated recovery period. The factor may be adjusted annually with the approval of the Minnesota Public Utilities Commission.

Recoverable Conservation Improvement Expense shall be the incremental Conservation Improvement Program costs, including approved incentives, not recovered through base rates as estimated for a designated period. The initial implementation of this rider will also reflect 2016 projected CIP expenditures as approved by the Director of the Office of Energy Security. The Program costs shall be recovered from customer class using the current sales forecast.

The applicable rate that will be assessed to all non-CIP exempt customers in each rate class is:

Base Charge	Adjustment
CCRC (included in	CIP Adjustment
<u>distribution charge)</u>	<u>Factor</u>
\$0.0413 / Dth	\$0.18 / Dth

For each designated twelve (12) month period, an annual reconciliation will be determined based upon actual annual conservation costs incurred by GMG compared with annual conservation costs recovered from volumes of gas sold. The annual cost recovered is the product of the total unit rate used in calculating the CIP during the twelve (12) month period and the applicable gas sales volumes during the period when each of the total unit rates were in effect. The difference between actual cost and recovered cost will be used in calculating the annual CIP Adjustment Factor for the next twelve (12) month period. The CIPR factor will be applied to customers' billings for the designated period and will be in effect for a twelve (12) month period. Any under or over-recovery due to the CIP Adjustment Factor will be included in the calculation of the CIP Adjustment Factor for the following period in order to collect from or return to customers the under or over-recovered amount.

Exhibit B

CIP TRACKER Actual Balance through December 31, 2015

Line No.		10/20 to 12/31/09 (actual)	1/1 to 7/31/10 (actual)	Aug-10 (actual)	Sep-10 (actual)	Oct-10 (actual)	Interim Rate Period Total (actual)	Nov-10 (actual)	Dec-10 (actual)	2010 Totals	2011	2012	2013	2014	2015
1	CIP Tracker Beginning Balance	\$ -	\$ (2,363)	\$ (6,022)	\$ (5,332)	\$ (3,892)	\$ -	\$ 3,659	\$ 3,979	\$ -	\$ 3,219	\$ 1,064	\$ 14,320	\$ 62,867	\$ 126,990
2	CIP Expenditures	\$ 3,675	\$ 7,705	\$ 1,150	\$ 1,895	\$ 8,255	\$ 22,680	\$ 1,500	\$ 2,105	\$ 26,285	\$ 16,880	\$ 31,716	\$ 80,060	\$ 112,495	\$ 97,173
3	Conservation Cost Recovery Charge (CCRC)														
4	Sales Mcf	138,112.7	267,239.9	10,449.4	10,832.4	16,623.4	443,257.8	26,908.9	63,567.7	533,734.4	440,152.2	422,038.9	735,987.5	1,140,059.6	1,033,011.2
5	Transport Mcf	8,080.7	7,912.7	701.6	187.2	422.7	17,304.9	1,648.6	5,822.9	24,776.4	20,727.8	24,928.1	27,057.9	31,156.1	80,857.0
6	Total Mcf (line 4 + line 5)	146,193.4	275,152.6	11,151.0	11,019.6	17,046.1	460,562.7	28,557.5	69,390.6	558,510.8	460,880.0	446,967.0	763,045.4	1,171,215.7	1,113,868.2
7	CCRC (line 6 x \$0.0413) 1/	\$ 6,038	\$ 11,364	\$ 461	\$ 455	\$ 704	\$ 19,021	\$ 1,179	\$ 2,866	\$ 23,066	\$ 19,034	\$ 18,460	\$ 31,514	\$ 48,371	\$ 46,003
8	CIP Tracker Ending Balance	\$ (2,363)	\$ (6,022)	\$ (5,332)	\$ (3,892)	\$ 3,659	\$ 3,659	\$ 3,979	\$ 3,219	\$ 3,219	\$ 1,064	\$ 14,320	\$ 62,867	\$ 126,990	\$ 178,161
9	(line 1 + line 2 - line 7)														
10	Note:														
11	1/ CCRC = \$0.0413 per Mcf														

Pro Forma Balance through December 31, 2016

Line No.		Projected 2016
1	CIP Tracker Beginning Balance	\$ 178,161
2	CIP Expenditures	\$ 194,080
3	Conservation Cost Recovery Charge (CCRC)	
4	Sales Dkt	1,338,400.0
5	Transport Dkt	68,000.0
6	Total Dkt (line 4 + line 5)	1,406,400.0
7	CCRC (line 6 x \$0.0413) 1/	\$ 58,084
8	CIP Tracker Ending Balance	\$ 314,156
9	(line 1 + line 2 - line 7)	
10	Note:	
11	1/ CCRC = \$0.0413 per Mcf	

Exhibit C

PROPOSED CIP ADJUSTMENT FACTOR CALCULATION METHODOLOGY

Calculation	Line Item	Amount	
A	CIP Tracker Balance	\$314,156.00	(Under-Recovered)
B	Amortize over	3 years	
A/B=C	Sub-Total for Under-Recovery through 2016	\$104,718.67	
D	2017 CIP Proposed Budget	\$201,996.00	
E	2017 Incentive Budget	\$0.00	
C+D+E	Total Requested Recovery	\$306,714.67	
H*CCRC=F	Annual Recovery Built into Base Rates	\$58,084.00	
E-F=G	Net Adjustment	\$248,630.67	
H	Projected Annual Sales for 2017 (Dth)	1,406,400.00	
G/H=I	Adjusmtenet per Dth	\$0.18	