

RIDER USP – UNIVERSAL SERVICE PLAN

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

This Rider shall be applicable to all residential customers except customers in the Company's Customer Assistance Program ("CAP").

CHARACTER OF RATE

This Rider has been established to recover costs related to the Company's Universal Service and Conservation Programs.

RATE

In addition to the charges provided in this tariff, an amount shall be added to the otherwise applicable charge for each thm of sales quantities or distribution quantities distributed by the Company to customers receiving service under Rate Schedules RSS, RDS, RDGSS, RDGDS or successor rate schedules. (C)

The rate information is detailed in the Rate Summary pages of this tariff.

No charge shall be applicable to Customers enrolled in the Company's CAP.

CALCULATION OF RATE

The Rider USP rate shall be calculated to recover costs for the following programs: Low Income Usage Reduction Program (LIURP); Customer Assistance Program (CAP); and Income Qualified Energy Efficiency Program (IQEEP).

LIURP costs will be calculated based on the projected number of Level 1 income homes to be weatherized. IQEEP program costs will be calculated on the projected number of Level 2 income homes provided with an energy audit, programmable thermostat and/or rebates.

CAP costs will be calculated to include the projected CAP Shortfall (the difference between the total calculated RSS bill excluding Rider CC and Rider USP and the CAP bill) based upon the current discounts at normalized annual quantities of the then-current CAP participants, the projected CAP Shortfall for projected customer additions to CAP during the period that the CAP Rider rate will be in effect at the average discount of current CAP participants at normalized annual quantities, the projected CAP customer application costs, the projected CAP pre-program arrearages to be forgiven and written off during the next 12 months, any changes, including programming changes, resulting from the CAP Plus design, and any administrative costs associated with the CAP Pilot described in the settlement agreement in Docket No. R-2010-2215623. (C)

If the Company is successful in obtaining a CAP gas supply aggregator as provided in Rate CAP-Customer Assistance Program, then the shortfall will be adjusted to reflect the RDS rate plus the gas costs resulting from the aggregation service. (C)

The costs shall be divided by the total annual projected throughput quantities of all residential non-CAP customers as established in the Company's most recent Purchased Gas Cost proceeding to determine the rate per thm for this Rider. (C)

(C) Indicates Change

RIDER USP – UNIVERSAL SERVICE PLAN – Continued

QUARTERLY ADJUSTMENT

Each quarter, and at any time that the Company makes a change in base rates or Purchased Gas Cost rates affecting residential customers, the Company shall recalculate the Rider USP rate pursuant to the calculation described above to reflect the Company's current data for the components used in the USP rate calculation. The Company shall file the updated rate with the Commission to be effective one (1) day after filing.

ANNUAL RECONCILIATION

On or before April 1 each year, the Company shall file with the Commission data showing the reconciliation of actual revenues received under this Rider and actual recoverable costs incurred for the preceding twelve months ended December. The resulting over/undercollection (plus interest calculated at 6% annually) will be reflected in the CAP quarterly rate adjustment to be effective April 1. Actual recoverable costs shall reflect actual application costs, actual LIURP costs, and actual Income Qualified Energy Efficiency Program costs. . Actual recoverable costs shall also reflect actual shortfall costs and actual pre-program arrearages, provided that CAP participation on an average annual basis for the preceding year did not exceed 25,300 participants. In the event that CAP participation in the preceding year exceeded 25,300 on an average annual basis, actual recoverable costs shall reflect actual shortfall cost and actual pre-program arrearages for all customers up to the 25,300 participation level. For any and all CAP customers exceeding the 25,300 participation level on an average annual basis, Columbia shall offset the actual shortfall and actual pre-program arrearages by 7.5%. Except for the offset that is applied when CAP participation exceeds 25,300 on an average annual basis, actual CAP shortfall costs shall be based upon actual numbers of CAP customers, actual CAP throughput quantities, actual CAP payments received.

(C)

(C) Indicates Change