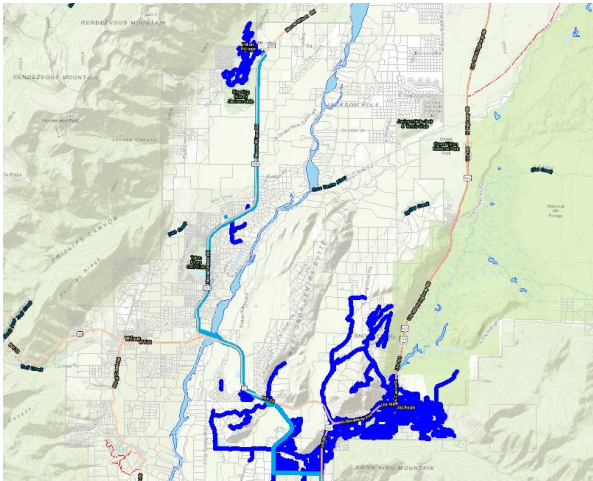


Lower Valley Energy, Inc.

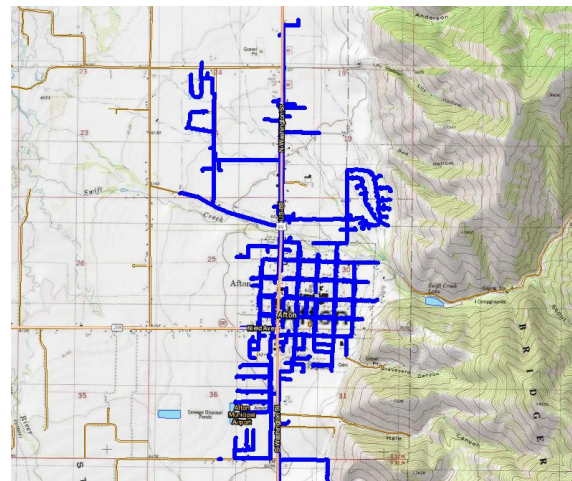
P.S.C. WYOMING NO. 8

PO Box 188
236 N. Washington St.
Afton, WY 83110
307-885-3175 Phone
307-885-5787 Fax
800-882-5875 Toll Free
www.lvenergy.com

Natural Gas Service Territory



Jackson/Teton Village



Afton

Lower Valley Energy supplies natural gas to the towns of Afton, Jackson, Teton Village and south of Jackson to select subdivisions

**Rules and Regulations – Gas
As filed with the
Wyoming Public Service Commission**

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SECTION I – PURPOSE

These Rules and Regulations apply to each and every Member. They are a part of every contract for service made by the Cooperative, unless modified by special terms written therein, and govern all classes of service in unison with tariffs filed with the Wyoming Public Service Commission and other regulations adopted by governmental agencies having authority.

Lower Valley is a Rural Energy Cooperative enterprise that is owned by its Members, whose purpose is to provide quality services to its Members. It is the intent and purpose of the service and extension policies to ensure that all Members of the Cooperative receive uniform and equitable consideration and treatment. The Member is defined as the person or persons, partnership, corporation, or other entity that has the legal responsibility for payment of the bill for service.

SECTION II – APPLICATION FOR SERVICE

1. **Membership and Service:** Each prospective Member requesting natural gas service shall sign the Cooperative's Application for Membership and supply the Cooperative with such credit references as may be requested. There is no membership fee.
2. **Line Extension Contracts:** When a new service or a service upgrade is requested, the Member may be required to sign a contract which shall describe the type of service and guarantee an annual minimum charge for a designated length of time before the service is made available. For new services to be installed on property not owned by the person requesting service, the contract shall be signed by the property owner or authorized representative.
3. **Special Agreements:** In the event of large or special investments required to provide service, an agreement with a special guarantee of revenue may be required.
4. **Right to Reject:** The Cooperative may refuse to provide, expand or materially change service to a requesting Member when:
 - a. The Cooperative does not have adequate facilities to render the service requested;
 - b. The requested service appears to be unsafe or likely to adversely affect service to another Member; or
 - c. The requesting Member is indebted to the Cooperative for damages to utility property or utility related service charges previously rendered and satisfactory payment arrangements have not been made with the Cooperative.

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- i. If indebtedness for service rendered at a former location is in dispute, the requesting Member shall be provided service at the new location upon complying with the Cooperative's deposit requirements and paying the amount in dispute. Upon settlement of the disputed amount, any balance due the Member shall be refunded with accrued interest at the Commission Authorized Interest Rate, shown as item 8 in the Schedule of Fees.
- ii. The Cooperative shall not refuse service to a new Member because of debts of a previous Member at the same location.
- iii. The Cooperative may refuse service due to unpaid line extension charges for facilities serving the location.

SECTION III – CLASSIFICATION OF MEMBER

Service shall be classified for the purpose of determining the applicable rate schedule in accordance with the nature of the Member's establishment.

1. Residential Service: A residential service shall be defined as service to a single private house, apartment, house trailer, flat or other living quarters occupied by a person or persons constituting a distinct household. It shall include any private garage adjacent to, connected with and used exclusively by the resident.

The residential rate shall not apply where there is more than one distinct household being served through one meter.

2. Commercial Service: A commercial service shall be defined as any service not classified as residential.

SECTION IV – DEPOSIT

The Cooperative may require a deposit to guarantee payment for each service. This deposit shall not be considered advance payment of bills, but shall be held as security for payment of service rendered. The Cooperative may refuse service to an applicant or discontinue service to a Member for failure to comply with this section. The Cooperative shall apply the policies governing Member deposits uniformly.

1. The Cooperative may require a deposit if:
 - a. A prior service account with the Cooperative remains unpaid and undisputed at the time of application for service;

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- b. Service from the Cooperative has been terminated for:
 - i. Nonpayment of any undisputed delinquent bill;
 - ii. Failure to reimburse the Cooperative for damages due to the Member's negligent or intentional acts; or
 - iii. Acquisition, diversion or use of service without the authorization of or knowledge by the Cooperative.
- c. Information provided upon application for service is materially false or a misrepresentation;
- d. The application is for initial service with the Cooperative or the applicant did not have service with the Cooperative for a period of at least 12 consecutive months during the past four years;
- e. The applicant or non-residential Member is unable to pass the Cooperative's objective credit screen. In order to pass the objective credit screen, the applicant or non-residential Member must fulfill one or a combination of the following:
 - i. Received 12 consecutive months of service from the Cooperative, with the undisputed portions of the 12 most recent bills paid in full when due;
 - ii. Have a favorable credit rating with a third-party credit reporting agency;
 - iii. Receive a favorable credit rating from the Cooperative's financial risk assessment tool; or
 - iv. Provide an acceptable letter of credit or business reference.
- f. The request is for service at an address where a former Member with an undisputed delinquent bill for service still resides or conducts business;
- g. The applicant for service, or the Member, has been brought within the jurisdiction of the bankruptcy court, or has had a receiver appointed in a state court proceeding, within the five-year period immediately preceding the request for service; or
- h. The Cooperative has determined that it has a significant financial risk in continuing to provide service to a specific load or non-residential Member. The Cooperative and Member may attempt to reach a deposit agreement. If the Cooperative and Member are unable to reach an agreement, the Cooperative

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will file a confidential petition requesting expedited review and Commission approval prior to collecting the Member deposit. The petition shall contain the basis for the Cooperative's determination, the amount of deposit sought and sufficient information for the Commission to contact the Member.

2. The Cooperative shall not require a deposit as a condition of new or continued utility service based upon any criterion not specifically authorized by the Rules of the Commission.
3. The required deposit shall not exceed the total amount of the Member's estimated bill for three months of highest use based on the premises' monthly bills during the immediate previous 12-month period. If billing information for the immediate previous 12-month period is not available, the deposit shown on item #1 on the Schedule of Fees will apply for residential Members. For all other Member classes, the deposit will be based on anticipated service characteristics and anticipated load.
4. The Cooperative shall retain records showing:
 - a. The name and address of each Member making the deposit;
 - b. The date and amount of the deposit; and
 - c. Each accounting transaction concerning the deposit.
5. The Cooperative shall provide the Member a non-assignable receipt or other record of deposit, showing the date and amount received.
6. The Cooperative shall calculate simple interest on deposits at the Commission Authorized Interest Rate, shown as item #8 on the Schedule of Fees. Interest shall apply only to deposits held for at least six months, but shall accrue from the initial date of deposit through the date the deposit is returned to the Member.
7. The Cooperative may accept a written guarantee from an acceptable guarantor in lieu of a deposit to pay a Member's bill. After the Cooperative has verified the Member's identity, the Member shall agree to permit the Cooperative to provide the Member's account information to the guarantor upon the Member's default.

The Cooperative shall remove a guarantor when:

- a. The Member has received 12 consecutive months of service with no cause for discontinuation, bills have been paid when due and the Member passes an objective credit screen;
- b. The guarantor has paid all amounts due for service through the date the Cooperative receives the request to terminate the guarantor agreement; or

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- c. An additional agreement with the Member is in place.
8. Deposits and any unpaid interest earned on deposits shall be applied as a credit to the Member's bill, unless requested by the Member to be refunded, when:
 - a. The accrued interest equals or exceeds \$10.00. The Cooperative shall apply the credit at least annually;
 - b. A residential Member has received 12 consecutive months of service, with no cause to discontinue; and the Member's bills have been paid when due;
 - c. A commercial or industrial Member has received 12 consecutive months of service, with no cause to discontinue; the Member's bills have been paid when due; and the Member passes the Cooperative's objective credit screen; or
 - d. Service is discontinued. The Cooperative shall not require the Member to provide the original receipt in order for the deposit to be returned. Any credit balance on the account after the deposit is applied shall be refunded to the Member. If the Cooperative is unable to make the refund due to lack of knowledge of the Member's location, additional interest shall not accrue after the service discontinuation date. The Cooperative shall manage such deposits as unclaimed property as required by Wyoming law (W.S. § 34-24-109).

SECTION V – MEMBER EQUIPMENT

1. Member's Installation: The Member's service entrance equipment and piping shall be installed in accordance with any state or governmental authority having jurisdiction and shall be subject to inspection and approval of agencies having jurisdiction.
2. Code Compliance: The Cooperative may discontinue service or refuse to make connections to the Member whenever, in its judgment, such installation is not in compliance with these Rules and Regulations, and other applicable local and state codes.
3. Location of Service: The Cooperative reserves the right to approve the location of the meter and service entrance to provide easy access by the Cooperative's personnel for meter reading and maintenance.
4. Limit of Responsibility: The Cooperative shall install and maintain its lines and equipment on its side of the point of delivery but shall not be required to install or maintain any lines, equipment or apparatus except meters, meter accessories and cathodic protection beyond this point.
5. Manufactured Home Code Compliance: Gas service to manufactured homes must be in accordance with the Code of Federal Regulations (24CFR Part 3280 –

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Manufactured Home Construction and Safety Standards) Subpart G and H, which pertain to gas piping and appliance installation. In addition the Cooperative also follows the regulations set forth in the National Fire Protection Act (NFPA) 501A, Fire Safety Criteria for Manufactured Home Installation, Sites, and Communities.

SECTION VI – MEMBER RESPONSIBILITY

1. **Inspection Requirements:** Service shall not be pressurized until local and state inspection requirements have been met.
2. **Member Liability:** The Member shall be responsible for the maintenance and safety of equipment owned by the Member. The Cooperative shall not in any way be liable for accidents or damages occurring to the Member or to third parties because of contact with, or failure of, any portion of the Member installation.
3. **Changes in Member Equipment:** The Member is responsible for notifying the Cooperative in writing before any change is made in the size or location of his/her service.
4. **Tampering:** If the meters or other property belonging to the Cooperative are tampered or interfered with, the Member being supplied through such equipment shall pay the amount which the Cooperative estimates is due for service provided. The Member may be responsible for the cost of replacements, repairs and legal action if taken.
5. **Breaking Meter Seals:** Member shall not break, cut or otherwise open the seal attached to the metering device without prior approval from the Cooperative.
6. **Excavations:** Members, their agents, or contractors shall notify One Call of Wyoming or Dig Line of Idaho at least two full business days prior to beginning any excavation in the area of the Cooperative's underground electrical or natural gas facilities. Members who fail to give required notice of intent to excavate shall be liable for all costs associated with repair or replacement of Cooperative facilities destroyed or damaged as a result of excavation. The Cooperative may also pursue additional legal penalties. The Cooperative shall provide location of its underground facilities upon request at no charge.
7. **Notification of Leaks:** The Member shall immediately notify the Cooperative of any escape of gas in or around the Member premises by calling the Cooperative offices.

SECTION VII – ACCESS TO PREMISES

Authorize Access: Duly authorized representatives of the Cooperative shall have the right to enter and leave the premises of the Member at all reasonable times for the purpose of reading, testing, inspecting, repairing, replacing or removing its meters or other property.

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SECTION VIII – CONTINUITY OF SERVICE AND RIGHT TO DISCONTINUE

1. Unless otherwise ordered by the Commission, the Cooperative shall not discontinue service to any Member for violating the Cooperative's rules and regulations or for nonpayment of bills for service until the Cooperative has given at least seven calendar days' notice to residential Members or three calendar days' to commercial or industrial Members.
2. Notice shall be effective when a copy is provided to the Member in person, by telephone after Member verification, or received by U.S. mail at the Member's last known mailing address. Receipt shall be assumed three business days after the notice was mailed. Additional notice may be provided electronically. The notice shall contain:
 - a. The name of the person whose account is delinquent and the service address to be discontinued;
 - b. The rule or regulation that was violated or the amount of the delinquent bill;
 - c. The effective date of the notice and the date on or after which service is to be discontinued;
 - d. The Cooperative's address and telephone number for information regarding how to avoid service discontinuation;
 - e. The names of agencies or organizations that have notified the Cooperative that they render assistance to eligible persons who are unable to pay their Cooperative bills; and
 - f. A statement advising the Member how to contact the Commission if discontinuation is disputed.
3. For residential Members, the notice shall inform the Member that, if prior to the initial date for the discontinuation, the Member provides the Cooperative with written verification from a health care provider responsible for the care of a Member or his/her co-habitants stating that their health or safety would be seriously endangered if service were discontinued, the Cooperative shall extend the date for discontinuation set forth in the notice by 15 days (22 days total) to allow for bill payment.
4. The Cooperative shall attempt to make actual contact with the Member either in person or by telephone, after Member verification, before discontinuing service during the cold weather period of November 1 through April 30.

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5. The Cooperative shall also provide notice of discontinuation or account delinquency to a third party if a Member or person acting for the Member has requested that the Cooperative do so after Member identification verification. The right to request third-party notification does not create third-party liability for payment.
6. If the Member defaults, the Cooperative shall provide the discontinuation notice to any guarantor and Member simultaneously. The guarantor's service will not be subject to discontinuation as a result of the Member's default.
7. The Cooperative may discontinue service between 8:00 a.m. and 3:00 p.m., Monday through Thursday, without further notice when:
 - a. The notification period has elapsed and the delinquent account has not been paid;
 - b. Acceptable payment arrangements have not been made with the Cooperative;
or
 - c. The Cooperative is not satisfied the Member has ceased violating the Cooperative's rules and regulations.
8. The Cooperative shall not discontinue service for bill nonpayment:
 - a. On a legal holiday or the day before;
 - b. During the period from December 24 through January 2, inclusive;
 - c. On any day the Cooperative cannot reconnect service;
 - d. If the Member enters into an agreement with the Cooperative for payment of the delinquent billing over a reasonable time and the Member complies with the payment arrangements;
 - e. If the Member owes the Cooperative money due to a meter or other billing error and the Member complies with payment arrangements;
 - f. At a previous address for a different class of service;
 - g. Of non-utility service or merchandise;
 - h. If a Member is paying bills on time, even though a former Member with an undisputed delinquent bill for service resides or conducts business at the same address;

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- i. If a Cooperative bill is in dispute and the Member duly pays the Cooperative bill or bill portion that is not in dispute; or
 - j. If the temperature is forecasted by the National Weather Service or other reputable source to be below 32° F in the impending 48 hours, or if conditions are otherwise especially dangerous to health, and the Member is:
 - i. Unable to pay for service in accordance with the Cooperative's billing requirements and is actively seeking government assistance or has exhausted such assistance; or
 - ii. Able to pay for service in installments only.
9. The Cooperative shall assist elderly and handicapped persons who are unable to pay their Cooperative bills with determining available government assistance.
10. The Cooperative may discontinue service to a Member without advance notice for reasons of safety, health, cooperation with civil authorities, fraudulent use, tampering with or destroying Cooperative service facilities or Member's failure to comply with Cooperative curtailment procedures during supply shortage.
11. Upon a Member's or legally authorized person's request, the Cooperative shall make reasonable efforts to terminate the Member's service as requested. Before terminating service, the Cooperative shall inform the Member of any additional charges for after-hours service discontinuation. The business hours and after-hours discontinuation charge amount is shown on the Schedule of Fees.
12. The Cooperative reserves the right to discontinue the supply of natural gas service to any Member without notice for any of the following reasons:
 - a. For repairs or emergency operations, or
 - b. For unavoidable shortage or interruptions in the Cooperative's source of supply.

The Cooperative shall not be liable for damages resulting from such interruptions or failure of service.

SECTION IX – SERVICE INTERRUPTIONS

1. The Cooperative shall make all reasonable effort to avoid interruptions of service and, when interruptions occur, shall re-establish service in a timely and safe manner. A major service interruption is defined as a loss of service to 25 gas meters or customers, whichever is greater; or an evacuation that displaces 25 people or more.
2. The Cooperative will notify the WPSC of all planned major service interruptions at least 48 hours in advance, except in emergencies.

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3. The Cooperative will make reasonable efforts to provide affected Members two business days' notice of a planned service interruption.
4. Lower Valley Energy is a Member of the Western Region Mutual Assistance Group (WRMGA), who would assist with the recovery of large scale service interruptions.
5. The Cooperative shall comply with the Service Interruption Reporting Telephone (SIRT) on all reportable incidents. The Cooperative will follow-up any reportable incident or incident reported to the SIRT with an email report within 24 hours of the initial SIRT notification.

SECTION IX – FEES FOR SPECIAL SERVICES

Refer to the Schedule of Fees for the following items

1. Connect Fees: A connect fee shall be made whenever the billing for an existing service is changed to a different Member and the cooperative is required to make a trip to the meter location to physically reconnect the service. The connect fee shall be added to the new Member's first bill for that service.
 - a. During Regular Working Hours: During regular working hours a charge shall be made for reconnecting the meter and for securing the reading and making the necessary changes in the billing record. There shall not be additional charges for multiple meters at the same location. Requests must be received by the Cooperative between 8:00 a.m. and 3:00 p.m. Monday through Friday, excluding holidays.
 - b. After Working Hours: After working hours, on Saturday, Sunday, holidays or when the serviceman cannot reasonably return to his normal office facility within regular working hours, there shall be an additional connect fee.
2. Transfer Fees: A transfer fee shall be made whenever the billing for an existing service is transferred into another Member's name by obtaining a reading only. The Cooperative shall not offer after hour transfers.
3. Returned Checks: When checks are not paid by the financial institution there shall be a handling charge added to the Member's gas bill. The Cooperative may pursue recovery of costs incurred for collection agencies, attorney fees or costs of other related activities.
4. Collection of Delinquent Bills: The Cooperative may pursue recovery of costs incurred for collection agencies, attorney fees or costs of other related activities.

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5. Smart Meter Opt-Out: When Members elect to have a Smart Meter removed from their location, the Members shall be charged for the Cooperative to manually read their meter whenever a meter reading is required. There shall not be additional charges for multiple meters at the same location.

SECTION X – RESALE OF SERVICE

The Cooperative shall exclusively supply all purchased gas on the premises of the Member, and the Member shall not, directly or indirectly, sell, sublet, assign, or otherwise dispose of, the gas service, or any part thereof.

SECTION XI – METERS

1. All meters furnished by the Cooperative are property of the Cooperative and only authorized Cooperative personnel shall install, remove, test, adjust or conduct any repair or maintenance work thereon.

The Cooperative shall install and maintain at its own expense all equipment necessary to regulate and measure the commodity delivered for billing.

Upon a Member's request, the Cooperative may install and maintain additional metering at the Member's expense.

Any non-metered gas utility service shall be governed by tariff or special contract.

2. Separate Meter for Each Service: The Cooperative shall furnish a single meter at the point of delivery. Any Member desiring service at two or more meters shall be billed separately for each meter.
3. Meter Location: The meter shall be installed next to the structure that it serves. Any exceptions must be approved by the Cooperative.

Meters and associated devices shall be installed in a reasonable location accessible for reading, testing, inspection, removal and where such activities shall minimize interference and inconvenience to the Member and the Cooperative. Under no circumstances shall any meter be removed or relocated except by authorized Lower Valley Energy personnel.

Lower Valley Energy shall furnish appropriate metering at the point of connection to the Member. The Member shall provide and maintain, without cost to Lower Valley Energy, a suitable location accessible for metering and installation of equipment required to provide service. Lower Valley Energy has the right to clear its connections and rights-of-way of any interfering tree, shrub or other obstruction or to require the Member to clear and remove the interfering obstruction at the Member's expense.

All Lower Valley Energy gas meters and service regulators shall be located in accordance with 49 CFR § 192. Lower Valley Energy shall provide for the shortest safe distance to the Member's building entrance or point of utilization equipment, subject to the Member's approval.

4. Meter Testing Program: LVE's meter test program will be verified to be compliant with the Wyoming PSC rules. Test results will be kept and available for the life of the meter.

The Cooperative shall adhere to the following guidelines:

- a. Meters shall be tested on a ten-year revolving basis. A random sampling of 10% of meters shall be pulled from service and sent to a certified testing facility. If 10% of those meters tested fall outside the +/- 2% accuracy requirement then an additional 10% of those meters set in the same year shall be pulled and tested. If 10% of those meters tested fall outside the +/- 2%, then all meters set in that given year shall be pulled and replaced.
 - b. Those meters that pass the accuracy test shall be recalibrated/refurbished and sent back to the Cooperatives stock for future installations.
 - c. Those meters not passing the accuracy standard shall either be recalibrated to meet the accuracy requirement or disposed of.
5. Tests: If a Member requests a test of the accuracy of the Cooperative's meter used on the Member's premises, the following provisions shall apply:
 - a. If the meter has not been tested within 12 months, the Cooperative shall perform the test within a reasonable time without charge to the Member. The Cooperative shall notify the Member of the time when the Cooperative shall switch out the meter so the Member or the Member's representative can be present. The meter shall be sent to a testing facility. If requested, the gas technician shall relight all appliances.
 - b. If the meter has been tested within 12 months, the Cooperative shall notify the Member of the cost to perform the test. Upon receipt of payment, the Cooperative shall notify the Member of the time when the Cooperative shall switch the meter so the Member or the Member's representative may be present. The meter to be tested shall be sent to a testing facility. If requested, the gas technician shall relight all appliances.
 - c. The Cooperative shall promptly advise the Member of the test results once they are received from the testing facility.

If a meter is found to be in non-compliance with the Cooperative's approved meter testing program, the Cooperative shall refund the payment the Member advanced for the meter test and shall repair or replace the meter. The Cooperative shall also adjust

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and refund to the Member the overpayment of preceding bills, pursuant to W.S. § 37-2-218. No refund is required from the Cooperative except to the Member last served by the meter prior to testing. If the Cooperative has under collected, the Member shall pay the adjusted costs back to when the error transpired but no greater than 183 days prior to the meter being shown in error, pursuant to W.S. § 37-2-222.

The meter accuracy test charge is shown as item #5 on the Schedule of Fees.

6. Measurement: The Cooperative shall meter the volume of gas delivered to the Member at the delivery point. If the meter is found to be inaccurate, the quantity supplied shall be determined by estimating the usage with consideration of the time of year, the schedule of the Member's operations, and other pertinent factors. Refunds shall be made in accordance with W.S. § 37-2-218. Undercharges may be collected in accordance with W.S. § 37-2-222.
7. Non-registration of Meter: When a meter fails to correctly register the amount of gas consumed during any period, the Cooperative shall make a charge for gas used based on amounts used in previous periods or during corresponding periods in previous years. The Cooperative shall not make any such charge for a period longer than 183 days and may collect undercharges in accordance with W.S. § 37-2-222.
8. Marking Multiple Meters: On buildings where multiple meters are located to provide service to individual apartments, offices or rooms, each meter shall be plainly marked by the Cooperative to identify each meter appropriately.

SECTION XII – BILLING AND METER READING

1. Definitions:

- a. British Thermal Unit (BTU) means the amount of energy required to raise the temperature of one pound of water one degree Fahrenheit at 60 degrees Fahrenheit.
- b. Standard Cubic Foot of Gas (CF) means the amount of dry gas that occupies one cubic foot of space at 60 degrees Fahrenheit at 14.73 pounds per square inch absolute (psia).
- c. Altitude Adjustment Factor (AAF) means a calculated number used to convert metered gas volumes at local sales base pressure to a standard pressure base of 14.73 (psia).
- d. BTU Adjustment Factor (BTUAF) means the heating value of the dry gas as calculated by the gas chromatograph located at the pipeline terminal/LNG storage facility in Jackson, Wyoming.

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2. Lower Valley Energy shall utilize the following formula to determine the final billing volumes for our Members:

$$(AAF) \times (BTUAF) \times (\text{Measured volume of gas in cubic feet}) = \text{final billing volume}$$

3. Each meter shall be read by the Cooperative authorized personnel or AMI (Advanced Meter Infrastructure) at a minimum of monthly intervals, as nearly as possible on the corresponding day of each month. Bills shall show the meter readings at the beginning and end of the billing period, the date of the meter readings, the units consumed the class of service and other information necessary to enable the Member to readily re-compute the amount of the bill. Each bill shall bear upon its face the date of the bill and the latest date it may be paid without penalty.
4. An estimated reading may be utilized if a reading cannot be obtained or if it is not feasible to read the meter. Estimated meter readings or budget billing shall be clearly identified on the bill. The amount of such an estimated bill shall be adjusted as necessary when the next actual reading is obtained.
5. Each service meter shall clearly indicate the units of measurement. If the Cooperative invoices Members in a different unit of measurement than the service meter indicates, the conversion factor shall be stated on the Member's bill. In cases where special types of meters are used or where the readings of a meter must be multiplied by a constant to obtain the units consumed, that information shall be placed on the Member's bill.

When service is discontinued, a bill for final usage shall be processed within 30 days following discontinuance.

6. Failure to Receive a Bill: Failure to receive a bill shall not entitle the Member to any discount or to the refund of any charge for non-payment within the time specified.
7. Level Pay Billing: Residential or small commercial accounts paid current may elect to use the level-billing plan.
 - a. The plan requires a monthly payment of the average of the most recent 12 months' usage.
 - b. At the end of 12 months, the actual usage shall be compared to the level usage. The difference, either positive or negative, shall be added to the previous 12 month's usage to estimate the next 12 month's usage. The difference between the amount billed and the actual usage shall be recovered over the next 12 months by adjusting the level amount. Member's on this plan shall be notified by their monthly bill of the new level amount.

- c. The Member may elect to terminate Level Pay Billing at any time by notifying the Cooperative and by paying in full, the entire outstanding amount of the account.
 - d. Should a Member on Level Pay Billing allow their account to become delinquent, level billing shall be canceled and all future bills issued shall be for actual usage.
 - e. A Member terminating service while participating in Level Pay Billing shall be required to pay for all gas service rendered to the date of termination.
 - f. If the Member is removed from Level Pay Billing, the Member shall not be eligible to participate in the plan again for one year without approval of Cooperative management.
8. Overcharges: In accordance with Wyo. Stat. § 37-2-218, if the Cooperative charged, collected or received any rate or rates in excess of the rates fixed in the Cooperative's tariff, the Cooperative shall immediately refund to the Member the difference between the rates fixed in the tariff and the rates charged, collected or received.
9. Undercharges: If the Cooperative undercharged a Member as the result of a meter or metering inaccuracy or other continuing problem under the Cooperative's control, the Cooperative may bill the Member, in accordance with Wyo. Stat. § 37-2-222, for the amount of unmetered gas rendered in the 183 days immediately prior to the date the Cooperative remedies the meter inaccuracy. The typical time period over which the undercharge may be collected shall be 12 consecutive months. The Member may elect to pay over a shorter period, or the Cooperative may allow repayment over a longer period.

SECTION XIII – CONNECTION AND DISCONTINUATION

1. Gas service is to be connected and discontinued only by authority of a Member who has signed a Membership application and paid the applicable fees to the Cooperative. Reconnects must be authorized by a Member, an attorney in fact, or authorized agent. Any authorized signer on a joint membership may execute documents. Any individual using service at a new location without first notifying the Cooperative to read the meter shall be held responsible for any usage supplied at that location from the last meter reading. The Member shall give notice of his/her intent to discontinue service and shall be responsible for gas consumption until the meter is read and discontinued or transferred. Landlords or managers of rental units shall sign a separate contract authorizing the Cooperative to reconnect the service between renters.
2. When service has been discontinued for violation of the Cooperative's rules and regulations, nonpayment of bills or fraudulent use of service; and the Member desires the service to be reconnected, the Cooperative may require the Member to pay in full all bills due for service rendered up to the date service was discontinued, plus the reconnection charge. The Cooperative may elect to accept a payment arrangement with the Member. Upon satisfaction of reconnection requirements, the Cooperative shall restore service as soon as practicable. If a Member requests reconnection of service on a weekend, on a holiday or outside the hours of 8 a.m. and 3 p.m. of a regular work day; the Cooperative shall inform the Member of the additional charge for after-hours reconnection before the Cooperative performs the reconnection. The Cooperative shall not charge to reconnect service when discontinuation was improper.
3. The reconnection charge amounts are shown as #3 on the Schedule of Fees.

SECTION XIV – LINE EXTENSION AND EXPANSION

1. Terms and Conditions: The Cooperative's distribution system shall be extended to supply new Member's or expanded to increase capacity for existing Member's depending on availability and capacity. Any extension or expansion shall require a written application, agreement, and possibly right-of-way easements prior to work commencing.
 - a. The Cooperative shall furnish meters and meter connections free of extra cost to the Member.
 - b. For new and conversion Members, the Cooperative shall furnish up to 100 feet of service line for normal installations.

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- c. The meter, regulators and associated piping always remain the property of the Cooperative and may be removed when the service is terminated for any cause.
 - d. Exceptional Cost is the cost of unusual construction such as any of the following:
 - i. Trenching costs in excess of dirt trench
 - ii. Boring under roads or paved areas
 - iii. Pavement or curb removal and replacement
 - iv. Restoration of property in excess of reseeding or the replacement of sod and general cleanup
 - v. Landscaping
 - vi. Tree or brush removal
 - vii. Right-of-Way easements
 - viii. Permits
 - ix. Construction not for gas service
 - x. Facilities longer, deeper, or larger than deemed appropriate by the Cooperative
 - xi. Other unusual construction
 - xii. Excessive environmental cost
2. Capacity: All new Member's, whose consumption of gas for any purpose may exceed system capacity, shall consult with the Cooperative and furnish details of estimated hourly input rates for all gas utilization equipment. Where system design capacity permits, such Members may be served on a firm basis. Architects, contractors, heating engineers and installers should consult with the Cooperative before proceeding to design, erect or redesign such installations for the use of natural gas. This shall ensure that such equipment shall conform to the Cooperative's ability to adequately serve such installations with gas. Costs and allowances for extending service to groups of Members in areas where there currently is no gas service shall be evaluated on the economics of expected gas sales versus the cost of the extension.
 3. Extension Cost: Before work commences, the Member shall pay the Cooperative the estimated cost of the installation, including main line, any excess service line footage, and/or any of the unusual construction costs.
 4. Shared Cost: When there is more than one Member the payment shall be divided as described under Share of Previous Extension below. Payment of the amount shall be included in the agreement between the Cooperative and the Member. Payment must be made to the Cooperative in full prior to commencement of construction. Regardless of any payments made by the Member, ownership of the line extension shall remain with the Cooperative.
 - a. Share of Previous Extension applies only to primary distribution line less than five years old. If part of a previous line extension is used to serve a new

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Member, the new Member must pay a prorated portion of the previous extension cost, based on the portion of the extension to be used to serve the new Member. The amount paid by the new Member shall be refunded to existing Member(s) in relation to their share of the primary distribution.

EXAMPLE: First Member pays \$5,000 for 1,000 feet of primary distribution line; second Member takes service within five years using 600 feet of the original extension; both Members share the first 600 feet equally ($\$5,000.00 / 1000 \text{ ft} = \$5.00 \text{ per ft} \times 600 \text{ ft} = \$3,000 / 2 \text{ Members} = \$1,500 \text{ per Member}$); second Member's payment of \$1,500 shall be refunded to the first Member to reduce his investment in the 600 feet to \$1,500. His investment in the remaining 400 feet remains at \$2,000.

EXCEPTION: If the refund to an existing Member is less than \$100 each, the new Member shall not be required to pay that share and the existing Member shall not receive a refund. The agreement shall continue in force from the date service is made available by the Cooperative for a period of five years.

- b. Upon the request of the Member, additional services and meters may be installed by the Cooperative to serve secondary or uninhabited buildings at the same location. However, no additional allowance shall be provided unless, in the opinion of the Cooperative, the additional service is permanent and shall result in at least 340 therms per year additional load.
 - c. If no bona fide load exists on a service within 12 months of the date service is provided, the entire cost of construction not already paid by the Member shall be due and payable.
 - d. When a base distribution system is provided for a land development project, the developer shall be required to pay the total estimated cost prior to beginning construction. There shall be no refund of this payment to the Developer when service is installed to the individual meter(s).
5. Temporary Service: Furnishing of temporary service is contingent upon the sufficient availability of capacity at the point of delivery. Monthly billing shall be in accordance with the terms of the applicable schedule. The minimum billing period is one month.
6. Engineering Fee: Members requesting design of a line extension/new service may be charged a non-refundable engineering fee for each line extension/new service request. See item # 9 in the Schedule of Fees. If the Member elects to move forward with construction of the line extension/new service, the fee shall be applied to the Member's contribution in aid of construction.

7. Advance Payment: Where it is necessary for the Cooperative to extend lines, increase capacity of any part of its system, or do other work, the Member shall pay in advance the estimated cost. Credit for any salvage value of recovered material shall be subtracted from the project cost.

SECTION XV – RELOCATION AND REPLACEMENT

If relocation of a main or service line is done solely to meet the convenience or requirements of the applicant or the Member, the Cooperative shall perform such relocation, including metering and regulating facilities at the expense of the Member. Relocation of facilities shall be mandatory and at the Member's expense when actions of the Member restrict the Cooperative's access to or safety of the facility.

SECTION XVI – RIGHT-OF-WAY

1. Authorize Access: Duly authorized representatives of the Cooperative shall have the right to enter and leave the premises of the Member at all reasonable times for the purpose of reading, testing, inspecting, repairing, replacing or removing the Cooperative's meter or other Cooperative property.
2. Cost and Charges: Service to Members is subject to all terms and conditions included in right-of-way easements or permits required to provide service. The Member shall reimburse the Cooperative for any and all charges associated with obtaining
3. Procurement by Member: When a line extension must be constructed to provide service to a Member, that Member may be required to secure for the Cooperative all necessary and convenient right-of-way easements and to pay the cost involved.
4. Delays: Applications for service for a line extension to be constructed, where a right-of-way is not owned by the Cooperative, shall be accepted subject to delays incident to obtaining a satisfactory right-of-way.
5. Applicable Law: The Member and Cooperative shall conform their actions to applicable law on right-of-way easements and shall have remedies consistent with such law or regulations.

SECTION XVII – NATURAL GAS QUALITY

1. The Cooperative shall take monthly gas quality samples from its chromatograph located at the Jackson yard. Monthly readings shall be reviewed to ensure conformity with the WPSC rule Chapter 3, Section 1, (c), (ii) and (iii)

SECTION XVIII – EXCESS FLOW VALVE PROGRAM

1. General Conditions: The following described Excess Flow Valve program has been implemented by the Cooperative to comply with certain United States Department of Transportation regulations under the Natural Gas Pipeline Safety Act, as set forth in Section 192.381 of Title 49 of the Code of Federal Regulations.
2. Definition:
 - a. An Excess Flow Valve (EFV) is a mechanical device located between the Cooperative's natural gas distribution main line and service riser and is designed to automatically stop or limit the flow of gas in the service line in the event the flow exceeds a preset level. Excess flow can occur, for example, in the event of a break or rupture in the service line due to third party damage.
 - b. A manual service line shut-off valve means a curb valve or other manually operated valve located near the main line that is safely accessible to operator personnel or other personnel authorized by the operator to manually shut off gas flow to the service line, if needed.
3. Lower Valley shall install an EFV on any new or replaced service line to the following:
 - a. A single service line to a single family residence.
 - b. A branch service line to a single family residence installed concurrently with the primary single family residence service line.
 - c. A branched service line to a single family residence installed off a previously installed single family residence service line that does not contain an EFV
 - d. A multifamily residence with known Member loads not exceeding 1,000 SCFH per service, at the time of the service installation, based on installed meter capacity.
 - e. A single, small commercial Member served by a single service line with a known Member load not exceeding 1,000 SCFH, at the time of the meter installation, based on installed meter capacity.
4. Exceptions: LVE is not required to install and EFV if any of the following apply:
 - a. Prior experience with contaminants that could interfere with the EFV's operation;
 - b. An EFV could interfere with necessary operation or maintenance activities, such as blowing liquids from line; or
 - c. An EFV meeting the performance standards in 192.381 is not available.
5. Existing Members who desire an EFV can request the installation. LVE shall provide written or electronic notice (or both) to all gas Members explaining their right

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to request the EFV. This notification shall briefly explain the safety benefits, costs of initial installation and possible future maintenance expenses, and any limitations that may apply. Any installation shall be completed at a mutually agreed upon time.

6. Alternative to an EFV. If circumstances are such that an EFV is not suitable for the conditions such as a load greater than 1,000 SCFH, a manual shutoff valve shall be installed in a location that shall ensure access to the valve for emergency operation.

SECTION XIX – MEMBER-OWNED BURIED FUEL LINES

1. Definition: A Member-owned buried fuel line is defined as: Any buried line carrying natural gas which extends underground from the Cooperative's meter set to the Member's building wall, roof top, or winterizing, in the case of a mobile home or manufactured home.
2. Member Responsibility: It is the Member's responsibility to follow these guidelines if he/she owns a buried fuel line:
 - a. If steel, buried fuel lines shall be wrapped with a protective coating that is resistant to corrosion and shall be cathodically protected. All joints shall be welded.
 - b. If the line is bare steel or copper, the Cooperative shall not provide gas service to the building or appliance until the line has been replaced. Any expense to bring the line into compliance shall be the responsibility of the Member.
 - c. If the line is polyethylene (PVC shall not be permitted), it shall be bedded in sandy material and a qualified technician shall fuse all joints.
3. Responsibility of the Cooperative: The Cooperative shall check the cathodic protection of any buried steel line known to the Cooperative on a yearly basis. The Cooperative shall perform leak surveys on all buried fuel lines (steel or polyethylene) known to the Cooperative every five years in conjunction with the regular leak survey on the Cooperative's gas mains and service lines. If leaks or cathodic problems are detected during the course of an inspection, the Cooperative shall notify the homeowner and schedule the repair. A cost estimate, including time and materials to repair the problem, shall be given to the Member before the repair is performed. The cost to correct the problem shall be the responsibility of the Member.

SCHEDULE OF FEES

Purpose: This schedule lists charges referred to in the Lower Valley Energy Rules and Regulations. Lower Valley Energy may file an application with the Commission to change its fees and charges.

Charges:

1. Security Deposits		Section IV
Maximum	Three-months Highest Billing in previous 12-month period	
Maximum for a Location without Usage History (Residential)	\$300.00	
Maximum for a Location without Usage History (All Other)	Three-months Estimated Based on Design of Service	
2. Returned Check Charge	\$25.00	Section IX
3. Transfer, Connect, Reconnect & Disconnect Charge		Section IX, XIII
Transfer Fee	\$10.00	
Connect/Reconnect Fee Business Hours 8:00a.m. – 3:00p.m.	\$55.00	
After Hours Connect/Reconnect & Disconnect Fee After Hours 3:00p.m – 8:00a.m. M-F, weekends and holidays	\$190.00	
4. Smart-Meter Opt Out Fee per Manual Reading	\$55.00	Section IX
5. Meter Test Requested by Member		Section XI
One in 12 Months	No Charge	
Each Additional Test within 12 Months	\$115.00	
6. Late Payment Charge	1.5% of Undisputed Delinquent Balance	
7. Credit Check		Section II
Residential	\$5.00	
Commercial	\$16.00	
8. Deposit Interest Rate	As established by the WPSC http://psc.state.wy.us/	Section II,IV
9. Engineering Fee	\$200.00	Section XIV
10. Member owned fuel line repairs	Time and Materials	Section XIX

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LOWER VALLEY ENERGY NATURAL GAS RATE SUMMARY

Rate Schedule	Facility Charge	Non Commodity	Commodity Based Adj.	Commodity	Total Rate
Schedule NG-1					
Residential/Small Commercial	\$6.25	\$0.6929 Per therm	\$(0.0922)	\$0.5040 Per therm	\$1.1047 Per therm
Schedule NG-2					
Commercial Members using more than 20,000 therms per year	\$9.00	\$0.5551 Per therm	\$(0.0922)	\$0.5040 Per therm	\$0.9669 Per Therm
Schedule NG-3					
Commercial Members using more than 40,000 therms per year	\$9.00	\$0.5051 Per therm	\$(0.0922)	\$0.5040 Per Therm	\$0.9169 Per Therm

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SCHEDULE NG-1
NATURAL GAS SERVICE

APPLICABLE: To small commercial and residential loads within Lower Valley Energy's service area, subject to the established Rules and Regulations of Lower Valley Energy.

AVAILABLE: To all Members in areas where natural gas is available.

MONTHLY RATE:

Facility Charge: \$6.25 per month

ENERGY RATE:

See "Natural Gas Rate Summary"

Prices are at standard pressure and temperature.

COMMODITY CHARGE ADJUSTMENT: The commodity charge in this rate schedule is subject to adjustment under the provisions in the Commodity Balancing Account.

MINIMUM CHARGE: The monthly minimum charge shall be \$6.25 per meter per month.

TERMS OF PAYMENT: All bills rendered are net and require payment by the due date printed on the bill. Interest at the rate of 1.5% per month shall be added to any undisputed balance not paid by the due date printed on the bill.

TERMS AND CONDITIONS: Service is subject to Lower Valley's Rules and Regulations governing gas service as filed with the Wyoming Public Service Commission.

PREPAYMENT AND ANNUAL BILLING: Members wishing only one bill each year may do so on the following provisions:

Facility Charge: \$75.00 per year

ENERGY RATE:

See "Natural Gas Rate Summary"

Annual minimum bill shall be \$75.00. The minimum bill, the estimated total bill or the contract minimum, whichever is greater, shall be paid in advance. A discount of 2.5% on the energy charge shall be allowed for prepay. However, in no case, even with the discount, shall the annual minimum bill be less than \$75.00 or the contract minimum should one be applicable. Variations between estimated and actual total bills shall be reconciled at the end of twelve months when the next annual estimated bill is due.

SCHEDULE NG-2
NATURAL GAS SERVICE

APPLICABLE: To large commercial loads within Lower Valley Energy's service area, subject to the established Rules and Regulations of Lower Valley Energy.

AVAILABLE: To all commercial Members using more than 20,000 therms per year in areas where natural gas is available.

MONTHLY RATE:

Facility Charge: \$9.00 per month

ENERGY RATE:

See "Natural Gas Rate Summary"

Prices are at standard pressure and temperature.

COMMODITY CHARGE ADJUSTMENT: The commodity charge in this rate schedule is subject to adjustment under the provisions in the Commodity Balancing Account.

MINIMUM CHARGE: The monthly minimum charge shall be \$9.00 per meter per month.

TERMS OF PAYMENT: All bills rendered are net and require payment by the due date printed on the bill. Interest at the rate of 1.5% per month shall be added to any undisputed balance not paid by the due date printed on the bill.

TERMS AND CONDITIONS: Service is subject to Lower Valley's Rules and Regulations governing gas service as filed with the Wyoming Public Service Commission.

PREPAYMENT AND ANNUAL BILLING: Members wishing only one bill each year may do so on the following provisions:

Facility Charge: \$108.00 per year

ENERGY RATE:

See "Natural Gas Rate Summary"

Annual minimum bill shall be \$108.00. The minimum bill, the estimated total bill or the contract minimum, whichever is greater, shall be paid in advance. A discount of 2.5% on the energy charge shall be allowed for prepay. However, in no case, even with the discount, shall the annual minimum bill be less than \$108.00 or the contract minimum should one be applicable. Variations between estimated and actual total bills shall be reconciled at the end of twelve months when the next annual estimated bill is due.

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SCHEDULE NG-3
LARGE SUMMER INTERRUPTIBLE NATURAL GAS SERVICE

APPLICABLE: To large commercial summer loads within Lower Valley Energy's service area, subject to the established Rules and Regulations of Lower Valley Energy.

AVAILABLE: To commercial Members using more than 40,000 therms per year with summer usage (May 1 through October 31) that is ten (10) times winter usage (November 1 through April 30) in areas where natural gas is available.

MONTHLY RATE:

Facility Charge: \$9.00 per month

ENERGY RATE:

See "Natural Gas Rate Summary"

Prices are at standard pressure and temperature.

COMMODITY CHARGE ADJUSTMENT: The commodity charge in this rate schedule is subject to adjustment under the provisions in the Commodity Balancing Account.

MINIMUM CHARGE: The monthly minimum charge shall be \$9.00 per meter per month.

TERMS OF PAYMENT: All bills rendered are net and require payment by the due date printed on the bill. Interest at the rate of 1.5% per month shall be added to any undisputed balance not paid by the due date printed on the bill.

TERMS AND CONDITIONS: Service is interruptible with one (1) hour notice. Service at this rate is only available for loads that have summer usage (May 1 through October 31) that is ten (10) times the winter usage (November 1 through April 30).

Service is subject to Lower Valley's Rules and Regulations governing gas service as filed with the Wyoming Public Service Commission.

PREPAYMENT AND ANNUAL BILLING: Prepayment and annual billing is not allowed for this rate class.

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NATURAL GAS COMMODITY BALANCING ACCOUNT:

Projected Gas Cost Adjustment

1. Lower Valley shall monitor and adjust costs based on wholesale natural gas purchases and increase or decrease rates based on balancing account. A thirty day notification will be given to members for pass-on increases in the cost of wholesale natural gas purchases. Such pass on shall be applied equally to each therm of natural gas sold and shall be limited to changes in the cost of natural gas purchased and the amount charged by others for transporting purchased gas. Administrative or other cost of service or overhead costs of Lower Valley shall not be included in the calculation of the commodity pass on. The pass on of increased commodity costs shall be limited such that the pass on shall not increase or decrease Lower Valley's rate of return for its natural gas business.
2. The projected cost of natural gas purchases shall include the cost of natural gas purchased and the amount charged by others for transporting natural gas purchased. For projecting natural gas costs to be used in a pass-on application, Lower Valley shall use the quoted Henry Hub NYMEX futures prices adjusted for the basis differential between Henry Hub and Rocky Mountain Northwest Pipeline for a six-to-twelve month period. The projected cost of natural gas shall be calculated in therms for purposes of calculating a pass on Gas Cost Adjustment. Refunds, including interest, received from suppliers and/or transporters of natural gas shall be deducted from the projected natural gas cost in the month such refunds are received.
3. The Projected Gas Cost Adjustment Rate shall be computed by dividing the projected Total Gas Cost for the period in which the rate shall apply by the Projected Gas Volumes for said period.

$$\text{Projected Gas Cost Adjustment Rate} = \frac{\text{Projected Total Gas Cost}}{\text{Projected Gas Volumes in therms}}$$

Deferred Gas Cost

1. Lower Valley shall establish and maintain a commodity balancing account (CBA) to determine the cumulative under-and-over collections resulting from the pass on of changes in the wholesale cost of natural gas purchased.
2. The Deferred Gas Cost shall be calculated monthly by subtracting the Recovered Gas Cost from the Actual Gas Cost. An over-collection occurs if the monthly recovery of natural gas cost in Member rates exceeds the actual purchase cost of natural gas. An under-collection occurs if the actual purchase cost of natural gas exceeds the recovery of natural gas costs in Member rates.
3. The monthly Recovered Gas Cost shall be determined by multiplying the total actual sales volumes for the month by the Commodity Charge in rates.
4. On a monthly basis, under-collections shall be netted against over collections. If there is a net over-collection interest shall be calculated by multiplying the month-end CBA

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balance by the WPSC interest rate described in the Schedule of Fees. Interest shall not be calculated if the CBA reflects an under-collected balance. Any accumulated interest in the CBA shall be amortized and included in pass-on applications as part of the cumulative under-or-over collection.

5. The recovery of Deferred Gas Cost shall be made through a rate that amortizes the Deferred Gas Cost over a period of six-to-twelve months. The Deferred Gas Cost Rate shall be computed by dividing the net balance in the commodity balancing account by the estimated sales volumes for the six-to-twelve consecutive months following the date of the balance to be amortized.

$$\text{Deferred Gas Cost Rate} = \frac{\text{Net Commodity Balancing Account Balance}}{\text{Estimated Sales Volume in Therms}}$$