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**RIDER E**

**ENERGY EFFICIENCY ADJUSTMENT**

The Delivery Charges specified in Gas Rate Nos. D1, D2, D3, and D4 shall be adjusted from time to time in accordance with the Final Orders of the Indiana Utility Regulatory Commission in Cause No. 42767 dated October 19, 2006 and August 29, 2007 (the "Order") to reflect an Energy Efficiency Funding Component and a Sales Reconciliation Component.

**ENERGY EFFICIENCY FUNDING COMPONENT ("EEFC"):**

The EEFC shall recover the costs of funding energy efficiency efforts throughout the Utility's service area. These efforts may include, among others, energy efficiency programs, customer education programs, and weatherization programs designed to benefit End-Use Customers under the applicable Rate Schedules.

The estimated annual costs, plus related revenue taxes, shall be divided by projected sales volumes to determine the applicable EEFC. The actual costs recoverable and the actual costs recovered under the EEFC shall be reconciled, with any under or over recovery being recovered or returned via the EEFC over a subsequent twelve month period.

**SALES RECONCILIATION COMPONENT ("SRC"):**

The SRC shall recover the differences between Actual Margins and Adjusted Order Granted Margins for the applicable Rate Schedules.

Actual Margins are defined as monthly margins for each Rate Schedule, prior to the SRC Adjustment.

Adjusted Order Granted Margins are defined as the Order granted monthly margins for each Rate Schedule, as approved in Utility's most recent general rate case, as adjusted to reflect the change in number of End-Use Customers from the Order granted End-Use Customer levels. To reflect the change in number of End-Use Customers, Order granted margin per End-Use Customer is multiplied by the change in the number of End-Use Customers since the like month during the test year, with the product being added to the Order granted margins for such month.

The Utility shall defer the calculated differences between Actual Margins and Adjusted Order Granted Margins for subsequent return or recovery via the SRC. Annually, the Utility shall reflect in a revised SRC the accumulated monthly margin differences.

The accumulated monthly margin differences for each Rate Schedule shall be divided by projected throughput volumes for each Rate Schedule to determine the applicable SRC. Projected and actual recoveries by Rate Schedule under the SRC are reconciled, with any under or over recovery being recovered or returned over a subsequent twelve month period.

**ENERGY EFFICIENCY ADJUSTMENT RATE: \$ Per Therm**

The applicable Energy Efficiency Adjustment Rate (the sum of the EEFC and SRC) shall be applied to each therm of metered gas usage each month.

<u>Rate Schedule</u>	<u>A Energy Efficiency Funding Component</u>	<u>B Sales Reconciliation Component</u>	<u>A + B Energy Efficiency Adjustment Rate</u>
Gas Rate D1	\$0.0055	\$0.0020	\$0.0075
Gas Rate D2	\$0.0055	(\$0.0002)	\$0.0053
Gas Rate D3	\$0.0055	(\$0.0006)	\$0.0049
Gas Rate D4	\$0.0055	\$0.0000	\$0.0055