

LEAK SURVEY EXPENSE TRACKER - RIDER I

This Leak Survey Expense Tracker is authorized to allow Company to recover leak survey management operations and maintenance expenses incurred under Company's transmission integrity management program ("TIMP") and distribution integrity management program ("DIMP") during a three-year pilot period commencing July 1, 2025.

I. Definitions

- (a) "Applicable Rate Schedules" means Rate Schedule Nos. 101, 102, 115, 125, 126, 127, 135, 140, 145, 150, 160, 165, 175, and 180
- (b) "Leak Survey Expense Deferred Account" means a deferred account established under this Rider I to track the Company's recovery of the Leak Survey Expense Revenue Requirement.
- (c) "Leak Survey Expense Revenue Requirement" means the total revenue requirement computed as the actual balance of the Leak Survey Expense Deferred Account at December 31st (for applicability to the computation of Leak Survey Expense Tracker Rates effective the following March 1st) or at June 30th (for applicability to the computation of Leak Survey Expense Tracker Rates effective the following September 1st), and grossed up by the prevailing rate for the Commission's regulatory fee).
- (d) "Leak Survey Expense Tracker Rate" means the per-Therm amount calculated as an increment or decrement and applied to the Applicable Rate Schedules to recover the Leak Survey Expense Revenue Requirement on a biannual basis subject to audit and adjustment as described in this Rider I.
- (e) "Leak Survey Expenses" means the actual TIMP and DIMP operations and maintenance leak management program expenses incurred on or after July 1, 2025, through June 30, 2028, subject to an aggregate cap in the amount of \$6,400,000.
- (f) "Relevant Rate Order" means the final order of the Commission in Company's most recent rate case fixing Company's rates or the most recent final order of the Commission specifically prescribing the factors and procedures to be used in the application of this Rider I.

II. Biannual Leak Survey Expense Tracker Filings and Computation of Leak Survey Expense Tracker Rates

- (a) Company shall file for Commission approval by February 15th and August 15th of each year information showing: (i) the computation of the Leak Survey Expense Revenue Requirement; (ii) an updated forecast of Company's deferral-eligible Leak Survey Expenses for the remainder of the three-year pilot period; and (iii) a computation of the Leak Survey Expense Tracker Rates for each Rate Schedule that it proposes to charge customers during the six-month period beginning the following March 1st and September 1st, respectively.
- (b) To compute the Leak Survey Expense Tracker Rates, the Leak Survey Expense Revenue Requirement shall first be apportioned to each customer class based on margin apportionment percentages established in the Relevant Rate Order. The customer class apportionment percentages are presently as follows:

Residential Rate Schedules 101, 102, 115	72.44%
Commercial Rate Schedules 125, 126, 127, 140	17.95%
Large General - Firm Rate Schedules 145, 175	7.66%
Large General - Interruptible Rate Schedules 135, 150, 160, 165, 180	1.95%

- (c) The amount of the Leak Survey Expense Revenue Requirement apportioned to each Rate Schedule will then be divided by the annual Therms, or portion thereof as approved by the Commission, as set forth in the Relevant Rate Order for each Rate Schedule to determine the Leak Survey Expense Tracker Rate to the nearest one-thousandth cent per Therm. The Therms of throughput used in the computation of the Leak Survey Expense Tracker Rate for each Rate Schedule are currently as follows:

	<u>Annual Therms</u>
Residential Rate Schedules 101, 102, 115	347,574,414
Commercial Rate Schedules 125, 126, 127, 140	164,275,744
Large General - Firm Rate Schedules 145, 175	259,013,828
Large General - Interruptible Rate Schedules 135, 150, 160, 165, 180	115,206,712

(d) Each month Company shall credit the Leak Survey Expense Deferred Account for the amount collected from Customers pursuant to the Leak Survey Expense Tracker Rates. The amount collected from Customers shall be computed by multiplying the Leak Survey Expense Tracker Rate for each Rate Schedule by the corresponding actual Therms of usage billed to Customers for the month.

III. Interest

Interest shall not be applied to the Leak Survey Expense Deferred Account, unless otherwise authorized in the Relevant Rate Order.

IV. Monthly Filing with Commission

Company shall file monthly a report containing: (a) a schedule of the activity recorded for the month in the Leak Survey Expense Deferred Account; (b) a schedule of the Leak Survey Expenses recorded to the Leak Survey Expense Deferred Account for the month; and (c) a schedule of the monthly revenue collections by Rate Schedule pursuant to the application of the Leak Survey Expense Tracker Rates. Such reports will be filed within 45 days after the end of the month for which the report is being filed.

V. Review and Audit of Leak Survey Expense Tracker

The Public Staff and any other intervenors of record shall have until May 15th to review the operation of this Rider I for the most recent annual review period ended December 31st and to prepare and file with the Commission a report of such review (inclusive of supporting direct testimony if disallowance or adjustments are proposed in such report). Company shall have until June 1st to respond to such report or testimony filed with the Commission and, to the extent necessary to resolve disputes regarding the Company's biannual and monthly filings for the review period, such disputes shall be promptly scheduled for hearing by the Commission with the goal of resolving such disputes by Commission order issued by August 15th with corresponding rate adjustments made on a prospective basis on September 1st.

VI. Term

The terms and conditions of this Rider I shall be effective during the three-year pilot period commencing July 1, 2025, and as extended or modified by the Commission at the end of such period.