

CALCULATION OF THE WINTER COST OF GAS RATE

Period Covered: Winter Period November 1, 2016 through April 30, 2017

Projected Gas Sales - therms 1,014,258

Total Anticipated Cost of Propane Sendout \$1,130,275

Add: Prior Period Deficiency Uncollected \$394,761
Interest \$11,757

Deduct: Prior Period Excess Collected \$0
Interest \$0

Prior Period Adjustments and Interest \$406,518

Total Anticipated Cost \$1,536,793

Cost of Gas Rate

Non-Fixed Price Option Cost of Gas Rate - Beginning Period (per therm) \$1.5152

Fixed Price Option Premium \$0.0200

Fixed Price Option Cost of Gas Rate (per therm) \$1.5352

Pursuant to tariff section 17(d), the Company may adjust the approved
cost of gas rate upward on a monthly basis to the following rate:

Maximum Cost of Gas Rate - Non-Fixed Price Option (per therm) \$1.8940

Issued: October __, 2016
Effective: November 1, 2016

Issued By: _____
David R. Swain
President

Calculation of the Cost of Gas Rate

Period Covered: ~~Winter Period November 1, 2015 through April 30, 2016~~
Winter Period November 1, 2016 through April 30, 2017

Projected Gas Sales - therms		—1,107,962	1,014,258
Total Anticipated Cost of Propane Sendout		\$1,066,837	\$1,130,275
Add: Prior Period Deficiency Uncollected Interest	\$0	\$394,761	
	\$0	\$11,757	
Deduct: Prior Period Excess Collected Interest	(\$92,082)	\$0	
	(\$1,088)	\$0	
Prior Period Adjustments and Interest		(\$93,170)	\$406,518
Total Anticipated Cost		\$973,667	\$1,536,793

Cost of Gas Rate

Non-Fixed Price Option Cost of Gas Rate - Beginning Period (per therm)	\$0.8788	<u>\$1.5152</u>
Fixed Price Option Premium	\$0.0200	
Fixed Price Option Cost of Gas Rate (per therm)	\$0.8988	<u>\$1.5352</u>
Non-Fixed Price Option Cost of Gas Rate - Beginning Period (per therm)	\$0.8788	
Mid-Period Adjustment - January 1, 2016	(\$0.0592)	
Mid-Period Adjustment - February 1, 2016	(\$0.1286)	
Mid-Period Adjustment - March 1, 2016	(\$0.2998)	
Mid-Period Adjustment - April 1, 2016	\$0.1140	
Revised Non-Fixed Price Option Cost of Gas Rate - Effective April 1, 2016 (per therm)	<u>\$0.5052</u>	

Pursuant to tariff section 17(d), the Company may adjust the approved cost of gas rate upward on a monthly basis to the following rate:

Maximum Cost of Gas Rate - Non-Fixed Price Option (per therm)	<u><u>\$1.0985</u></u>	<u><u>\$1.8940</u></u>
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David R. Swain
Daniel G. Saad