

Summit Natural Gas of Missouri, Inc.
Name of Issuing Company

For: All Towns and Communities
Within SNG-MO Certificated Service Areas+
Community, Town or City

RULES AND REGULATIONS (CONT'D)

SUMMIT NATURAL GAS OF MISSOURI EQUIPMENT REBATE PROGRAM

PURPOSE AND AVAILABILITY:

The Summit Natural Gas of Missouri (“SNGMO” or “Company”) Equipment Rebate Program (“ERP”) was designed to promote the installation of high efficiency natural gas equipment in both General Service (GS) in Gallatin, Warsaw and Lake of the Ozarks and GS-Residential in Rogersville and Branson and Commercial Service (CS) rate customers within all of SNGMO’s service territories. SNGMO will offer cash rebates for the installation of qualifying high efficiency natural gas furnaces, boilers, and water heaters. Additionally, SNGMO will offer its (GS) customers a cash rebate for installation of qualifying smart thermostats and offer free opt-in water conservation kits. These kits will include low flow shower heads, faucet aerators, and a water temperature card to help participating customers reduce both water and natural gas consumption.

PROGRAM ELIGIBILITY:

For high efficiency natural gas furnace, water heater, and boiler rebates, eligible installations include both new construction and equipment replacements in residential and commercial buildings. Smart thermostat rebates and opt-in water kits will be available to residential customers only. Any active SNGMO customer, owner or tenant, may participate in the program; however, the installed measure must save energy (natural gas) delivered by SNGMO. Customers in rental units must have approval from the building owner to participate. Additional terms and conditions may be included on the Company’s website, marketing materials, and rebate application forms.

QUALIFYING MEASURES & INCENTIVES:

The measures proposed for this program include common market-ready technologies included in other successful utility energy efficiency programs. SNGMO will provide a financial incentive in the form of a rebate check to customers who purchase qualifying equipment identified in the table below. Opt-in water kits will be mailed to customers who request them at no charge.

SNGMO will rely heavily on trade allies to assist in promoting the ERP to its customers. The Company recognizes that HVAC and plumbing contractors play a significant role in helping customers select their heating and water heating equipment. To acknowledge this important role and further promote the use of high efficiency natural gas equipment, SNGMO will utilize a portion of the program’s Advertising & Promotion budget to offer an incentive to licensed installers of qualifying equipment. The trade ally incentives and eligible equipment are also identified in the table below.

SNGMO will periodically review the program and may revise the qualifying measures, eligibility, or incentive levels to respond to changes in program participation levels, market conditions, and equipment standards.

Issue Date: April 6, 2018
Month/Day/Year

Effective Date: May 6, 2018
Month/Day/Year

Issued By: Kurt Adams
President and CEO
Name and Title of Issuing Officer

7810 Shaffer Pkwy #120
Littleton, CO 80127
Company Mailing Address

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Measure	Efficiency Level or Qualifying Equipment	Customer Rebate	Trade Ally Incentive
Furnace	95% AFUE or Higher	\$500	\$50
Furnace	90.0-94.9% AFUE	\$300	\$50
Boiler	90% AFUE or Higher	\$500	\$50
Tankless Water Heater	0.90 EF or Higher	\$500	\$50
Storage Tank Water Heater	0.67 EF or Higher	\$200	-
Smart Thermostat	Nest or <u>Ecobee</u>	\$100	-
Water Kit	Low Flow Showerheads & Aerators	Free	-

PROGRAM IMPLEMENTATION:

SNGMO staff will provide the overall strategic direction and administration of the program. SNGMO will process equipment rebate applications in house but may procure an outside vendor to fulfill water kit requests.

Rebate forms will be available for download on the Company website. Program participants will mail in a completed rebate application along with copies of all required supporting documentation. SNGMO will process the rebate request and mail the customer a check within four to six weeks.

Requests for opt-in water kits will be accepted through an online submission form on the Company's website. Water kit orders will be processed periodically in batches based on demand.

PROGRAM TERM & ANNUAL REPORTING:

The initial term of the ERP will cover three program years (2018-2020). The first program cycle will begin upon Commission approval and will conclude on December 31, 2020. SNGMO may continue the program by filing a new budget and receiving Commission approval on a triennial basis.

On February 28 of each year the Company will submit its annual DSM report. This annual report shall include: (1) a narrative description of the status of each program (equipment rebate and Low-Income Weatherization), (2) information (by program) on actual program expenditures and estimated impacts, and (3) a comparison (by program) of budgeted expenditures and energy savings to actual program performance.

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PROGRAM BUDGET & COST RECOVERY:

The program budget for the 2018 program year will be \$75,000, which represents approximately 0.25% of SNGMO's three-year average gross revenues between 2015-2017. The program budget for 2019 and 2020 will ramp up to \$112,500 (0.37% of gross revenues) and \$150,000 (0.50% of gross revenues), respectively. The budget for each program year thereafter will be based on 0.50% of SNGMO's three-year average gross revenues.

SNGMO shall be authorized to accumulate the costs associated with the ERP as they are incurred in a regulatory asset account for potential recovery in a future rate case. The regulatory asset account shall accrue interest at the Company's short-term debt rate through the Company's next rate case.

ENERGY EFFICIENCY ADVISORY GROUP:

An Energy Efficiency Advisory Group ("Advisory Group") was established as a result of Commission order in Case No. GR-2014-0086. The Advisory Group will continue to provide input to the Company on the

design, implementation and evaluation of its energy efficiency programs. The Advisory Group shall convene meetings or conference calls at least two times per year, at which the Company shall provide updates on: (1) the status of program design and implementation including the amount of expenditures for the program and the level of customer participation, (2) the status of program evaluations including consultants chosen, evaluation budgets, evaluation expenditures, and copies of any interim and final evaluations, and (3) the status of new program selection and design efforts.

COST RECOVERY:

The Company shall accumulate any energy efficiency costs for which there is general consensus among the Advisory Group members in a regulatory asset account as the costs incurred, for potential recovery in a future rate case. The regulatory asset account shall accrue interest at the Company's short-term debt rate through the Company's next rate case. Program costs in the regulatory asset account that have been prudently incurred will be included in rate base in the Company's next generat rate case and amortized over six (6) years.

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