

Direct Testimony and Schedules  
Michelle M. Terwilliger

Before the Minnesota Public Utilities Commission  
State of Minnesota

In the Matter of the Application of Northern States Power Company  
for Authority to Increase Rates for Natural Gas Service in Minnesota

Docket No. G002/GR-25-356  
Exhibit\_\_(MMT-1)

**Rate Design and Decoupling**

October 31, 2025

## TABLE OF CONTENTS

|       |  |    |
|-------|--|----|
| I.    | Introduction and Qualifications                    | 1  |
| II.   | Rate Design Goals                                  | 2  |
| III.  | Test Year Revenues                                 | 3  |
| IV.   | Description of NSPM Regulated Natural Gas Services | 4  |
| V.    | Revenue Requirements Apportionment                 | 5  |
| VI.   | Rate Design Overview                               | 12 |
| VII.  | Rate Design Proposals                              | 14 |
|       | A. Residential Service                             | 14 |
|       | B. Commercial Firm Service                         | 23 |
|       | C. Demand Billed Service                           | 23 |
|       | D. Interruptible Sales Service                     | 23 |
|       | E. Firm and Interruptible Transportation Service   | 27 |
| VIII. | Decoupling Overview                                | 28 |
| IX.   | Other Tariff Changes                               | 36 |
| X.    | Compliance Requirements                            | 37 |
| XI.   | Conclusion   | 38 |

## **Schedules**

|  |             |
|--|-------------|
| Statement of Qualifications                                  | Schedule 1  |
| CIP/GUIC Test Year Revenue Adjustment                        | Schedule 2  |
| Comparison of Current Revenues and Costs by Class            | Schedule 3  |
| Revenue Apportionment  | Schedule 4  |
| Customers, Sales, and Present and Proposed Revenues          | Schedule 5  |
| Present and Proposed Rates                                   | Schedule 6  |
| Effect of Proposed Rates                                     | Schedule 7  |
| Comparison of Monthly Bills Under Present and Proposed Rates | Schedule 8  |
| Summary List of Tariff Changes                               | Schedule 9  |
| End User Allocation Service: Cost Study                      | Schedule 10 |
| Frequency Distribution                                       | Schedule 11 |
| Revenue Decoupling Mechanism Model                           | Schedule 12 |

1                                   **I. INTRODUCTION AND QUALIFICATIONS**

2

3    Q.   PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

4    A.   My name is Michelle M. Terwilliger. My business address is 414 Nicollet Mall,  
5        Minneapolis, Minnesota 55401.

6

7    Q.   BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR POSITION?

8    A.   I am employed by Northern States Power Company – Minnesota (NSPM or the  
9        Company). My title is Pricing Consultant.

10

11   Q.   FOR WHOM ARE YOU TESTIFYING?

12   A.   I am testifying on behalf of the Company.

13

14   Q.   PLEASE SUMMARIZE YOUR QUALIFICATIONS AND EXPERIENCE.

15   A.   I have worked for the Company as a Pricing Consultant and formerly as a  
16        Principal Rate Analyst in Regulatory Affairs for more than twelve years. I  
17        provide rate design, rate-revenue determinations, cost allocations, and other  
18        pricing functions for the utility operating subsidiaries of Xcel Energy Inc.  
19        Previously, I worked for Midwest Energy, Inc. as Manager of Customer  
20        Accounting and North Central Public Service Co., a gas utility, as a Rate Analyst  
21        and rate witness before the Iowa Public Utilities Commission. I received my  
22        bachelor's degree in accounting from the University of Minnesota. A statement  
23        of my qualifications and experience is provided as Exhibit\_\_(MMT-1), Schedule  
24        1.

25

26   Q.   WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

1 A. My Direct Testimony presents the Company's proposed rate design for  
2 recovering the revenue requirement provided by Company witness Benjamin C.  
3 Halama in his Direct Testimony for the test year ending December 31, 2026 for  
4 NSPM's State of Minnesota natural gas jurisdiction. The Class Cost of Service  
5 Study (CCOSS) provided by Company witness Christopher J. Barthol was the  
6 starting point for the apportionment of the retail test year revenue requirement  
7 among the rate classes. I also sponsor the Company's rate schedules and tariffs.  
8 A summary of the tariff changes proposed in this case is included as  
9 Exhibit\_\_(MMT-1), Schedule 9. I also describe certain proposed tariff changes,  
10 and the Company's proposed continuation of the Revenue Decoupling  
11 Mechanism (RDM). Finally, I provide information on rate design related  
12 compliance requirements.

## 13 14 **II. RATE DESIGN GOALS**

15  
16 Q. WHAT ARE THE COMPANY'S PRIMARY PRICING OBJECTIVES IN THE DESIGN OF  
17 NATURAL GAS RATES?

18 A. The primary natural gas rate design objectives are:

- 19 1) To collect total revenues sufficient to recover the Company's test year  
20 cost of service, including a reasonable return on investment;
- 21 2) To achieve fair and equitable rate levels that reflect the cost of providing  
22 service to each customer class, as supported by the CCOSS;
- 23 3) To encourage efficient and economic energy use;
- 24 4) To moderate billing impacts, be understandable and provide customer  
25 choices; and

1           5) To provide value-based pricing and service conditions, where needed, to  
2           allow the Company's natural gas services to be competitive with other  
3           energy sources.

4  
5   Q.   HOW DOES THE COMPANY APPLY THESE OBJECTIVES WHEN DESIGNING RATES?

6   A.   The first objective is a requirement to precisely match proposed rates to the  
7       proposed total revenue requirement. To equitably achieve this objective, and to  
8       also provide price incentives for the economically efficient use of energy  
9       resources, the rate design process starts by examining and using natural gas  
10      service costs by customer class and rate component. From this objective cost  
11      basis, we consider and balance the remaining objectives according to  
12      circumstances to develop a proposed rate design that is reasonable and fair for  
13      all customers.

14  
15                                   **III. TEST YEAR REVENUES**

16  
17   Q.   WHAT ARE THE TEST YEAR REVENUES AT PRESENT AND PROPOSED RATES?

18   A.   The 2026 test year revenues, applying present and proposed rates for the  
19       Company's gas utility-Minnesota jurisdiction, are \$774.8 million and \$838.2  
20       million, respectively. The \$63.4 million difference between the two revenue  
21       levels is the revenue deficiency supported by Company witness Halama's  
22       testimony. Present rates refer to the rates authorized in the Company's last  
23       natural gas rate case, Docket No. G002/GR-23-413 for test year 2024, which  
24       became effective on June 1, 2025. The proposed rates are designed to produce  
25       an increase in retail revenues of \$63.4 million. Forecasted sales and  
26       transportation service volumes for the 2026 test year, provided by Company

1 witness John M. Goodenough, were applied to both the present and proposed  
2 rates to obtain these test year revenues.

3  
4 As Company witness Halama explains in his Direct Testimony, the level of  
5 Conservation Improvement Program (CIP) expenditures in the jurisdictional  
6 cost-of-service study is equal to the level of CIP revenues in base rates. The  
7 amount of the 2026 test year CIP revenues in base rates is included in  
8 Exhibit\_\_\_\_(MMT-1), Schedule 2.

9  
10 **IV. DESCRIPTION OF NSPM REGULATED**  
11 **NATURAL GAS SERVICES**  
12

13 Q. WHAT GENERAL CATEGORIES OF SERVICE DOES NSPM PROVIDE TO ITS  
14 NATURAL GAS CUSTOMERS IN MINNESOTA?

15 A. The Company provides sales service and transportation service. Sales service is  
16 a “bundled” gas utility service offering, where the Company procures wholesale  
17 natural gas for customers, procures the necessary interstate gas pipeline  
18 transportation, and distributes and resells the gas to these customers.  
19 Transportation service customers acquire their own gas supplies via a third-  
20 party gas supplier and procure their own pipeline transportation to the  
21 Company’s town border station(s). The Company then delivers this third-party  
22 gas to the Transportation customers’ premises through the Company’s gas  
23 distribution system.

24  
25 Customers, whether Sales or Transportation, can take either Firm or  
26 Interruptible service. Firm service is typically provided all of the time, without  
27 interruption and not subject to curtailment, and is priced to include the costs of  
28 providing this reliability. Interruptible service can be curtailed as needed to

maintain system reliability or for economic reasons<sup>1</sup> and is priced to reflect both the potential for interruption and the competitive alternatives. The vast majority of the Company's customers take firm, bundled sales service.

Q. PLEASE PROVIDE A SUMMARY OF THE COMPANY'S SERVICES.

A. The Company's Services include the following:

Services

*Firm Sales*

Residential

Small Commercial Firm

Large Commercial Firm

Small Commercial Demand Billed

Large Commercial Demand Billed

*Interruptible Sales*

Small Volume Interruptible

Medium Volume Interruptible

Large Volume Interruptible

*Firm and Interruptible Transportation*

Large Firm Transportation

Small Interruptible Transportation

Medium Interruptible Transportation

## V. REVENUE REQUIREMENT APPORTIONMENT

Q. WHAT IS REVENUE APPORTIONMENT?

A. Other witnesses describe the Company's revenue requirement, which is the amount of revenue to be recovered through rates. Revenue apportionment is

---

<sup>1</sup> In the Matter of a Commission Investigation into the Impact of Severe Weather in February 2021 on Impacted Minnesota Natural Gas Utilities and Customers, Docket No. G999/CI-21-135, ORDER REQUIRING ACTIONS TO MITIGATE IMPACTS FROM FUTURE NATURAL GAS PRICE SPIKES, SETTING FILING REQUIREMENTS, AND INITIATING A PROCEEDING TO ESTABLISH GAS RESOURCE PLANNING REQUIREMENTS AT 8-9 (February 17, 2023).



1 the process to determine how much of the revenue requirement should be  
2 recovered from each customer class.

3  
4 Q. WHAT ARE THE GOALS OF DEVELOPING A REVENUE APPORTIONMENT?

5 A. Apportioning revenues among rate classes involves deriving a reasonable  
6 balance between various criteria or guidelines that relate to the design of utility  
7 rates. The various criteria that were considered in the process included: (1) cost  
8 of service; (2) class contribution to present revenue levels; and (3) customer  
9 impact considerations, such as rate shock. These criteria were evaluated for each  
10 of the Company's rate classes. Based on this evaluation, adjustments to the  
11 present revenue levels in certain rate classes were made so that the rates  
12 proposed by the company moved class revenues closer to the costs of serving  
13 those rate classes. Importantly, the Company's revenue adjustments were not  
14 determined on the basis of a desired outcome, but instead were derived based  
15 on a careful and balanced evaluation of the chosen criteria.

16  
17 Q. HOW WAS THE PROPOSED REVENUE REQUIREMENT APPORTIONMENT  
18 DEVELOPED?

19 A. As mentioned above and consistent with our pricing objectives, the starting  
20 point for proposed class revenue apportionment, or class revenue  
21 responsibilities, are the class cost responsibilities, as determined by the CCOSS  
22 sponsored by Company witness Barthol. As explained in more detail by  
23 Company witness Barthol, the CCOSS is a tool to estimate which classes are  
24 causing the various cost items that make up the revenue requirement. The  
25 resulting cost increases by class are then considered individually, and relative to  
26 the total retail increase, to consider whether a full movement to class  
27 responsibilities should be moderated.

1 Q. DO YOU PROPOSE TO SET REVENUE APPORTIONMENT BASED ENTIRELY ON THE  
2 RESULTS OF THE CCOSS?

3 A. No. While it would, theoretically, be most economically efficient to set rates  
4 based on the embedded costs estimated in the CCOSS, the Company tempered  
5 that objective by applying the other goals I described earlier, such as  
6 emphasizing value/competitive-based pricing for competitive services, market  
7 considerations, and limiting rate increases to moderate levels. In general, these  
8 factors suggest that it would not be reasonable to increase residential rates as  
9 much as would be required to match them up to the level of cost responsibility  
10 estimated in the CCOSS. Consequently, the Company used the CCOSS as a  
11 guideline, but not as a final determinant for revenue apportionment by class. A  
12 summary page from the CCOSS showing the difference between current  
13 revenues and costs is provided in Exhibit\_\_\_\_(MMT-1), Schedule 3.

14  
15 Q. WHAT DO YOU CONCLUDE ABOUT COST RESPONSIBILITY BASED ON THE  
16 COMPANY'S CCOSS RESULTS?

17 A. The CCOSS indicates that the overall increase is 8.18 percent. At cost,  
18 Residential and Small Commercial classes would receive increases of 11.2  
19 percent and 21.5 percent, respectively. The Generation class shows an increase  
20 of 130.1 percent. A rate decrease is indicated for the other four classes. Table 1  
21 below shows the CCOSS results.

**Table 1**  
**Summary of Class Cost of Service Study (\$000)**

| Item                  | Residential | Small Comm | Large Comm | Demand | Interruption | Transportation | Generation | Total   |
|-----------------------|-------------|------------|------------|--------|--------------|----------------|------------|---------|
| CCOSS Results \$      | 503,675     | 72,421     | 163,443    | 22,982 | 40,694       | 7,753          | 27,237     | 838,205 |
| Present Revenue \$    | 452,991     | 59,599     | 172,032    | 24,367 | 45,968       | 8,010          | 11,835     | 774,803 |
| Revenue Deficiency \$ | 50,685      | 12,822     | -8,589     | -1,386 | -5,274       | -257           | 15,402     | 63,401  |
| Deficiency            | 11.2%       | 21.5%      | -5.0 %     | -5.7 % | -11.5%       | -3.2%          | 130.1%     | 8.2%    |

Q. HOW DID YOU DETERMINE HOW TO BALANCE THE VARIOUS FACTORS IN DEVELOPING A REVENUE APPORTIONMENT?

A. The Company's goal was to recover as closely as possible the costs of service imposed by each class, while avoiding sharp increases in rates. After evaluating the results of the CCOSS, the next step in developing the class apportionment was to consider the appropriate level of increase to those classes identified in the CCOSS as requiring an increase. The remainder of the increase was spread amongst the other classes. The following list is an explanation of our apportionment by class.

- Residential and Small Commercial: The Company proposes an increase of 8.7 percent for the Residential class and 11.2 percent for the Small Commercial class. The CCOSS indicates these classes should receive increases of 11.2 percent and 21.5 percent, respectively. We moderated these increases to instead move approximately 20 percent towards full cost.<sup>2</sup> The Company's proposed revenue responsibility allocation for the Residential class will eliminate approximately 78 percent of the difference between present rates and the test year embedded cost of service.

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<sup>2</sup> Movement towards cost is defined as the relative position between a class increase set at the average retail increase (no movement towards cost) and a class increase set at the class cost indicated by the CCOSS (full movement to cost).

1 Because revenues for Residential and Small Commercial revenues are not  
2 equal to their full cost, the remaining classes will receive an increase  
3 above their embedded cost to serve, in order to cover the portion of the  
4 revenue deficiency that remains.

- 5 • Interruptible: We propose an increase of 7.6 percent for the Interruptible  
6 class. For this proposal, I reviewed market price forecasts of the  
7 customers' typical competitive alternatives and considered the value of  
8 Interruptible service compared to Firm service. This value-based  
9 approach to pricing Interruptible service results in the recovery of more  
10 than this class's embedded cost of service shown in the CCOSS.
- 11 • Large Commercial and Demand Billed: We propose a 5.0 percent  
12 increase for the Large Commercial class and 7.0 percent increase for the  
13 Demand class. The CCOSS indicates that Large Commercial and  
14 Demand Billed should receive decreases that are similar at 5.0 percent  
15 and 5.7 percent, respectively. Therefore, we attempt to apply a similar  
16 size increase to the Large Commercial and Demand classes. However, as  
17 noted below, we have longstanding rate relationships to maintain  
18 between Large Commercial, Demand Billed, and Interruptible classes,  
19 and the resulting apportionment is more similar across these classes than  
20 the CCOSS indicates.
- 21 • Transportation: The CCOSS indicates a 3.2 percent decrease for this  
22 class. Because we set rates for this class at the same level as the  
23 corresponding sales service, the apportionment for this class is tied to  
24 ratemaking for other classes and not assigned separately. Additionally,  
25 some customers in this class are on contracted (negotiated) rates and  
26 therefore would not be assigned revenue increases.

- Generation: The Generation class is largely made up of customers on contracted rates, along with smaller customers taking Interruptible service or Demand service. Because of this, apportionment for this class is tied to other classes and not directly assigned.

Finally, the Company reviewed the apportionment to ensure that longstanding rate relationships between Firm and Interruptible rate classes, as well as between Sales Service and Transportation rate classes, were maintained. For example, Interruptible rates must be set at a discount relative to firm rates to reflect the less reliable nature of interruptible service. In addition, relationships within the small, medium, and large categories of a class should be maintained. Also, the Company's goal is to remain indifferent to a customer's choice regarding gas supplier, and therefore the proposed non-gas margins for corresponding Sales and Transportation Service are equal. The Company's proposed revenue apportionment maintains each of these relationships. The resulting apportionment is provided in Exhibit\_\_(MMT-1), Schedule 4.

Q. PLEASE PROVIDE THE OVERALL CLASS IMPACTS OF THE COMPANY'S PROPOSED REVENUE APPORTIONMENT AND COMPARE THEM TO THE CCOSS-INDICATED REVENUE APPORTIONMENT.

A. Table 2 provides the overall class impacts of the Company-proposed apportionment and compares it to the CCOSS-indicated apportionment. The apportionment is provided in Schedule 4.

**Table 2**  
**Revenue Apportionment**

|                                | (\$000)                 |                               |                           |
|--------------------------------|-------------------------|-------------------------------|---------------------------|
| <b>Customer Class</b>          | <b>Present Revenues</b> | <b>CCOSS Costs of Service</b> | <b>Proposed Revenue</b>   |
| Residential<br>% increase      | \$452,991               | \$503,675<br>11.2%            | \$492,329<br>8.7%         |
| Small Commercial<br>% increase | \$59,599                | \$72,421<br>21.5%             | \$66,289<br>11.2%         |
| Large Commercial<br>% increase | \$172,032               | \$163,443<br>-5.0%            | \$180,643<br>5.0%         |
| Demand<br>% increase           | \$24,367                | \$22,982<br>-5.7%             | \$26,078<br>7.0%          |
| Interruptible<br>% increase    | \$45,968                | \$40,694<br>-11.5%            | \$49,446<br>7.6%          |
| Transport<br>% increase        | \$8,010                 | \$7,753<br>-3.2%              | \$9,448<br>17.9%          |
| Generation<br>% increase       | \$11,835                | \$27,237<br>130.1%            | \$12,841<br>8.5%          |
| Other Revenues                 |                         |                               | \$1,131                   |
| <b>Total<br/>% increase</b>    | <b>\$774,803</b>        | <b>\$838,205<br/>8.2%</b>     | <b>\$838,205<br/>8.2%</b> |

Q. PLEASE DESCRIBE EXHIBIT\_\_(MMT-1), SCHEDULES 5, 6, AND 7.

A. In compliance with the requirements of Minn. R. 7825.4300, Exhibit\_\_(MMT-1), Schedule 5 summarizes the present and proposed test year revenues and contains the test year number of customers, sales, present and proposed test year rates, the Base Cost of Gas (BCOG) rates, and the resulting revenues. This information is provided in summary for each class (page 1); and for each rate component charged to each class (pages 2 through 5). Exhibit\_\_(MMT-1), Schedule 6 contains the present and proposed rates for the test year revenue requirement. Exhibit\_\_(MMT-1), Schedule 7 provides the resulting revenues

1 under the proposed test year revenue requirement compared to the class  
2 revenue requirements as determined by the CCOSS.

## 3 4 **VI. RATE DESIGN OVERVIEW**

5  
6 Q. WHAT IS RATE DESIGN?

7 A. Once a revenue requirement has been determined, and the revenue requirement  
8 has been apportioned to the various customer classes, it must be determined  
9 how the class revenue will be recovered from customers. That process is  
10 referred to as rate design.

11  
12 Q. PLEASE DESCRIBE HOW THE COMPANY STRUCTURES RATES CURRENTLY.

13 A. The Company's current rates are structured as either two- or three-part rates.  
14 Two-part rates consist of a monthly fixed Customer Charge and a volumetric  
15 Distribution Charge applied to a customer's use during the billing period. Three-  
16 part rates add a Demand Charge that is assessed on a customer's peak day  
17 demand. In addition, the Company collects a Cost of Gas charge that reflects  
18 the BCOG plus the Purchased Gas Adjustment (PGA) for changes in wholesale  
19 gas, transportation, and storage costs in each month. Although the BCOG will  
20 be re-set in conjunction with this proceeding, the fundamental rate design issues  
21 in this proceeding relate to recovery of the Company's non-commodity costs of  
22 providing retail distribution service.

23  
24 Q. DO PRESENT AND PROPOSED REVENUE INCLUDE REVENUE FROM THE  
25 COMPANY'S COST RECOVERY RIDERS?

1 A. Yes. Present revenue for test year 2026 includes revenue from the CIP  
2 Adjustment Rider and Gas Utility Infrastructure Cost Rider (GUIC). The total  
3 2026 test year rider revenues being rolled into base rates are \$22,737,726.  
4

5 Q. DO YOU RECOMMEND ANY CHANGES TO THE CURRENT RATE DESIGN?

6 A. Yes. Our current rates have a shortcoming because our Customer Charge is  
7 unreasonably low. In general, Customer Charges should be designed to recover  
8 the fixed costs of the system – costs that do not change based on usage – while  
9 volumetric charges should be designed to recover variable costs. This results in  
10 a rate design that is efficient and based on cost causation.  
11

12 The goals of efficient and economic energy use are to reduce intra-class  
13 subsidies by having rates that provide appropriate price signals by recovering  
14 fixed costs through fixed charges from both lower-use and higher-use  
15 customers. If, absent fuel costs, it costs the same amount to connect and serve  
16 a lower-use and a higher-use customer, then the appropriate price signal would  
17 be to charge each customer the same fixed charge. The reasonable and equitable  
18 way to address the intra-class subsidies is by putting more of the fixed costs into  
19 the customer charge.  
20

21 In Minnesota, we are currently recovering a significant percentage of fixed costs  
22 through volumetric charges, which is not the case for other market participants  
23 and in other jurisdictions. In North Dakota, we recover approximately 88  
24 percent of residential fixed costs through the fixed customer charge with only  
25 about 12 percent through the distribution charge. Similarly, interstate natural  
26 gas pipelines recover 100 percent of their fixed costs through fixed charges. By  
27 contrast, under our present gas rate design, the Company collects only 33



1 percent of its fixed costs through fixed charges in Minnesota. This results in an  
2 intra-class subsidy.

3  
4 Q. WHY DOES THE CURRENT CUSTOMER CHARGE RESULT IN AN INTRA-CLASS  
5 SUBSIDY?

6 A. When the customer charge is set lower than the customer-related costs indicated  
7 in the CCOSS, the remaining customer-related (fixed) costs are recovered  
8 through the volumetric charge. Because these fixed costs are being recovered in  
9 the volumetric charge, customers who are consuming gas at a greater than  
10 average volume are paying for more fixed costs than they are causing.  
11 Conversely, customers who consume lower than average levels of gas are not  
12 paying for the fixed charges they are causing on the system.

13  
14 Q. HOW DO YOU PROPOSE TO ADDRESS THE CURRENT DEFICIENCY IN THE RATE  
15 STRUCTURE?

16 A. The Company proposes an increase in the Residential and Small Commercial  
17 Firm Customer Charges because the Customer Charges in these classes are  
18 below the appropriate cost-based levels. If the Commission were to adopt a  
19 lower Customer Charge than the Company proposes, the Distribution Charge  
20 would need to be higher than the Company's proposal to achieve the same level  
21 of overall revenue increase.

## 22 23 **VII. RATE DESIGN PROPOSALS**

### 24 25 **A. Residential Service**

26 Q. WHAT CHANGE IS XCEL ENERGY PROPOSING TO THE RESIDENTIAL CUSTOMER  
27 CHARGE?

1 A. The Company is proposing to increase the monthly Residential Customer  
2 Charge from \$9.00 to \$12.00. Following that change, the Distribution Charge  
3 would increase from \$0.380239 per therm to \$0.472233 per therm to recover  
4 the rest of the revenue requirement apportioned to the Residential class. I note  
5 that \$0.034284 per therm of the proposed Distribution Charge increase is a  
6 result of present rider rates being rolled into our proposed rates. This  
7 combination of changes will be referred to herein as the “proposed rate  
8 structure.”

9  
10 Q. WHAT LEVEL OF FIXED COSTS ARE CAUSED BY RESIDENTIAL CUSTOMERS BASED  
11 ON THE COMPANY’S CCOSS?

12 A. The CCOSS provided by Company witness Barthol demonstrates that the fixed  
13 costs of providing service to Residential customers is \$27.14. The fixed costs  
14 are equivalent to the customer costs, which are those costs that vary based on  
15 the number of customers.

16  
17 Q. WHY ARE YOU RECOMMENDING A RESIDENTIAL CUSTOMER CHARGE THAT  
18 FALLS WELL SHORT OF THE COSTS IMPOSED BY THESE CUSTOMERS?

19 A. I am recommending an increase from \$9.00 to \$12.00. Raising the Customer  
20 Charge from \$9.00 to the cost-based level of \$27.15, while appropriate from a  
21 cost-causation perspective, would impose a significant percentage increase in  
22 the monthly bill for low-use customers. Therefore, my proposal strikes a  
23 balance between reducing the inefficiencies in our current Residential pricing,  
24 *i.e.*, recovering an inadequate amount of fixed costs through the Customer  
25 Charge, and moderating the billing impacts on low-use customers. The CCOSS  
26 indicated Customer Charges are shown on line 8 of Schedule 3.

1 Q. WHY IS IT IMPORTANT TO RECOVER MORE CUSTOMER COSTS IN THE CUSTOMER  
2 CHARGE?

3 A. As previously stated, recovering customer costs in Customer Charges creates  
4 more efficient pricing, promotes stability, and reduces intra-class subsidies.  
5

6 Customer costs are caused by all customers connected (or being connected) to  
7 the Company's gas system (*i.e.*, metering, service lines, meter reading, billing,  
8 etc.). Thus, customer costs are not related to the amount of gas a customer uses.  
9 Even if a customer uses no gas, the Company incurs essentially the same (or  
10 "fixed") level of customer-related costs just to have the customer connected to  
11 the gas distribution system. As I discuss in more detail below, it is important to  
12 reflect these principles in rate design.  
13

14 Q. HOW DOES THE PROPOSED RATE STRUCTURE CREATE MORE EFFICIENT  
15 PRICING?

16 A. When the Customer Charge does not recover an appropriate level of fixed  
17 customer costs, the remaining fixed customer costs are recovered in the  
18 volumetric Distribution Charge. As a result, even though all customers are  
19 causing the fixed costs to be incurred, those who use more gas subsidize the  
20 fixed costs of other customers. Recovering more customer costs in the  
21 Customer Charge reduces the subsidization and thus adheres more closely to  
22 the principle of cost causation, by allowing each customer to pay a more  
23 equitable portion of the fixed costs incurred by the Company to serve them.  
24

25 For example, consider a high-usage and low-usage residential customer. Each  
26 customer imposes \$326 in fixed costs on the system each year. Under current  
27 rates, a customer pays \$108 in customer charges towards these fixed costs. The

volumetric charge is calculated such that the average customer will contribute the rest of the fixed cost through the volumetric charge. Thus, an average customer will pay for the fixed costs they are causing on the system. However, a higher-than-average user will pay for more than the fixed costs that they cause, subsidizing lower than average users who pay less than the fixed costs that they cause. Table 3 below illustrates the issue.

**Table 3**  
**Intra-class Subsidization of Fixed Cost Recovery**

|  | <b>Average User</b> | <b>Low User</b> | <b>High User</b> |
|--|---------------------|-----------------|------------------|
| Annual Fixed Costs                       | \$326               | \$326           | \$326            |
| Customer Charge per Month                | \$9.00              | \$9.00          | \$9.00           |
| Distribution Charge per Therm            | \$0.255869          | \$0.255869      | \$0.255869       |
| Annual Usage Therms                      | 852                 | 480             | 1,440            |
| Annual Fixed Charges                     | \$108               | \$108           | \$108            |
| Annual Variable Charges                  | \$218               | \$123           | \$368            |
| Total Fixed Costs Recovered              | \$326               | \$231           | \$476            |
| Recovery More or (Less) than Fixed Costs | \$0                 | (\$95)          | \$150            |

As shown in the table above, a customer charge that does not properly recover the customer cost causes an intra-class subsidy. Importantly, that intra-class subsidy penalizes customers who consume more gas than average, such as customers who have a larger household, live in older housing stock, rely on older appliances, or who have not been able to invest in conservation.

Q. SHOULD THE PROPOSED CUSTOMER CHARGE BE VIEWED IN A BROADER HISTORICAL CONTEXT?

1 A. Yes. It has been 15 years since the Company last increased the Residential  
2 customer charge.<sup>3</sup> A customer charge of \$9.00 that went into effect in May 2011  
3 would be equivalent to \$12.90 due to inflation, as of August 2025.<sup>4</sup> An increase  
4 consistent with this level of inflation is needed just to ensure that the  
5 relationship between fixed and volumetric cost recovery is maintained.

6  
7 Q. DOES THE PROPOSED RATE STRUCTURE PROMOTE STABILITY?

8 A. Yes. By moving the recovery of more fixed costs to the fixed charge, the  
9 proposed rate structure creates more stable bills and cost recovery. A lower  
10 percentage of the customer's bill would be affected by variability in weather  
11 compared to the current structure. This will help customers avoid unexpectedly  
12 high monthly bills caused by weather.

13  
14 Q. WHAT IS THE BILL IMPACT OF THIS PROPOSAL FOR THE RESIDENTIAL CLASS?

15 A. The average Residential customer will experience an 8.7 percent increase in their  
16 bill because that is the revenue apportionment proposed above. Once the  
17 customer charge, volumetric rates are calculated such that the average customer  
18 will pay the apportioned revenue percentage. Customers at varying usage rates  
19 will see different impacts from changes to the customer charge. A comparison  
20 of bills for various usage levels under present and proposed rates is shown on  
21 Exhibit\_\_\_\_(MMT-1), Schedule 8.

22  
23 Q. ARE THESE IMPACTS REASONABLE?

---

<sup>3</sup> *In the Matter of the Application of Northern States Power, A Minnesota Corporation, for Authority to Increase Rates for Natural Gas Service in Minnesota*, Docket No. G002/GR-09-1153, ORDER (December 6, 2010)

<sup>4</sup> According to the Bureau of Labor Statistics, \$9.00 in May 2011 was worth \$12.90 in August 2025.  
[https://www.bls.gov/data/inflation\\_calculator.htm](https://www.bls.gov/data/inflation_calculator.htm)

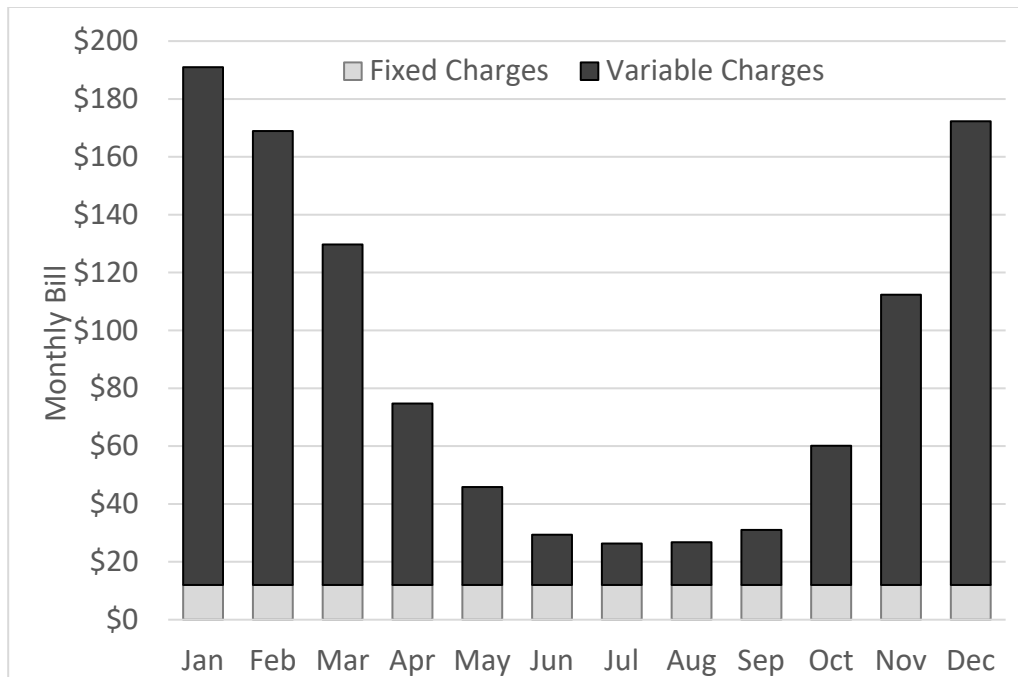
1 A. Yes. As noted above, an increase in the Residential Customer Charge would  
2 result in a reduction to the existing subsidy currently provided by high-volume  
3 to low-volume Residential users. The modest reduction of this subsidy should  
4 not be construed as a burden. It would be more accurate to conclude that high-  
5 volume customers are currently burdened because they pay more than their cost  
6 of service. Therefore, failing to address this problem would continue to impose  
7 an unreasonable burden on high-volume customers. It is appropriate for low-  
8 volume users to pay lower bills to the extent their lower usage results in a lower  
9 cost of service; but it is not appropriate for low-volume customers to benefit  
10 from a subsidy provided by higher-volume customers in the same class.

11  
12 Q. DO THE PROPOSED CUSTOMER CHARGES CONTINUE TO PROVIDE A  
13 CONSERVATIVE INCENTIVE FOR CUSTOMERS?

14 A. Yes. More appropriate cost-based rates should lead to more informed decision  
15 making regarding natural gas usage. By including some fixed customer-related  
16 costs in the energy charge, the Company's rate design preserves a conservation  
17 incentive by having an energy charge that exceeds variable costs. At the same  
18 time, moving the fixed customer charge closer to cost-based pricing improves  
19 customer equity by better aligning cost and revenue responsibility. Customer  
20 equity is important in cases where a customer's higher than average use is driven  
21 by a high number of household members. Since wholesale gas costs are  
22 approximately 50 percent of customers' bills, customers who conserve natural  
23 gas usage will continue to be rewarded with lower bills. When including gas  
24 costs, after moving some costs into the Customer Charge, the Company's  
25 Residential rates will still collect over 85 percent of revenues based on annual  
26 usage, and over 90 percent in the winter months. Figure 1 below shows the

1 fixed and variable charges for an average Residential customer under our  
2 proposed rates.

3  
4 **Figure 1**  
5 **Average Monthly Residential Bill**  
6 **Fixed and Variable Charges**



7  
8  
9 The figure above illustrates that our proposed rates provide incentives for  
10 customers to conserve their usage, as the vast majority of their bills are driven  
11 by variable charges. Rates that better reflect cost should encourage  
12 conservation. Conservation should not be used as a basis for rejecting rates that  
13 better reflect cost or to design rates that are not efficient.

14  
15 Q. WHAT ARE THE RESIDENTIAL CUSTOMER CHARGES IN THE COMPANY'S OTHER  
16 JURISDICTIONS?

17 A. The Residential Customer Charge in North Dakota is \$22.25 per month with a  
18 small volumetric Distribution Charge of \$0.074 per therm. Xcel Energy's

1 natural gas utilities in Wisconsin, Michigan, and Colorado have a \$15.00 per  
2 month, \$12.00 per month, and \$11.00 Residential Customer Charge,  
3 respectively  
4

5 Q. HOW DOES THE COMPANY ADDRESS CONCERNS REGARDING THE IMPACT OF  
6 INCREASED CUSTOMER CHARGES ON CUSTOMERS WITH LOW INCOME?

7 A. The Company offers a natural Gas Affordability Program, which targets  
8 customers with low income who may have difficulties paying their gas utility  
9 bill. Company witness Diedra K. Howard discusses these programs in more  
10 detail.  
11

12 Q. DO LOW-INCOME CUSTOMERS HAVE USAGE PATTERNS THAT ARE DIFFERENT  
13 FROM THE AVERAGE RESIDENTIAL CUSTOMER?

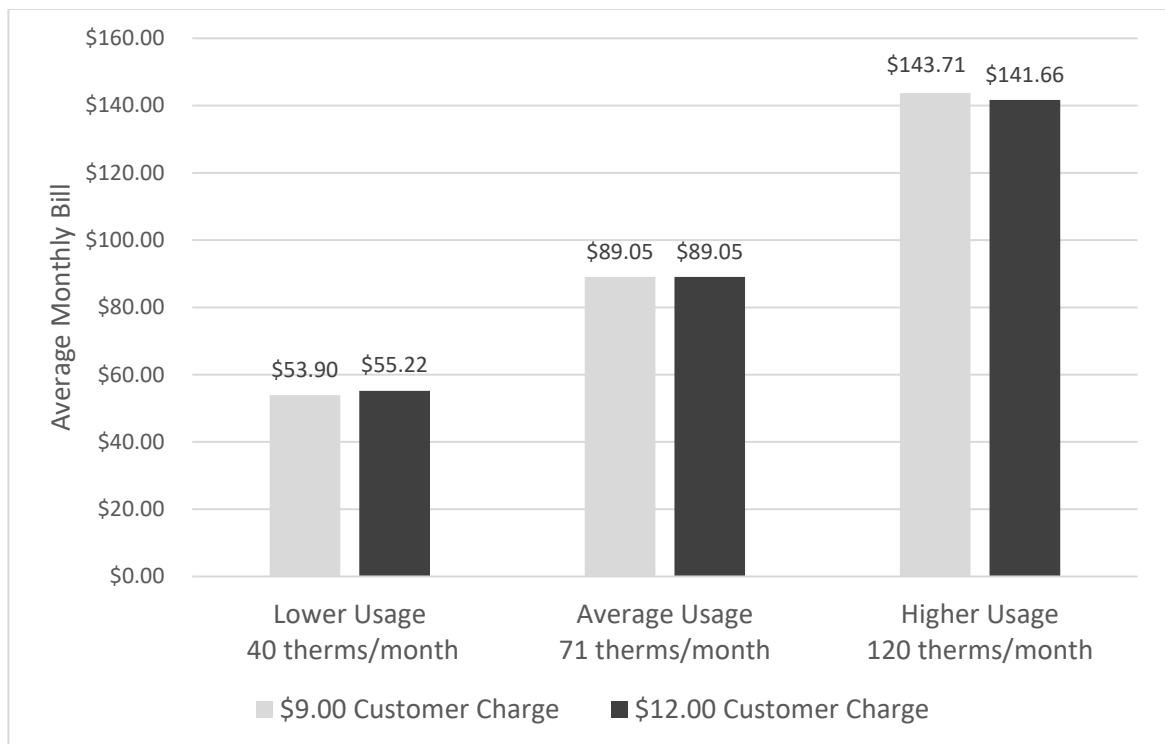
14 A. No, low-income usage patterns mirror the average Residential usage pattern.  
15 Some low-income customers have low energy usage, but other low-income  
16 customers have very high energy use. The absence of a relationship between  
17 usage and income is shown on the graph included as Exhibit\_\_(MMT-1),  
18 Schedule 11. This graph shows the 2024 annual usage against the percentage of  
19 bills for all Low-Income Home Energy Assistance Program (LIHEAP)  
20 customers and all non-LIHEAP Minnesota residential customers. There is not  
21 a substantial difference between the shapes of the two curves. The graph shows  
22 that low-income customers use gas in much the same pattern that all residential  
23 customers use gas. Some low-income customers use less gas than average, while  
24 others use more gas than average. As I have stated above, those customers  
25 (including low-income customers) that use more gas than average are  
26 subsidizing low use customers, and an increase in the Residential Customer  
27 Charge would result in a reduction to this existing subsidy.



Q. HOW DOES AN INCREASE TO THE CUSTOMER CHARGE IMPACT LOW-INCOME CUSTOMERS?

A. Figure 2 below shows that, at the Company's proposed Residential revenue apportionment, a customer using 40 therms per month on average would experience \$1.32 more per month under a \$12.00 customer charge compared to a \$9.00 customer charge. Conversely, a higher user (120 therms per month on average) would see a reduction in their average bill of \$2.05. As noted above, there are low-income customers who use less than average natural gas, and also low-income customers who use more than average natural gas. Lower users would see a modest increase, and higher users would see a modest decrease in their bills, compared to no change in the customer charge.

**Figure 2**  
**Average Residential Bill Comparison**  
**\$9.00 and \$12.00 Customer Charge**



1       **B.      Commercial Firm Service**

2    Q.   WHAT CHANGES ARE YOU PROPOSING TO THE FIRM COMMERCIAL RATES?

3    A.   The Company is proposing to increase the Small Commercial Customer Charge  
4       from \$20.00 to \$30.00 and no change to the Large Commercial Customer  
5       Charge of \$50.00. The increase in the Small Commercial Customer Charge is  
6       justified by the Company's CCOSS. To achieve overall rate apportionment  
7       goals, the Company is proposing to increase the per-therm Distribution Charges  
8       from \$0.311426 to \$0.401388 for Small Commercial service and from \$0.272547  
9       to \$0.344499 for Large Commercial service.

10  
11       **C.      Demand Billed Service**

12   Q.   WHAT CHANGES ARE YOU PROPOSING FOR DEMAND BILLED RATES?

13   A.   The Company is not proposing changes to the Small and Large Demand Billed  
14       Customer Charges based on the cost levels indicated by the CCOSS. The  
15       Distribution Charges for the Demand Billed Services were set at the  
16       Distribution Charge for the Medium Interruptible customers. This general  
17       relationship has been in effect since the Company's 1992 rate case (Docket No.  
18       G002/GR-92-1186) and is reasonable. The rates on the two tariffs should be  
19       comparable except for the Demand Charge, which reflects the firm nature of  
20       the Demand Billed Service.

21  
22       **D.      Interruptible Sales Service**

23   Q.   HOW DOES THE SYSTEM BENEFIT FROM INTERRUPTIBLE CUSTOMERS?

24   A.   The willingness of Interruptible customers to trade firm service for a discount  
25       enhances system reliability and flexibility. In particular, since an Interruptible  
26       customer has agreed to not receive service during periods of resource  
27       constraints or unpredicted resource shortage or high price events, this results in

1 greater reliability because during times when the supply or capacity of the gas  
2 system is at risk, the gas that would have been needed to serve Interruptible  
3 customers can be used to serve other customers. This also can potentially  
4 reduce costs for all customers since depending on when a curtailment is called,  
5 the Company can plan for less firm gas than would have otherwise been  
6 required.

7  
8 Q. WHAT ARE THE GOALS OF THE COMPANY'S PROPOSED INTERRUPTIBLE GAS  
9 RATES?

10 A. The primary goals are as follows:

- 11 • First, Interruptible rates should reflect the anticipated value of service to  
12 the customer. This goal was accomplished by pricing Interruptible  
13 service at a rate competitive with the cost of alternate fuels available to  
14 these customers. The upper limit used for the Interruptible commodity  
15 pricing was the price of No. 2 fuel oil since most of these customers use  
16 No. 2 fuel oil as their primary alternate fuel.
- 17 • Second, Interruptible prices should reflect a reasonable discount from  
18 Firm prices because Interruptible service is of lower value. If No. 2 fuel  
19 oil is priced higher than Firm gas service, then the corresponding Firm  
20 rates, less a reasonable discount, become the upper limits for  
21 Interruptible rates.
- 22 • Third, Interruptible customers should not be subsidized by other classes  
23 of service. Therefore, Interruptible rates should recover at least the  
24 Company's BCOG plus variable operating and maintenance expenses.

25  
26 Q. HOW WERE THE INTERRUPTIBLE RATES DEVELOPED BASED ON THESE GOALS?

1 A. First, interruptible service should be less expensive than alternative sources of  
2 fuel that customers could use instead of gas. If it is not, customers will choose  
3 the alternative sources of fuel and our other customers will lose the benefit  
4 provided by interruptible customers. Looking at the alternate fuel prices of No.  
5 2 wholesale fuel oil of \$1.76652 per therm,<sup>5</sup> it far exceeds the Interruptible  
6 commodity pricing.

7  
8 Second, in order to reflect the reduced value of Interruptible service as  
9 compared to Firm service, the Interruptible rate should be lower than Firm  
10 rates. The Company proposes to maintain the same ratio between Firm and  
11 Interruptible rates, as shown below in Table 4.

12  
13 Next, the Company looked at the CCOSS results. The current Customer  
14 Charges for the Small and Medium Interruptible service classes exceed the  
15 CCOSS average of customer-related expenses. Consequently, the Company  
16 proposes no increase in these charges.

17  
18 The proposed Distribution Charge established for the Medium Interruptible  
19 service was designed to generate an 8.5 percent overall rate increase for the  
20 class. The proposed Distribution Charge established for the Large Interruptible  
21 service was designed to reflect a lower cost of service than the Medium  
22 Interruptible service class and to generate an overall increase of 6.4 percent for  
23 the class. The Distribution Charge for the Small Interruptible service Tier I class  
24 was increased from \$0.220365 to \$0.284904 per therm. These increases were  
25 designed to maintain a reasonable discount, similar to that reflected in present

---

<sup>5</sup> Energy Information Administration/ Short Term Energy and Winter Fuels Outlook, Table 2. U.S. Energy Nominal Prices (September 2025)

1 rates, from the corresponding Firm service options available to these customers.  
2 The various components of the Interruptible rates are identified in Schedule 5,  
3 page 4.

4  
5 Table 4 below illustrates the current and proposed level of discount between  
6 Firm and Interruptible Sales Service.

7  
8 **Table 4**  
9 **Average Bill Comparison**  
10 **Commercial Firm and Interruptible Classes**

| Class                          | Monthly<br>Therm Use | Avg Bill –<br>Present Rates | Avg Bill –<br>Proposed Rates |
|--------------------------------|----------------------|-----------------------------|------------------------------|
| Large Commercial Firm          | 1,303                | \$1,223                     | \$1,284                      |
| Small Interruptible            | 1,303                | \$1,026                     | \$1,087                      |
| % Discount                     |                      | -16%                        | -15%                         |
| Small Commercial Demand Billed | 7,924                | \$6,934                     | \$7,405                      |
| Small Interruptible            | 7,924                | \$5,476                     | \$5,849                      |
| % Discount                     |                      | -21%                        | -21%                         |
| Large Commercial Demand Billed | 17,776               | \$15,051                    | \$16,108                     |
| Medium Interruptible           | 17,776               | \$10,838                    | \$11,798                     |
| % Discount                     |                      | -28%                        | -27%                         |

11  
12 As shown in Table 4, Interruptible discounts are being maintained near the same  
13 level as current rates.

14  
15 Q. WILL THE PROPOSED INTERRUPTIBLE RATES RECOVER MORE THAN THE COSTS  
16 IMPOSED BY THESE CLASSES?

17 A. Yes. The proposed Interruptible rates would recover above the CCOSS revenue  
18 requirement for these customers, thereby reducing the residual costs that must  
19 be recovered from firm customers.

1 Q. HAS THE COMPANY RETAINED THE FLEXIBLE PRICING PROVISIONS FOR ITS  
2 INTERRUPTIBLE SALES TARIFFS?

3 A. Yes. The Company proposes to retain the rate flexibility authorized in the 1985  
4 general gas rate case (Docket No. G002/GR-85-108) for the Flexible  
5 Distribution Charge ranges in the Interruptible service tariff. As stated in the  
6 tariff, the Flexible Distribution Charge applies for Customers, who normally  
7 would be served on the fixed rate but are placed on the flexible rate because: (1)  
8 the customer requests flexible rate service, (2) for pricing reasons, the customer  
9 uses a non-gas alternate energy supply/service from a supplier not regulated by  
10 the Commission, or (3) the customer uses gas from a supplier not regulated by  
11 the Commission.

12  
13 For those customers on the Flexible Distribution Charge, the midpoint of the  
14 proposed range is the applicable fixed rate explained above. The floor has been  
15 set at the variable Operation and Maintenance (O&M) cost (which is the  
16 incremental cost of providing service), as required by Minn. Stat. § 216B.163,  
17 subd. 4(1). The ceiling has been designed so that the rate may be increased by  
18 as much as it may be discounted from the fixed rate.

19  
20 **E. Firm and Interruptible Transportation Service**

21 Q. WHAT CHANGES ARE YOU PROPOSING FOR THE TRANSPORTATION RATES?

22 A. Transportation rates are the same as the corresponding Sales rates, except that  
23 Transportation customers pay a slightly higher Customer Charge to reflect the  
24 additional customer-related cost of serving such customers. This approach  
25 ensures that the Company will be indifferent to the customer's choice of gas  
26 procurement (*i.e.*, Company sales gas or gas purchased from a third-party  
27 marketer). Therefore, my explanation of the proposed Customer Charges,

1 Distribution Charges, and Distribution Demand charges for Sales customers  
2 also holds true for the corresponding Transportation rates.

3  
4 Q. DOES THE CCOSS SUPPORT LINKING TRANSPORTATION RATES TO THE  
5 CORRESPONDING SALES SERVICE?

6 A. Yes. In general, customers eligible for these rate options are similarly sized. The  
7 Company provided the Transportation specific category in the CCOSS in  
8 response to a compliance requirement. Since there are only three to fifteen  
9 customers in these classes, annual results are highly dependent on the specific  
10 customers currently in the class, and the results could be very different if one  
11 or more customers switched rate classes. Therefore, the Company's approach  
12 to link the Transportation rates to the corresponding Sales rate should be  
13 continued.

14  
15 Q. WHY IS THE OVERALL INCREASE IN TRANSPORTATION RATES HIGHER THAN  
16 INTERRUPTIBLE RATES?

17 A. The Transportation class increase is higher than the Interruptible because the  
18 Transportation customers purchase their gas supply from a third party; thus,  
19 their Xcel Energy bill only consists of non-gas components. This causes their  
20 increase to appear higher compared to the average sales service increases. The  
21 increase in the non-gas components of the bill is equivalent.

## 22 23 **VIII. DECOUPLING OVERVIEW**

24  
25 Q. IS THE COMPANY PROPOSING TO CONTINUE THE DECOUPLING RATE  
26 ADJUSTMENT MECHANISM?

1 A. Yes. We are proposing to continue the decoupling rate adjustment mechanism  
2 approved in our last two rate cases.<sup>6</sup> Continuing this mechanism is an important  
3 tool to protect customers and the Company from differences between actual  
4 sales and the amounts used to establish base rates in this case

5  
6 Q. WHAT IS DECOUPLING?

7 A. Decoupling is a rate adjustment mechanism “designed to separate a utility’s  
8 revenue from changes in energy sales. The purpose of decoupling is to reduce  
9 a utility’s disincentive to promote energy efficiency.”<sup>7</sup> Typically, decoupling  
10 mechanisms accomplish this by means of an adjustment (either a credit or a  
11 surcharge) that trues up the revenues received by a utility to the authorized test  
12 year revenue requirement set by a commission in a rate case. In general,  
13 decoupling is used as a mechanism to better align the utility’s interests with  
14 public policy goals (such as the promotion of energy efficiency), thus making it  
15 easier to achieve those goals. It can also ensure the utility is neither rewarded  
16 nor penalized for factors that are outside its control, such as unusual weather.

17  
18 Q. WHAT PUBLIC POLICY SUPPORTS DECOUPLING?

19 A. When natural gas sales increase, so do potential revenues. This may create an  
20 incentive for a gas utility to maximize sales. By removing the link between  
21 energy sales and utility revenue, a decoupling mechanism can enable utilities to  
22 promote energy efficiency “systematically and aggressively”<sup>8</sup> without concern  
23 about the impact of reduced sales on their ability to recover fixed costs.

24  

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<sup>6</sup> *In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for Authority to Increase Natural Gas Rates in Minnesota*, Docket No. G002/GR-21-678 and Docket No. G002/MR-21-679 ORDER ACCEPTING AGREEMENT SETTING RATES AND UPDATING BASE COST OF GAS (April 13, 2023)

<sup>7</sup> Minn. Stat. § 216B.2412, subd 1.

<sup>8</sup> Minn. Stat. § 216B.2401



1 As Minnesota's policy framework moves beyond simply energy efficiency and  
2 works specifically to reduce the use of geologically-sourced gas<sup>9</sup> – increasingly,  
3 through the activity of the gas utilities themselves – decoupling is an important  
4 tool that allows utilities to support such efforts with less concern about the  
5 impact on revenue. At the same time, by supporting the recovery of fixed costs,  
6 decoupling helps to ensure that critical energy infrastructure is available at times  
7 of peak need, even if overall throughput declines.

8  
9 Q. HOW HAVE THE COMPANY'S CONSERVATION/ECO OUTCOMES CHANGED  
10 UNDER DECOUPLING?

11 A. Table 5 below shows the first-year energy savings of annual achievements  
12 through the Company's portfolio of ECO programs for the past two years  
13 (2023-2024) and the three years (2020-2022) prior to the Company's  
14 implementation of the RDM. These achievements are presented by the  
15 respective customer classes subject to the RDM based on estimates of the  
16 achievement by the Residential and Business portfolio of ECO programs.

---

<sup>9</sup> Minn. Stat. § 216B.2427, subd. 2(10)

**Table 5**  
**ECO First-Year Energy Achievements by Rate Class**

|          | <b>Year</b>    | <b>Residential<br/>Billing Dth</b> | <b>Business<br/>Billing Dth</b> |
|----------|----------------|------------------------------------|---------------------------------|
| Pre-RDM  | 2020           | 370,366                            | 498,233                         |
|          | 2021           | 511,348                            | 658,882                         |
|          | 2022           | 476,808                            | 443,696                         |
|          | <i>Average</i> | <i>452,841</i>                     | <i>533,604</i>                  |
| Post-RDM | 2023           | 588,096                            | 419,826                         |
|          | 2024           | 501,135                            | 828,861                         |
|          | <i>Average</i> | <i>544,615</i>                     | <i>624,344</i>                  |

Q. WHAT IS THE STATUS OF THE COMPANY'S RDM?

A. The Commission approved our decoupling mechanism as part of the settlement resolving our 2021 rate case and extended the decoupling mechanism as part of the settlement resolving our 2023 rate case. Consistent with the Commission's prior decision, the existing program will be in effect until final rates are implemented in this rate case and we propose to continue it further.

Q. HOW IS THE REVENUE DECOUPLING MECHANISM CURRENTLY DESIGNED?

A. The revenue decoupling mechanism includes the following design parameters:

- 1) The RDM will include all customer classes with more than 50 customers;
- 2) The RDM has a 0.9 percent conservation requirement; and
- 3) The RDM includes customer charge revenue and distribution revenue in the RDM baseline and in the surcharge cap.
- 4) The RDM compares actual weather normalized sales and customer counts to the rates set in our prior rate case, and trues-up differences on an annual basis.

1 The RDM measures sales revenues against a baseline revenue-per-customer by  
2 class, with over- or under recoveries calculated and deferred each month. The  
3 annual result is credited or charged to customers through a dollar per therm  
4 factor applied to each individual customer's usage each month for twelve  
5 months as a separate line item on their bill.

6  
7 Q. WHAT CLASSES DOES THE COMPANY DECOUPLE?

8 A. The Company applies a full decoupling mechanism for its Residential, Small  
9 and Large Commercial, Large Demand and Small and Medium Interruptible  
10 classes.

11  
12 Q. HOW DID THE COMPANY EVALUATE WHICH CLASSES TO INCLUDE IN THE RDM?

13 A. When the RDM was originally designed, the Company reviewed all classes for  
14 amount of fixed revenue collected volumetrically, and customer class size.  
15 Based on this analysis, the Company originally proposed to exclude classes that  
16 had fewer than 50 customers, customers that were on flexible rates, the  
17 Demand, Interruptible, and Transportation classes.

18  
19 In a settlement in that case, approved by the Commission, the Company agreed  
20 to include all customer classes with more than 50 customers.<sup>10</sup> A settlement  
21 approved in our subsequent rate case maintained this methodology.<sup>11</sup> As I  
22 discuss below, we propose to adjust the decoupled classes in this rate case.

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<sup>10</sup> *In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for Authority to Increase Natural Gas Rates for Minnesota*, Docket No. G-002/GR-21-678, Order Accepting Agreement Setting Rates and Updating Base Cost of Gas (Apr. 13, 2023); *Id.* Settlement Agreement at 12 (Oct. 4, 2022).

<sup>11</sup> *In the Matter of the Application of Northern States Power Company, d/b/a Xcel Energy, for Authority to Increase Rates for Natural Gas Service in Minnesota*, Docket No. G-002/GR-23-413, Order Accepting and Adopting Agreement Setting Rates (Mar. 5, 2025).

1 Q. PLEASE EXPLAIN THE COMPANY'S RDM PROPOSAL IN THIS RATE CASE.

2 A. The Company is proposing an extension of its current RDM for RDM  
3 measurements to occur through the effective date of final rates in the next  
4 natural gas rate case. The RDM will continue measuring sales revenues against  
5 a baseline revenue-per-customer by class, with over- or under-recoveries  
6 credited or charged to customers through a dollar per therm factor applied to  
7 individual customer's monthly usage as a separate line item on their bill. For the  
8 proposed RDM tariff, see Gas Rate Book Section No. 5 Sheet No. 71 included  
9 in Volume 2D of the rate case application. The Company's RDM model is  
10 attached as Exhibit\_\_\_\_(MMT-1), Schedule 12.

11  
12 The Company is proposing to include, in addition to the classes that are already  
13 decoupled, the Small Demand-Billed, Large Interruptible, Firm Transport, and  
14 Interruptible Transport customer classes. These classes have less than 50  
15 customers each and are currently not included in our RDM. Customers on  
16 negotiated or flexible rates are not currently included in the RDM, and as  
17 discussed below, would continue to be excluded.

18  
19 Q. HOW WILL THE RDM APPLY TO CUSTOMER CLASSES WITH LESS THAN 50  
20 CUSTOMERS?

21 A. The Company is proposing to include the customer classes with less than 50  
22 customers within the six RDM groups we have today, based on their similar rate  
23 design and type of service. For instance, our current RDM includes the Large  
24 Demand Billed class, but excludes the Small Commercial Demand Billed class.  
25 These classes have the same Distribution Charge with slight differences in their  
26 respective Customer Charges. Therefore, it is reasonable to combine these  
27 classes into one RDM group. The Medium and Large Interruptible classes take

the same type of service with consistent rate structures and can be appropriately grouped in the RDM. And, as discussed earlier, the Company's goal is to remain indifferent to customers' choice regarding gas supplier. Including the Transportation customers in RDM groups with their sales service counterparts would maintain the same rates for customers whether they are on sales service or transportation service. Table 6 lists the classes and groups that the Company is proposing to include in the RDM.

**Table 6**  
**Decoupled Classes**

| Group                      | Rate Code                         | Classes  |
|----------------------------|-----------------------------------|--|
| Residential                | 101                               | Residential  |
| Small Commercial           | 102, 108                          | Small Commercial   |
| Large Commercial           | 118, 125                          | Large Commercial   |
| Demand                     | 103, 104, 119                     | Small Demand Billed<br>Large Demand-Billed<br>Firm Transport           |
| Small Interruptible        | 105, 111, 123, 130, 131           | Small Interruptible  |
| Medium/Large Interruptible | 106, 107, 120, 123, 124, 132, 133 | Medium Interruptible<br>Large Interruptible<br>Interruptible Transport |

Q. WHY DOES THE COMPANY OMIT SOME CUSTOMERS FROM THE RDM?

A. The Company omits customers that are on negotiated or flexible rates. Minn. Stat. § 216B.163, subd. 4(1) states that flexible rates must at least recover the incremental cost to provide service. An RDM adjustment could cause a flexible rate to fall below incremental cost. Also, flexible rate customers have the capability to switch to alternate fuel supplies. Potential bill increases due to a decoupling surcharge could incent these customers to leave the system, leaving fewer sales over which to spread fixed costs. Therefore, we have excluded these customers from the RDM.

1 Q. THE COMPANY'S RDM CURRENTLY HAS A CAP ON SURCHARGES. IS THE  
2 COMPANY PROPOSING TO CONTINUE THIS CAP?

3 A. Yes. The Company is proposing to continue the cap currently in place, which is  
4 a maximum single-year class surcharge of 10 percent of the base revenue  
5 authorized for the class. This cap level on decoupling surcharges has previously  
6 been approved by the Commission for Xcel Energy,<sup>12</sup> CenterPoint Energy  
7 (CenterPoint),<sup>13</sup> Minnesota Energy Resources Corporation (MERC),<sup>14</sup> and  
8 Great Plains Natural Gas.<sup>15</sup>

9  
10 Q. UNDER THE PROPOSED RDM, CAN INDIVIDUAL CUSTOMERS BENEFIT FROM  
11 CONSERVATION?

12 A. Yes. If a customer reduces their usage in the near term, they will see immediate  
13 bill reductions for all volumetric charges including natural gas charges.  
14 Decoupling measures changes in revenues for the distribution component of  
15 the bill, and a decoupling surcharge would impact the distribution charge  
16 portion of the bill only. However, a customer who conserves would see savings  
17 on distribution charges, rider charges, and the largest component of their bill,  
18 natural gas charges. These savings would likely exceed a decoupling surcharge  
19 since it only impacts the distribution charge of the bill. An average residential

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<sup>12</sup> *In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for Authority to Increase Natural Gas Rates in Minnesota*, Docket No. G002/GR-21-678, FINDINGS OF FACT, CONCLUSIONS, AND ORDER at 6 (April 13, 2023).

<sup>13</sup> *In the Matter of the Application by CenterPoint Energy Resources Corp. d/b/a CenterPoint energy Minnesota Gas for Authority to Increase Natural Gas Rates in Minnesota*, Docket No. G008/GR-13-316, FINDINGS OF FACT, CONCLUSIONS, AND ORDER at 46-48 (June 9, 2014).

<sup>14</sup> *In the Matter of the Application of Minnesota Energy Resources Corporation for Authority to Increase Rates for Natural Gas Service in Minnesota*, Docket No. G007,011/GR-10-977, FINDINGS OF FACT, CONCLUSIONS, AND ORDER at 13-14 (July 13, 2012).

<sup>15</sup> *In the Matter of the Petition by Great Plains Natural Gas Co., a Division of MDU Resources Group, Inc., for Authority to Increase Natural Gas Rates in Minnesota*, Docket No. G004/GR-15-879, FINDINGS OF FACT, CONCLUSIONS, AND ORDER at 40-43 (September 6, 2016).

1 customer who reduces their usage by five percent would likely see a bill  
2 reduction even while paying a decoupling surcharge at the proposed 10 percent  
3 surcharge cap.  
4

5 Q. PLEASE SUMMARIZE THE RDM.

6 A. The current RDM has been effective at reducing the disincentive for pursuing  
7 increased energy conservation goals and achieving higher levels of gas savings.  
8 Given the State's focus on conservation, as demonstrated in policies such as the  
9 ECO Act, maintaining the RDM is important to continue achieving these goals.  
10 The RDM will continue measuring sales revenues against a baseline revenue-  
11 per-customer by class, with over- or under-recoveries credited or charged to  
12 customers through a dollar per therm factor applied to individual customer's  
13 monthly usage as a separate line item on their bill. For the proposed RDM tariff,  
14 see Gas Rate Book Section No. 5 Sheet No. 71 included in Volume 2D of the  
15 rate case application. The Company's RDM model is attached as Schedule 12.  
16

## 17 IX. OTHER TARIFF CHANGES

18

19 Q. WHAT OTHER TARIFF CHANGES DOES THE COMPANY PROPOSE?

20 A. Xcel Energy is proposing a few other changes to tariff sheets in its Minnesota  
21 Gas Rate Book. Schedule 9 contains a list and a summary of the proposed tariff  
22 changes. The proposed tariffs are included in redline and non-redline format in  
23 the volume entitled "Proposed Tariffs" of our application. These changes are  
24 discussed below.  
25

26 Q. ARE ANY OTHER WITNESSES SPONSORING CHANGES IN THE TARIFF BOOK?

1 A. Yes. Company witnesses Gerold Traut and Christopher Barthol are addressing  
2 changes in the Gas Rate Book, including:

- 3 • Underground Gas and/or Electric Distribution Agreement-replace  
4 specific clearance and safety requirements with references to the Xcel  
5 Energy Installation Utility Standards manual. That way, the tariffs do not  
6 need to be updated every time we edit a clearance or safety requirement.
- 7 • Excess Footage Charge: Increasing from \$9.10 per foot to \$13.90 per  
8 foot.
- 9 • Winter Construction Charges:
  - 10 a) Frost Burner: Increasing from \$640 to \$870.
  - 11 b) Service Extensions: Increasing from \$8.90 per foot to \$18.00 per  
12 foot.

13  
14 For convenience purposes, all proposed tariff changes have been included  
15 together in the volume entitled “Proposed Tariffs” of our application.  
16

## 17 **X. COMPLIANCE REQUIREMENTS**

18

19 Q. PLEASE ADDRESS ANY COMPLIANCE REQUIREMENTS FROM ORDERS RELATED  
20 TO RATE DESIGN.

21 A. I will address the compliance issues related to the following two items:

- 22 • Identify CIP costs not recovered from Flexible rates due to rate  
23 discounting, and
- 24 • Prepare a separate End User Allocation Service Cost (EUAS) Study.



1 Q. ARE THERE CIP COSTS THAT ARE NOT BEING RECOVERED DUE TO RATE  
2 DISCOUNTING?<sup>16</sup>

3 A. No. Only customers with an exemption granted by the Commissioner of the  
4 Department of Commerce are not required to contribute toward recovery of  
5 CIP costs.

6  
7 Q. DID THE COMPANY PREPARE A SEPARATE EUAS STUDY AS REQUIRED BY  
8 DOCKET NO. G002/GR-06-1429?

9 A. Yes. The cost study is attached as Exhibit\_\_\_\_(MMT-1), Schedule 10. The  
10 resulting study demonstrates the current charge could be slightly reduced,  
11 however, since the cost study is very sensitive to the number of customers  
12 currently taking EUAS service, I recommend no change to the monthly rate of  
13 \$75 at this time.

## 14 15 **XI. CONCLUSION**

16  
17 Q. COULD YOU SUMMARIZE THE PROPOSALS AND RECOMMENDATIONS OF YOUR  
18 TESTIMONY?

19 A. Yes. My testimony included the following proposals:

- 20 • The Company has proposed a reasonable apportionment of revenue  
21 requirements by customer class that provides a moderate movement  
22 toward the cost of service.
- 23 • The Company's proposed rates are reasonable, consistent with its rate  
24 design objectives, and improve customer equity.

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<sup>16</sup> *In the Matter of the Application of Northern States Power Company's Gas Utility to Change its Schedule of Gas Rates for Retail Customers Within the State of Minnesota*, Docket No. G002/GR-97-1606, ORDER (February 19, 1999)

- 1           • The Company has also proposed to continue the approved decoupling  
2           mechanism and include all customers not on flexible or negotiated rates.
- 3           • The Company has also proposed changes to its tariffs to reflect the  
4           proposals discussed in testimony.
- 5           • Finally, my testimony discusses how the Company has fulfilled the  
6           requirements of two Commission-ordered compliance items.

7

8   Q.   DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?

9   A.   Yes, it does.

## **Statement of Qualifications**

**Michelle M. Terwilliger**

### **OVERVIEW**

My qualifications include more than 12 years of experience with Xcel Energy and its predecessors in the areas of rate analysis, pricing and rate design. My current responsibilities at Xcel Energy include Rate Design work conducted in support of the Company's rate cases and providing rate analysis and pricing support and other related analyses for the utility operating subsidiaries of Xcel Energy. I have served as a rate case witness in Iowa.

### **PROFESSIONAL EXPERIENCE**

|  |                |
|--|----------------|
| Pricing Consultant, Xcel Energy, NSPM                | 2022 – Present |
| Principal Rate Analyst; Xcel Energy, NSPM            | 2013 – 2022    |
| Accountant; Christ Presbyterian Church               | 2012 – 2013    |
| Program Coordinator; Prayer Ventures                 | 2010 – 2012    |
| Assistant Manager; Pathway Books/Music               | 2007 – 2010    |
| Owner, Le Nantais French Delicatessen                | 1988 – 1993    |
| Manager of Customer Accounting; Midwest Energy, Inc. | 1986 – 1988    |
| Rate Analyst; North Central Public Service Co.       | 1985 – 1986    |
| Staff Accountant; North Central Public Service Co.   | 1983 – 1985    |

### **EDUCATIONAL BACKGROUND**

|  |      |
|--|------|
| University of Minnesota; BS Accounting | 1983 |
|--|------|

**CIP Rider**

|      |  |               |
|------|--|---------------|
| Line |  |               |
| 1    | Test Year Sales (therms)   | 1,227,923,665 |
| 2    | Test Year CIP Exempt Sales (therms)                              | 446,334,815   |
| 3    | Test Year CIP-related Sales (therms)                             | 781,588,850   |
| 4    | CCRC used to determine CIP Base Revenues                         | \$0.037502    |
| 5    | Test Year CIP Base Revenue in Present Revenues (Line 3 x Line 4) | \$29,311,145  |
| 6    | Test Year CIP Expense  | \$37,129,290  |
| 7    | Test Year CIP Adjustment (Line 6 - line 5)                       | \$7,818,145   |
| 8    | Per Therm Adjustment to adjust CIP Revenues (Line 7 / Line 3)    | \$0.010003    |
| 9    | Per Therm CCRC in Test Year Base Rates (Line 6 / Line 3)         | \$0.047505    |

**GUIC Rider**

|                        | <u>GUIC</u><br><u>Allocator</u> | <u>GUIC</u><br><u>Allocation</u> | <u>Therms</u> | <u>Factors</u> |
|------------------------|---------------------------------|----------------------------------|---------------|----------------|
| Res                    | 64.1619%                        | \$9,572,687                      | 394,247,949   | 0.024281       |
| Comm Firm              | 24.1303%                        | \$3,600,140                      | 240,161,286   | 0.014991       |
| Dmd Billed             | 6.6396%                         | \$990,601                        | 492,477,225   | 0.002011       |
| Interruptible          | 5.0682%                         | \$756,154                        | 101,037,206   | 0.007484       |
| Test Year GUIC Expense |                                 | \$14,919,581                     | 1,227,923,665 |                |

**COMPARISON OF CURRENT REVENUES AND COSTS BY CLASS (\$000)**  
**Test Year Ending December 31, 2026**

| <b>Equal Return vs Present</b>       |   | 1=2+15             | 2=3+11            | 3=4+5+8           | 4                 | 5=6+7              | 6                 | 7                 | 8=9+10           | 11=12>>14        | 15=16+20          | 16=17>>19         | 20=21+22          | 21             | 22                |
|--------------------------------------|---|--------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------------------|------------------|------------------|-------------------|-------------------|-------------------|----------------|-------------------|
| <b>Operating Revenue Requirement</b> |   | <b>Minn</b>        | <b>Retail</b>     | <b>Firm</b>       | <b>Res</b>        | <b>C&amp;I Tot</b> | <b>Sm C&amp;I</b> | <b>Lg C&amp;I</b> | <b>Dmd Tot</b>   | <b>Inter Tot</b> | <b>Non-Retail</b> | <b>Tran Tot</b>   | <b>Gener Tot</b>  | <b>Sys Gen</b> | <b>Tran Gen</b>   |
| 1                                    | Return On Rate Base                       | 7.79%              | 7.79%             | 7.79%             | 7.79%             | 7.79%              | 7.79%             | 7.79%             | 7.79%            | 7.79%            | 7.79%             | 7.79%             | 7.79%             | 7.79%          | 7.79%             |
| 2                                    | Equalized Total Retail Rev                | 838,205            | 803,215           | 762,521           | 503,676           | 235,864            | 72,421            | 163,443           | 22,982           | 40,694           | 34,990            | 7,753             | 27,237            | 2,745          | 24,492            |
| 3                                    | Present Total Retail Revenue              | <u>774,803</u>     | <u>754,958</u>    | <u>708,990</u>    | <u>452,991</u>    | <u>231,632</u>     | <u>59,599</u>     | <u>172,032</u>    | <u>24,367</u>    | <u>45,968</u>    | <u>19,846</u>     | <u>8,010</u>      | <u>11,835</u>     | <u>2,506</u>   | <u>9,329</u>      |
| 4                                    | Revenue Deficiency                        | 63,401             | 48,257            | 53,532            | 50,685            | 4,232              | 12,822            | -8,589            | -1,386           | -5,274           | 15,144            | -257              | 15,402            | 239            | 15,163            |
| 5                                    | Deficiency / Pres Total Retail Rev        | 8.18%              | 6.39%             | 7.55%             | 11.19%            | 1.83%              | 21.51%            | -4.99%            | -5.69%           | -11.47%          | 76.31%            | -3.21%            | 130.13%           | 9.54%          | 162.53%           |
| <b>Internal Retail Revenue Reqt</b>  |   |                    |                   |                   |                   |                    |                   |                   |                  |                  |                   |                   |                   |                |                   |
| 6                                    | Customer Retail Revenue Requirement       | 167,752            | 167,389           | 166,921           | 150,124           | 16,546             | 10,243            | 6,303             | 250              | 468              | 363               | 66                | 296               | 281            | 16                |
| 7                                    | Average Monthly Customers                 | <u>497,841</u>     | <u>497,807</u>    | <u>497,580</u>    | <u>460,713</u>    | <u>36,724</u>      | <u>25,001</u>     | <u>11,724</u>     | <u>142</u>       | <u>227</u>       | <u>34</u>         | <u>25</u>         | <u>2</u>          | <u>5</u>       | <u>4</u>          |
| 8                                    | Revenue Requirement \$ / Mo / Cust        | 28.08              | 28.02             | 27.96             | 27.15             | 37.55              | 34.14             | 44.80             | 146.91           | 171.62           | 888.60            | 220.29            | 2,745.03          | 4,681.41       | 324.55            |
| 9                                    | Capacity Retail Revenue Requirement       | 193,882            | 165,002           | 161,071           | 93,567            | 62,288             | 24,792            | 37,495            | 5,216            | 3,932            | 28,880            | 5,534             | 23,346            | 625            | 22,721            |
| 10                                   | Annual Dkt Sales                          | <u>122,792,367</u> | <u>73,988,066</u> | <u>66,316,264</u> | <u>39,424,795</u> | <u>24,016,129</u>  | <u>5,679,769</u>  | <u>18,336,360</u> | <u>2,875,341</u> | <u>7,671,802</u> | <u>48,804,300</u> | <u>10,190,089</u> | <u>38,614,211</u> | <u>363,155</u> | <u>38,251,057</u> |
| 11                                   | Revenue Requirement \$ / Dkt              | 1.58               | 2.23              | 2.43              | 2.37              | 2.59               | 4.37              | 2.04              | 1.81             | 0.51             | 0.59              | 0.54              | 0.60              | 1.72           | 0.59              |
| <b>Capacity - Sub Classification</b> |   |                    |                   |                   |                   |                    |                   |                   |                  |                  |                   |                   |                   |                |                   |
| 12                                   | Capacity - Base Revenue Requirement       | 43,935             | 29,791            | 26,656            | 15,814            | 9,680              | 2,282             | 7,398             | 1,162            | 3,135            | 14,144            | 4,101             | 10,043            | 153            | 9,889             |
| 13                                   | Capacity - Seasonal Revenue Requirement   | 91,238             | 82,937            | 82,937            | 47,865            | 32,719             | 14,763            | 17,955            | 2,352            | 0                | 8,301             | 625               | 7,676             | 388            | 7,289             |
| 14                                   | Peak Shaving Revenue Requirement          | 58,710             | 52,275            | 51,478            | 29,887            | 19,889             | 7,747             | 12,142            | 1,702            | 796              | 6,435             | 808               | 5,627             | 84             | 5,543             |
| 15                                   | Base Rev Requirement \$ / Dkt             | 0.36               | 0.40              | 0.40              | 0.40              | 0.40               | 0.40              | 0.40              | 0.40             | 0.41             | 0.29              | 0.40              | 0.26              | 0.42           | 0.26              |
| 16                                   | Seasonal Rev Requirement \$ / Dkt         | 0.74               | 1.12              | 1.25              | 1.21              | 1.36               | 2.60              | 0.98              | 0.82             | 0.00             | 0.17              | 0.06              | 0.20              | 1.07           | 0.19              |
| 17                                   | Peak Shave Rev Requirement \$ / Dkt       | 0.48               | 0.71              | 0.78              | 0.76              | 0.83               | 1.36              | 0.66              | 0.59             | 0.10             | 0.13              | 0.08              | 0.15              | 0.23           | 0.14              |
| 18                                   | Energy Retail Revenue Requirement         | 40,486             | 36,406            | 32,572            | 19,130            | 12,012             | 2,838             | 9,174             | 1,430            | 3,834            | 4,080             | 2,153             | 1,927             | 172            | 1,755             |
| 19                                   | Revenue Requirement \$ / Dkt              | 0.33               | 0.49              | 0.49              | 0.49              | 0.50               | 0.50              | 0.50              | 0.50             | 0.50             | 0.08              | 0.21              | 0.05              | 0.47           | 0.05              |
| 20                                   | Total Internal Retail Revenue Requirement | 402,120            | 368,797           | 360,564           | 262,821           | 90,846             | 37,874            | 52,972            | 6,897            | 8,233            | 33,323            | 7,753             | 25,570            | 1,078          | 24,492            |
| 21                                   | Revenue Requirement \$ / Dkt              | 3.27               | 4.98              | 5.44              | 6.67              | 3.78               | 6.67              | 2.89              | 2.40             | 1.07             | 0.68              | 0.76              | 0.66              | 2.97           | 0.64              |
| 22                                   | Revenue Requirement \$ / Mo / Cust        | 67.31              | 61.74             | 60.39             | 47.54             | 206.14             | 126.24            | 376.53            | 4,047.52         | 3,018.13         | 81,673.32         | 25,842.75         | 236,758.23        | 17,971.65      | 510,241.45        |
| <b>External Retail Revenue Reqt</b>  |   |                    |                   |                   |                   |                    |                   |                   |                  |                  |                   |                   |                   |                |                   |
| 23                                   | Capacity Revenue Requirement              | 107,266            | 107,129           | 107,129           | 64,439            | 38,797             | 9,390             | 29,407            | 3,893            | 0                | 136               | 0                 | 136               | 136            | 0                 |
| 24                                   | Energy Revenue Requirement                | <u>327,688</u>     | <u>326,158</u>    | <u>293,698</u>    | <u>175,370</u>    | <u>106,137</u>     | <u>25,101</u>     | <u>81,036</u>     | <u>12,191</u>    | <u>32,460</u>    | <u>1,530</u>      | <u>0</u>          | <u>1,530</u>      | <u>1,530</u>   | <u>0</u>          |
| 25                                   | Total External Revenue Requirement        | 434,954            | 433,287           | 400,827           | 239,809           | 144,934            | 34,491            | 110,443           | 16,084           | 32,460           | 1,667             | 0                 | 1,667             | 1,667          | 0                 |
| 26                                   | Cap Revenue Requirement \$ / Dkt          | 0.87               | 1.45              | 1.62              | 1.63              | 1.62               | 1.65              | 1.60              | 1.35             | 0.00             | 0.00              | 0.00              | 0.00              | 0.38           | 0.00              |
| 27                                   | Ener Revenue Requirement \$ / Dkt         | <u>2.67</u>        | <u>4.41</u>       | <u>4.43</u>       | <u>4.45</u>       | <u>4.42</u>        | <u>4.42</u>       | <u>4.42</u>       | <u>4.24</u>      | <u>4.23</u>      | <u>0.03</u>       | <u>0.00</u>       | <u>0.04</u>       | <u>4.21</u>    | <u>0.00</u>       |
| 28                                   | Tot Revenue Requirement \$ / Dkt          | 3.54               | 5.86              | 6.04              | 6.08              | 6.03               | 6.07              | 6.02              | 5.59             | 4.23             | 0.03              | 0.00              | 0.04              | 4.59           | 0.00              |
| <b>Total Retail Revenue Reqt</b>     |   |                    |                   |                   |                   |                    |                   |                   |                  |                  |                   |                   |                   |                |                   |
| 29                                   | Customer Revenue Requirement              | 167,752            | 167,389           | 166,921           | 150,124           | 16,546             | 10,243            | 6,303             | 250              | 468              | 363               | 66                | 296               | 281            | 16                |
| 30                                   | Capacity Revenue Requirement              | 301,148            | 272,132           | 268,200           | 158,005           | 101,085            | 34,183            | 66,902            | 9,110            | 3,932            | 29,017            | 5,534             | 23,483            | 762            | 22,721            |
| 31                                   | Energy Revenue Requirement                | <u>368,174</u>     | <u>362,563</u>    | <u>326,270</u>    | <u>194,500</u>    | <u>118,149</u>     | <u>27,939</u>     | <u>90,210</u>     | <u>13,621</u>    | <u>36,293</u>    | <u>5,610</u>      | <u>2,153</u>      | <u>3,457</u>      | <u>1,702</u>   | <u>1,755</u>      |
| 32                                   | Total Revenue Requirement                 | 837,074            | 802,084           | 761,391           | 502,629           | 235,780            | 72,365            | 163,415           | 22,981           | 40,693           | 34,990            | 7,753             | 27,237            | 2,745          | 24,492            |
| 33                                   | Customer Revenue Reqt \$ / Dkt            | 1.37               | 2.26              | 2.52              | 3.81              | 0.69               | 1.80              | 0.34              | 0.09             | 0.06             | 0.01              | 0.01              | 0.01              | 0.77           | 0.00              |
| 34                                   | Demand Revenue Reqt \$ / Dkt              | 2.45               | 3.68              | 4.04              | 4.01              | 4.21               | 6.02              | 3.65              | 3.17             | 0.51             | 0.59              | 0.54              | 0.61              | 2.10           | 0.59              |
| 35                                   | Energy Revenue Reqt \$ / Dkt              | <u>3.00</u>        | <u>4.90</u>       | <u>4.92</u>       | <u>4.93</u>       | <u>4.92</u>        | <u>4.92</u>       | <u>4.92</u>       | <u>4.74</u>      | <u>4.73</u>      | <u>0.11</u>       | <u>0.21</u>       | <u>0.09</u>       | <u>4.69</u>    | <u>0.05</u>       |
| 36                                   | Total Revenue Reqt \$ / Dkt               | 6.82               | 10.84             | 11.48             | 12.75             | 9.82               | 12.74             | 8.91              | 7.99             | 5.30             | 0.72              | 0.76              | 0.71              | 7.56           | 0.64              |
| <b>Proposed Return vs Present</b>    |   |                    |                   |                   |                   |                    |                   |                   |                  |                  |                   |                   |                   |                |                   |
| 37                                   | Proposed Total Retail Revenue             | <u>838,205</u>     | <u>816,764</u>    | <u>767,101</u>    | <u>490,444</u>    | <u>250,331</u>     | <u>64,445</u>     | <u>185,886</u>    | <u>26,326</u>    | <u>49,664</u>    | <u>21,441</u>     | <u>8,654</u>      | <u>12,786</u>     | <u>2,708</u>   | <u>10,079</u>     |
| 38                                   | Revenue Deficiency                        | 63,401             | 61,806            | 58,111            | 37,453            | 18,699             | 4,845             | 13,854            | 1,959            | 3,695            | 1,595             | 644               | 951               | 201            | 750               |
| 39                                   | Deficiency / Pres Total Oper Revenue      | 8.18%              | 8.19%             | 8.20%             | 8.27%             | 8.07%              | 8.13%             | 8.05%             | 8.04%            | 8.04%            | 8.04%             | 8.04%             | 8.04%             | 8.04%          | 8.04%             |
| <b>Proposed Return vs Equal</b>      |   |                    |                   |                   |                   |                    |                   |                   |                  |                  |                   |                   |                   |                |                   |
| 40                                   | Revenue Difference                        | 0                  | 13,549            | 4,579             | -13,232           | 14,467             | -7,976            | 22,443            | 3,344            | 8,970            | -13,549           | 901               | -14,450           | -38            | -14,413           |
| 41                                   | Difference / Tot Equal Revenue"           | 0.00%              | 1.69%             | 0.60%             | -2.63%            | 6.13%              | -11.01%           | 13.73%            | 14.55%           | 22.04%           | -38.72%           | 11.63%            | -53.05%           | -1.37%         | -58.85%           |

|   | <u>Present<br/>Revenue</u> | <u>CCOSS<br/>Responsibility</u> | <u>Increase<br/>without<br/>Design Change</u> | <u>Present<br/>Revenue<br/>as % of Cost</u> | <u>% Increase to<br/>Pay Cost</u> | <u>Proposed<br/>Revenue</u> | <u>Proposed<br/>\$ Increase</u> | <u>Proposed<br/>% Increase</u> |
|---|----------------------------|---------------------------------|---|---|-----------------------------------|-----------------------------|---------------------------------|--------------------------------|
| Residential   | \$452,990,740              | \$503,675,719                   | \$490,058,508                                 | 89.9%                                       | 11.2%                             | \$492,328,639               | \$39,337,899                    | 8.7%                           |
| Commercial  | \$231,631,543              | \$235,863,755                   | \$250,585,715                                 | 98.2%                                       | 1.8%                              | \$246,932,166               | \$15,300,623                    | 6.6%                           |
| Demand Billed   | \$24,367,315               | \$22,981,794                    | \$26,361,267                                  | 106.0%                                      | -5.7%                             | \$26,077,931                | \$1,710,616                     | 7.0%                           |
| Interruptible   | \$45,968,261               | \$40,693,891                    | \$49,729,797                                  | 113.0%                                      | -11.5%                            | \$49,446,468                | \$3,478,207                     | 7.6%                           |
| Transportation  | \$8,010,323                | \$7,752,874                     | \$8,665,799                                   | 103.3%                                      | -3.2%                             | \$9,447,519                 | \$1,437,196                     | 17.9%                          |
| <u>Generation</u>                                     | <u>\$11,835,221</u>        | <u>\$27,236,738</u>             | <u>\$12,803,685</u>                           | <u>43.5%</u>                                | <u>130.1%</u>                     | <u>\$12,841,073</u>         | <u>\$1,005,852</u>              | <u>8.5%</u>                    |
| Total Retail  | \$774,803,403              | \$838,204,771                   | \$838,204,770                                 | 92.4%                                       | 8.2%                              | \$837,073,796               | \$62,270,393                    | 8.0%                           |
| <u>Other Revenues - Late Payment Revenue Increase</u> |                            |                                 |   |   |                                   | <u>\$1,130,974</u>          | <u>\$1,130,974</u>              |                                |
| Total Increase  | \$774,803,403              | \$838,204,771                   | \$838,204,770                                 | 92.4%                                       | 8.2%                              | \$838,204,770               | \$63,401,367                    | 8.2%                           |

|   | Average<br>Customers | Dkt<br>Sales | Revenue       |               | Increase     |         |
|---|----------------------|--------------|---------------|---------------|--------------|---------|
|   |                      |              | Present       | Proposed      | Amount       | Percent |
| Firm Service  |                      |              |               |               |              |         |
| Residential Firm                                      | 460,713              | 39,424,795   | \$452,990,740 | \$492,328,639 | \$39,337,899 | 8.7%    |
| Small Commercial Firm                                 | 25,000               | 5,679,769    | \$59,599,329  | \$66,289,454  | \$6,690,125  | 11.2%   |
| Large Commercial Firm                                 | 11,724               | 18,336,360   | \$172,032,214 | \$180,642,713 | \$8,610,499  | 5.0%    |
| Small & Large Commercial Demand Billed                | 142                  | 2,875,341    | \$24,367,315  | \$26,077,931  | \$1,710,616  | 7.0%    |
| Total Firm Service                                    | 497,580              | 66,316,264   | \$708,989,598 | \$765,338,736 | \$56,349,138 | 7.9%    |
| Interruptible Service                                 |                      |              |               |               |              |         |
| Small Interruptible                                   | 148                  | 1,195,245    | \$8,167,640   | \$8,691,458   | \$523,819    | 6.4%    |
| Medium & Large Interruptible                          | 80                   | 6,476,557    | \$37,800,622  | \$40,755,010  | \$2,954,389  | 7.8%    |
| Total Interruptible Service                           | 227                  | 7,671,802    | \$45,968,261  | \$49,446,468  | \$3,478,207  | 7.6%    |
| Total Gas Sales                                       | 497,807              | 73,988,066   | \$754,957,859 | \$814,785,205 | \$59,827,345 | 7.9%    |
| Transportation Service                                |                      |              |               |               |              |         |
| Total Transportation Service                          | 25                   | 10,190,089   | \$8,010,323   | \$9,447,519   | \$1,437,196  | 17.9%   |
| Generation System                                     | 5                    | 363,155      | \$2,506,128   | \$3,299,799   | \$793,671    | 31.7%   |
| Generation Transportation                             | 4                    | 38,251,057   | \$9,329,093   | \$9,541,273   | \$212,181    | 2.3%    |
| Total Retail*   | 497,841              | 122,792,367  | \$774,803,403 | \$837,073,796 | \$62,270,393 | 8.0%    |
| *February 2021 Gas Event surcharges are not included. |                      |              |               |               |              |         |
| Other Gas Revenues                                    |                      |              |               |               |              |         |
| Late Payment Revenue Increase                         |                      |              |               | \$150,163     | \$150,163    |         |
| Winter Construction/Excess Footage                    |                      |              |               | \$980,811     | \$980,811    |         |
| Total Sales and Other Gas Revenues                    |                      |              | \$774,803,403 | \$838,204,770 | \$63,401,367 | 8.2%    |

DETAIL OF CUSTOMERS, SALES, AND PRESENT AND COMPLIANCE RATES AND REVENUES

Test Year Ending December 31, 2026

Revenue by Rate Schedule

Residential Firm

|                     | Units     |                    | Present    |                      | Proposed   |                      | Increase             |         |
|---------------------|-----------|--------------------|------------|----------------------|------------|----------------------|----------------------|---------|
|                     | Bills     | Therms             | Rate       | Revenue              | Rate       | Revenue              | Amount               | Percent |
| Customer Charge     | 5,528,561 |                    | \$9.00     | \$49,757,052         | \$12.00    | \$66,342,737         | \$16,585,684         |         |
| Distribution Charge |           | 394,247,949        | \$0.380239 | \$149,908,446        | \$0.472233 | \$186,176,965        | \$36,268,519         |         |
| CIP Rider Roll In   |           | 394,247,949        | \$0.010003 | \$3,943,618          | \$0.000000 | \$0                  | (\$3,943,618)        |         |
| GUIC Rider Roll In  |           | 394,247,949        | \$0.024281 | <u>\$9,572,687</u>   | \$0.000000 | <u>\$0</u>           | <u>(\$9,572,687)</u> |         |
| Non-Fuel Subtotal   |           |                    |            | \$213,181,803        |            | \$252,519,701        | \$39,337,899         | 18.5%   |
| Gas Supply - Summer |           | 95,465,691         | \$0.542376 | \$51,778,335         | \$0.542376 | \$51,778,335         | \$0                  |         |
| Gas Supply - Winter |           | <u>298,782,258</u> | \$0.629323 | <u>\$188,030,603</u> | \$0.629323 | <u>\$188,030,603</u> | <u>\$0</u>           |         |
| Gas Supply Subtotal |           | 394,247,949        |            | \$239,808,938        |            | \$239,808,938        | \$0                  | 0.0%    |
| Average Customers   | 460,713   |                    | Total      | \$452,990,740        |            | \$492,328,639        | \$39,337,899         | 8.7%    |

Small Commercial Firm

|                             | Units   |                   | Present      |                     | Proposed     |                     | Increase           |         |
|-----------------------------|---------|-------------------|--------------|---------------------|--------------|---------------------|--------------------|---------|
|                             | Bills   | Therms            | Rate         | Revenue             | Rate         | Revenue             | Amount             | Percent |
| Customer Charge             | 300,006 |                   | \$20.00      | \$6,000,116         | \$30.00      | \$9,000,174         | \$3,000,058        |         |
| Distribution Charge         |         | 56,797,690        | \$0.311426   | \$17,688,278        | \$0.401388   | \$22,797,911        | \$5,109,634        |         |
| CIP Base (CCRC) Exemption   |         | 1,311             | (\$0.037502) | (\$49)              | (\$0.047505) | (\$62)              | (\$13)             |         |
| CIP Rider Roll In           |         | 56,797,690        | \$0.010003   | \$568,141           | \$0.000000   | \$0                 | (\$568,141)        |         |
| CIP Rider Roll In Exemption |         | 1,311             | (\$0.010003) | (\$13)              | \$0.000000   | \$0                 | \$13               |         |
| GUIC Rider Roll In          |         | 56,797,690        | \$0.014991   | <u>\$851,426</u>    | \$0.000000   | <u>\$0</u>          | <u>(\$851,426)</u> |         |
| Non-Fuel Subtotal           |         |                   |              | \$25,107,898        |              | \$31,798,023        | \$6,690,125        | 26.6%   |
| Gas Supply - Summer         |         | 12,524,507        | \$0.539494   | \$6,756,898         | \$0.539494   | \$6,756,898         | \$0                |         |
| Gas Supply - Winter         |         | <u>44,273,183</u> | \$0.626441   | <u>\$27,734,533</u> | \$0.626441   | <u>\$27,734,533</u> | <u>\$0</u>         |         |
| Gas Supply Subtotal         |         | 56,797,690        |              | \$34,491,431        |              | \$34,491,431        | \$0                | 0.0%    |
| Average Customers           | 25,000  |                   | Total        | \$59,599,329        |              | \$66,289,454        | \$6,690,125        | 11.2%   |

Large Commercial Firm

|                             | Units   |                    | Present      |                     | Proposed     |                     | Increase             |         |
|-----------------------------|---------|--------------------|--------------|---------------------|--------------|---------------------|----------------------|---------|
|                             | Bills   | Therms             | Rate         | Revenue             | Rate         | Revenue             | Amount               | Percent |
| Customer Charge             | 140,686 |                    | \$50.00      | \$7,034,305         | \$50.00      | \$7,034,305         | \$0                  |         |
| Distribution Charge         |         | 183,363,595        | \$0.272547   | \$49,975,198        | \$0.344499   | \$63,168,575        | \$13,193,377         |         |
| CIP Base (CCRC) Exemption   |         | 59,089             | (\$0.037502) | (\$2,216)           | (\$0.047505) | (\$2,807)           | (\$591)              |         |
| CIP Rider Roll In           |         | 183,363,595        | \$0.010003   | \$1,834,165         | \$0.000000   | \$0                 | (\$1,834,165)        |         |
| CIP Rider Roll In Exemption |         | 59,089             | (\$0.010003) | (\$591)             | \$0.000000   | \$0                 | \$591                |         |
| GUIC Rider Roll In          |         | 183,363,595        | \$0.014991   | <u>\$2,748,713</u>  | \$0.000000   | <u>\$0</u>          | <u>(\$2,748,713)</u> |         |
| Non-Fuel Subtotal           |         |                    |              | \$61,589,575        |              | \$70,200,073        | \$8,610,499          | 14.0%   |
| Gas Supply - Summer         |         | 50,879,574         | \$0.539494   | \$27,449,230        | \$0.539494   | \$27,449,230        | \$0                  |         |
| Gas Supply - Winter         |         | <u>132,484,021</u> | \$0.626441   | <u>\$82,993,410</u> | \$0.626441   | <u>\$82,993,410</u> | <u>\$0</u>           |         |
| Gas Supply Subtotal         |         | 183,363,595        |              | \$110,442,640       |              | \$110,442,640       | \$0                  | 0.0%    |
| Average Customers           | 11,724  |                    | Total        | \$172,032,214       |              | \$180,642,713       | \$8,610,499          | 5.0%    |



DETAIL OF CUSTOMERS, SALES, AND PRESENT AND COMPLIANCE RATES AND REVENUES

Test Year Ending December 31, 2026

Revenue by Rate Schedule

Small and Large Commercial Demand Billed

|                               | Units |            | Present      |                     | Proposed     |                     | Increase          |         |
|-------------------------------|-------|------------|--------------|---------------------|--------------|---------------------|-------------------|---------|
|                               | Bills | Therms     | Rate         | Revenue             | Rate         | Revenue             | Amount            | Percent |
| Customer Charge               | 1,704 |            |              | \$453,000           |              | \$453,000           | \$0               |         |
| Distribution Demand Charge    |       | 3,424,767  | \$0.895000   | \$3,065,167         | \$0.895000   | \$3,065,167         | \$0               |         |
| Distribution Commodity Charge |       | 28,753,407 | \$0.154138   | \$4,431,993         | \$0.225645   | \$6,488,063         | \$2,056,070       |         |
| CIP Base (CCRC) Exemption     |       | 267,409    | (\$0.037502) | (\$10,028)          | (\$0.047505) | (\$12,703)          | (\$2,675)         |         |
| CIP Rider Roll In             |       | 28,753,407 | \$0.010003   | \$287,617           | \$0.000000   | \$0                 | (\$287,617)       |         |
| CIP Rider Roll In Exemption   |       | 267,409    | (\$0.010003) | (\$2,675)           | \$0.000000   | \$0                 | \$2,675           |         |
| <u>GUIC Rider Roll In</u>     |       | 28,753,407 | \$0.002011   | <u>\$57,836</u>     | \$0.000000   | <u>\$0</u>          | <u>(\$57,836)</u> |         |
| Non-Fuel Subtotal             |       |            |              | \$8,282,910         |              | \$9,993,526         | \$1,710,616       | 20.7%   |
| Gas Supply Demand             |       | 3,424,767  | \$1.136784   | \$3,893,220         | \$1.136784   | \$3,893,220         | \$0               |         |
| <u>Gas Supply Commodity</u>   |       | 28,753,407 | \$0.423991   | <u>\$12,191,185</u> | \$0.423991   | <u>\$12,191,185</u> | <u>\$0</u>        |         |
| Gas Supply Subtotal           |       |            |              | \$16,084,405        |              | \$16,084,405        | \$0               | 0.0%    |
| Average Customers             | 142   |            | Total        | \$24,367,315        |              | \$26,077,931        | \$1,710,616       | 7.0%    |

Small Interruptible

|                               | Units |            | Present    |                    | Proposed   |                    | Increase          |             |
|-------------------------------|-------|------------|------------|--------------------|------------|--------------------|-------------------|-------------|
|                               | Bills | Therms     | Rate       | Revenue            | Rate       | Revenue            | Amount            | Percent     |
| Customer Charge               | 1,772 |            | \$150.00   | \$265,815          | \$150.00   | \$265,815          | \$0               |             |
| Distribution Charge - Tier I  |       | 5,976,226  | \$0.220365 | \$1,316,951        | \$0.284904 | \$1,702,651        | \$385,700         |             |
| Distribution Charge - Tier II |       | 5,976,226  | \$0.198329 | \$1,185,259        | \$0.256414 | \$1,532,388        | \$347,129         |             |
| CIP Rider Roll In             |       | 11,952,452 | \$0.010003 | \$119,559          | \$0.000000 | \$0                | (\$119,559)       |             |
| <u>GUIC Rider Roll In</u>     |       | 11,952,452 | \$0.007484 | <u>\$89,451</u>    | \$0.000000 | <u>\$0</u>         | <u>(\$89,451)</u> |             |
| Non-Fuel Subtotal             |       |            |            | \$2,977,035        |            | \$3,500,854        | \$523,819         | 17.6%       |
| <u>Gas Supply Charge</u>      |       | 11,952,452 | \$0.434271 | <u>\$5,190,604</u> | \$0.434271 | <u>\$5,190,604</u> | <u>\$0</u>        | <u>0.0%</u> |
| Average Customers             | 148   |            | Total      | \$8,167,640        |            | \$8,691,458        | \$523,819         | 6.4%        |

Medium and Large Interruptible

|                               | Units |            | Present      |                     | Proposed     |                     | Increase           |             |
|-------------------------------|-------|------------|--------------|---------------------|--------------|---------------------|--------------------|-------------|
|                               | Bills | Therms     | Rate         | Revenue             | Rate         | Revenue             | Amount             | Percent     |
| Customer Charge               | 956   |            |              | \$292,292           |              | \$292,292           | \$0                |             |
| Distribution Charge - Tier I  |       | 32,382,783 |              | \$4,793,076         |              | \$6,944,085         | \$2,151,009        |             |
| Distribution Charge - Tier II |       | 32,382,783 |              | \$4,313,767         |              | \$6,249,689         | \$1,935,922        |             |
| CIP Base (CCRC) Exemption     |       | -          | (\$0.037502) | \$0                 | (\$0.047505) | \$0                 | \$0                |             |
| CIP Rider Roll In             |       | 64,765,566 | \$0.010003   | \$647,843           | \$0.000000   | \$0                 | (\$647,843)        |             |
| CIP Rider Roll In Exemption   |       | -          | (\$0.010003) | \$0                 | \$0.000000   | \$0                 | \$0                |             |
| <u>GUIC Rider Roll In</u>     |       | 64,765,566 | \$0.007484   | <u>\$484,700</u>    | \$0.000000   | <u>\$0</u>          | <u>(\$484,700)</u> |             |
| Non-Fuel Subtotal             |       |            |              | \$10,531,678        |              | \$13,486,067        | \$2,954,389        | 28.1%       |
| <u>Gas Supply Charge</u>      |       | 64,765,566 |              | <u>\$27,268,944</u> |              | <u>\$27,268,944</u> | <u>\$0</u>         | <u>0.0%</u> |
| Average Customers             | 80    |            | Total        | \$37,800,622        |              | \$40,755,010        | \$2,954,389        | 7.8%        |

**DETAIL OF CUSTOMERS, SALES, AND PRESENT AND COMPLIANCE RATES AND REVENUES**  
**Test Year Ending December 31, 2026**  
**Revenue by Rate Schedule**

**Transportation (summary of 26 customers)**

|                             | Units |             | Present |                  | Proposed |                  | Increase           |         |
|-----------------------------|-------|-------------|---------|------------------|----------|------------------|--------------------|---------|
|                             | Bills | Therms      | Rate    | Revenue          | Rate     | Revenue          | Amount             | Percent |
| Customer Charge             | 300   |             |         | \$93,300         |          | \$93,300         | \$0                |         |
| Distribution Charge         |       | 101,900,891 |         | \$6,355,031      |          | \$8,185,068      | \$1,830,037        |         |
| Distribution Demand Charge  |       | 988,860     |         | \$885,030        |          | \$885,030        | \$0                |         |
| CIP Base (CCRC) Exemption   |       | 63,249,350  |         | \$0              |          | \$0              | \$0                |         |
| CIP Rider Roll In           |       | 101,900,891 |         | \$1,019,303      |          | \$763,305        | (\$255,998)        |         |
| CIP Rider Roll In Exemption |       | 63,249,350  |         | (\$632,676)      |          | (\$632,676)      | \$0                |         |
| <u>GUIC Rider Roll In</u>   |       | 101,900,891 |         | <u>\$290,335</u> |          | <u>\$153,492</u> | <u>(\$136,843)</u> |         |
| Average Customers           | 25    |             | Total   | \$8,010,323      |          | \$9,447,519      | \$1,437,196        | 17.9%   |

**Generation (summary of 9 customers)**

|                             | Units |             | Present |                  | Proposed |                  | Increase          |         |
|-----------------------------|-------|-------------|---------|------------------|----------|------------------|-------------------|---------|
|                             | Bills | Therms      | Rate    | Revenue          | Rate     | Revenue          | Amount            | Percent |
| Customer Charge             | 108   |             |         | \$31,200         |          | \$31,200         | \$0               |         |
| Distribution Charges        |       | 386,142,114 |         | \$9,491,096      |          | \$10,597,098     | \$1,106,002       |         |
| CIP Base (CCRC) Exemption   |       | 382,757,656 |         | (\$212,193)      |          | (\$268,791)      | (\$56,598)        |         |
| CIP Rider Roll In           |       | 386,142,114 |         | \$3,862,536      |          | \$3,804,238      | (\$58,298)        |         |
| CIP Rider Roll In Exemption |       | 382,757,656 |         | (\$3,828,682)    |          | (\$3,772,083)    | \$56,598          |         |
| <u>GUIC Rider Roll In</u>   |       | 386,142,114 |         | <u>\$824,432</u> |          | <u>\$782,580</u> | <u>(\$41,853)</u> |         |
| Non-Fuel Subtotal           |       |             |         | \$10,168,389     |          | \$11,174,241     | \$1,005,852       | 9.9%    |
| Gas Supply Charge           |       |             |         | \$1,666,832      |          | \$1,666,832      | \$0               | 0.0%    |
| Average Customers           | 9     |             | Total   | \$11,835,221     |          | \$12,841,073     | \$1,005,852       | 8.5%    |

Northern States Power Company  
State of Minnesota Gas Jurisdiction  
**PRESENT & PROPOSED RATES**  
Test Year Ending December 31, 2026

Docket No. G002/GR-25-356  
Exhibit\_\_\_\_(MMT-1), Schedule 6  
Page 1 of 1

| <b><u>PRESENT RATES</u></b>                   | <b><u>Res</u></b> | <b><u>Sm Com</u></b> | <b><u>Lg Com</u></b> | <b><u>Sm Dmd</u></b> | <b><u>Lg Dmd</u></b> | <b><u>Sm Int</u></b> | <b><u>Med Int</u></b> | <b><u>Lg Int</u></b> | <b><u>Lg Fm Tran</u></b> | <b><u>Sm Int Tran</u></b> | <b><u>Med Int Tran</u></b> | <b><u>Lg Int Tran</u></b> |
|---|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|--------------------------|---------------------------|----------------------------|---------------------------|
| <b>Customer Charge (\$/Month)</b>             | \$9.00            | \$20.00              | \$50.00              | \$175.00             | \$275.00             | \$150.00             | \$300.00              | \$450.00             | \$300.00                 | \$175.00                  | \$325.00                   | \$475.00                  |
| <b><u>Distribution Charges (\$/Therm)</u></b> |                   |                      |                      |                      |                      |                      |                       |                      |                          |                           |                            |                           |
| <b>Commodity</b>                              | \$0.380239        | \$0.311426           | \$0.272547           | \$0.154138           | \$0.154138           | \$0.220365           | \$0.154138            | \$0.136293           | \$0.154138               | \$0.220365                | \$0.154138                 | \$0.136293                |
| <b>Commodity-Int Tier II</b>                  |                   |                      |                      |                      |                      | \$0.198329           | \$0.138724            | \$0.122664           |                          |                           |                            |                           |
| <b>Demand</b>                                 | N/A               | N/A                  | N/A                  | \$0.89500            | \$0.89500            | N/A                  | N/A                   | N/A                  | \$0.89500                | N/A                       | N/A                        | N/A                       |
| <b><u>Proposed Cost of Gas (\$/Therm)</u></b> |                   |                      |                      |                      |                      |                      |                       |                      |                          |                           |                            |                           |
| <b>Summer</b>                                 | \$0.542376        | \$0.539494           | \$0.539494           | \$0.423991           | \$0.423991           | \$0.434271           | \$0.421173            | \$0.420788           |                          |                           |                            |                           |
| <b>Winter</b>                                 | \$0.629323        | \$0.626441           | \$0.626441           | \$1.136784           | \$1.136784           | \$0.434271           | \$0.421173            | \$0.420788           |                          |                           |                            |                           |
| <b><u>Total Commodity Rate (\$/Therm)</u></b> |                   |                      |                      |                      |                      |                      |                       |                      |                          |                           |                            |                           |
| <b>Summer</b>                                 | \$0.922615        | \$0.850920           | \$0.812041           | \$0.578129           | \$0.578129           | \$0.654636           | \$0.575311            | \$0.557081           |                          |                           |                            |                           |
| <b>Winter</b>                                 | \$1.009562        | \$0.937867           | \$0.898988           | \$2.031784           | \$2.031784           | \$0.654636           | \$0.575311            | \$0.557081           |                          |                           |                            |                           |
| <br>  |                   |                      |                      |                      |                      |                      |                       |                      |                          |                           |                            |                           |
| <b><u>PROPOSED RATES</u></b>                  | <b><u>Res</u></b> | <b><u>Sm Com</u></b> | <b><u>Lg Com</u></b> | <b><u>Sm Dmd</u></b> | <b><u>Lg Dmd</u></b> | <b><u>Sm Int</u></b> | <b><u>Med Int</u></b> | <b><u>Lg Int</u></b> | <b><u>Lg Fm Tran</u></b> | <b><u>Sm Int Tran</u></b> | <b><u>Med Int Tran</u></b> | <b><u>Lg Int Tran</u></b> |
| <b>Customer Charge (\$/Month)</b>             | \$12.00           | \$30.00              | \$50.00              | \$175.00             | \$275.00             | \$150.00             | \$300.00              | \$450.00             | \$300.00                 | \$175.00                  | \$325.00                   | \$475.00                  |
| <b><u>Distribution Charges (\$/Therm)</u></b> |                   |                      |                      |                      |                      |                      |                       |                      |                          |                           |                            |                           |
| <b>Commodity</b>                              | \$0.472233        | \$0.401388           | \$0.344499           | \$0.225645           | \$0.225645           | \$0.284904           | \$0.225645            | \$0.192992           | \$0.225645               | \$0.284904                | \$0.225645                 | \$0.192992                |
| <b>Commodity-Int Tier II</b>                  |                   |                      |                      |                      |                      | \$0.256414           | \$0.203081            | \$0.173693           |                          |                           |                            |                           |
| <b>Demand</b>                                 | N/A               | N/A                  | N/A                  | \$0.895000           | \$0.895000           | N/A                  | N/A                   | N/A                  | \$0.895000               | N/A                       | N/A                        | N/A                       |
| <b><u>Proposed Cost of Gas (\$/Therm)</u></b> |                   |                      |                      |                      |                      |                      |                       |                      |                          |                           |                            |                           |
| <b>Summer</b>                                 | \$0.542376        | \$0.539494           | \$0.539494           | \$0.423991           | \$0.423991           | \$0.434271           | \$0.421173            | \$0.420788           |                          |                           |                            |                           |
| <b>Winter</b>                                 | \$0.629323        | \$0.626441           | \$0.626441           | \$1.136784           | \$1.136784           | \$0.434271           | \$0.421173            | \$0.420788           |                          |                           |                            |                           |
| <b><u>Total Commodity Rate (\$/Therm)</u></b> |                   |                      |                      |                      |                      |                      |                       |                      |                          |                           |                            |                           |
| <b>Summer</b>                                 | \$1.014610        | \$0.940882           | \$0.883993           | \$0.649636           | \$0.649636           | \$0.719175           | \$0.646818            | \$0.613780           |                          |                           |                            |                           |
| <b>Winter</b>                                 | \$1.101556        | \$1.027829           | \$0.970940           | \$2.031784           | \$2.031784           | \$0.719175           | \$0.646818            | \$0.613780           |                          |                           |                            |                           |

**REVENUE DEFICIENCY VS. PROPOSED RATES (w/ fuel)**

| <b>Customer Class</b>                     | <b>Total<br/>Present<br/>Revenues</b> | <b>Revenue Deficiency<br/>Indicated<br/>by CCOSS</b> | <b>Total Effect<br/>Of<br/>Proposed Rates</b> | <b>Difference Between<br/>Revenue Deficiency<br/>and Proposed Rates</b> |
|---|---------------------------------------|--|---|---|
| Residential                               | \$452,990,740                         | \$50,684,978<br>11.2%                                | \$39,337,899<br>8.7%                          | \$11,347,080<br>2.5%  |
| Small Commercial                          | \$59,599,329                          | \$12,821,570<br>21.5%                                | \$6,690,125<br>11.2%                          | \$6,131,445<br>10.3%  |
| Large Commercial                          | \$172,032,214                         | (\$8,589,358)<br>-5.0%                               | \$8,610,499<br>5.0%                           | (\$17,199,857)<br>-10.0%  |
| Small & Large Commercial<br>Demand Billed | \$24,367,315                          | (\$1,385,521)<br>-5.7%                               | \$1,710,616<br>7.0%                           | (\$3,096,137)<br>-12.7%   |
| Small Interruptible                       | \$8,167,640                           | (\$1,507,191)<br>-18.5%                              | \$523,819<br>6.4%                             | (\$2,031,010)<br>-24.9%   |
| Medium & Large Interruptible              | \$37,800,622                          | (\$3,767,179)<br>-10.0%                              | \$2,954,389<br>7.8%                           | (\$6,721,568)<br>-17.8%   |
| Transportation                            | \$8,010,323                           | (\$257,448)<br>-3.2%                                 | \$1,437,196<br>17.9%                          | (\$1,694,644)<br>-21.2%   |
| Generation - System                       | \$2,506,128                           | \$239,013<br>9.5%                                    | \$793,671<br>31.7%                            | (\$554,659)<br>-22.1%   |
| Generation - Transportation               | \$9,329,093                           | \$15,162,505<br>162.5%                               | \$212,181<br>2.3%                             | \$14,950,324<br>160.3%  |
| Other Revenues                            |                                       |  | \$1,130,974<br>4.3%                           | (\$1,130,974)<br>4.3%   |
| Total                                     | \$774,803,403                         | \$63,401,368<br>8.2%                                 | \$63,401,367<br>8.2%                          | \$0<br>0.0%   |

**COMPARISON OF MONTHLY BILLS UNDER PRESENT AND PROPOSED RATES**  
**Test Year Ending December 31, 2026**

**RESIDENTIAL FIRM SERVICE**

| <b>MONTHLY<br/>THERM USE</b> | <b>BILLING</b> |                         | <b>INCREASE</b>          |                |
|------------------------------|----------------|-------------------------|--------------------------|----------------|
|                              | <b>PRESENT</b> | <b>PROPOSED</b>         | <b>AMOUNT</b>            | <b>PERCENT</b> |
| 10                           | \$19.23        | \$22.81                 | \$3.58                   | 18.6%          |
| 20                           | \$29.46        | \$33.61                 | \$4.15                   | 14.1%          |
| 30                           | \$39.68        | \$44.42                 | \$4.74                   | 11.9%          |
| 40                           | \$49.91        | \$55.22                 | \$5.31                   | 10.6%          |
| 50                           | \$60.14        | \$66.03                 | \$5.89                   | 9.8%           |
| 71                           | \$81.94        | \$89.05                 | \$7.11                   | 8.7%           |
| 100                          | \$111.28       | \$120.05                | \$8.77                   | 7.9%           |
| 200                          | \$213.56       | \$228.10                | \$14.54                  | 6.8%           |
| 300                          | \$315.84       | \$336.15                | \$20.31                  | 6.4%           |
| 500                          | \$520.40       | \$552.25                | \$31.85                  | 6.1%           |
|                              |                |                         |                          |                |
|                              |                | <b>PRESENT<br/>RATE</b> | <b>PROPOSED<br/>RATE</b> |                |
| Customer Charge              |                | \$9.00                  | \$12.00                  |                |
| Distribution Charge          |                | \$0.380239              | \$0.472233               |                |
| <u>Average Cost of Gas</u>   |                | <u>\$0.608270</u>       | <u>\$0.608270</u>        |                |
| Commodity Total              |                | \$0.988509              | \$1.080503               |                |
| GUIC/CIP                     |                | \$0.034284              | \$0.000000               |                |

**SMALL COMMERCIAL FIRM SERVICE**

| <b>MONTHLY<br/>THERM USE</b> | <b>BILLING</b> |                         | <b>INCREASE</b>          |                |
|------------------------------|----------------|-------------------------|--------------------------|----------------|
|                              | <b>PRESENT</b> | <b>PROPOSED</b>         | <b>AMOUNT</b>            | <b>PERCENT</b> |
| 50                           | \$67.18        | \$80.43                 | \$13.25                  | 19.7%          |
| 100                          | \$114.37       | \$130.87                | \$16.50                  | 14.4%          |
| 200                          | \$208.74       | \$231.73                | \$22.99                  | 11.0%          |
| 189                          | \$198.44       | \$220.72                | \$22.28                  | 11.2%          |
| 250                          | \$255.92       | \$282.16                | \$26.24                  | 10.3%          |
| 350                          | \$350.29       | \$383.03                | \$32.74                  | 9.3%           |
| 500                          | \$491.84       | \$534.33                | \$42.49                  | 8.6%           |
| 750                          | \$727.77       | \$786.49                | \$58.72                  | 8.1%           |
| 1,000                        | \$963.69       | \$1,038.66              | \$74.97                  | 7.8%           |
|                              |                |                         |                          |                |
|                              |                | <b>PRESENT<br/>RATE</b> | <b>PROPOSED<br/>RATE</b> |                |
| Customer Charge              |                | \$20.00                 | \$30.00                  |                |
| Distribution Charge          |                | \$0.311426              | \$0.401388               |                |
| <u>Average Cost of Gas</u>   |                | <u>\$0.607270</u>       | <u>\$0.607270</u>        |                |
| Commodity Total              |                | \$0.918696              | \$1.008658               |                |
| GUIC/CIP                     |                | \$0.024993              | \$0.000000               |                |

COMPARISON OF MONTHLY BILLS UNDER PRESENT AND PROPOSED RATES  
Test Year Ending December 31, 2026

LARGE COMMERCIAL FIRM GAS SERVICE  
SYSTEM SUPPLY

| MONTHLY<br>THERM USE | BILLING    |                 | INCREASE         |         |
|----------------------|------------|-----------------|------------------|---------|
|                      | PRESENT    | PROPOSED        | AMOUNT           | PERCENT |
| 100                  | \$139.99   | \$144.68        | \$4.69           | 3.4%    |
| 250                  | \$274.96   | \$286.70        | \$11.74          | 4.3%    |
| 500                  | \$499.93   | \$523.40        | \$23.47          | 4.7%    |
| 750                  | \$724.89   | \$760.11        | \$35.22          | 4.9%    |
| 1,000                | \$949.85   | \$996.81        | \$46.96          | 4.9%    |
| 2,167                | \$2,000.18 | \$2,101.95      | \$101.77         | 5.1%    |
| 3,000                | \$2,749.55 | \$2,890.43      | \$140.88         | 5.1%    |
| 5,000                | \$4,549.25 | \$4,784.05      | \$234.80         | 5.2%    |
| 7,500                | \$6,798.88 | \$7,151.07      | \$352.19         | 5.2%    |
| 10,000               | \$9,048.50 | \$9,518.09      | \$469.59         | 5.2%    |
|                      |            |                 |                  |         |
|                      |            | PRESENT<br>RATE | PROPOSED<br>RATE |         |
| Customer Charge      |            | \$50.00         | \$50.00          |         |
| Distribution Charge  |            | \$0.272547      | \$0.344499       |         |
| Average Cost of Gas  |            | \$0.602310      | \$0.602310       |         |
| Commodity Total      |            | \$0.874857      | \$0.946809       |         |
| GUIC/CIP             |            | \$0.024993      | \$0.000000       |         |

SMALL INTERRUPTIBLE GAS SERVICE  
SYSTEM SUPPLY

| MONTHLY<br>THERM USE | BILLING     |                 | INCREASE         |         |
|----------------------|-------------|-----------------|------------------|---------|
|                      | PRESENT     | PROPOSED        | AMOUNT           | PERCENT |
| 2,500                | \$1,830.31  | \$1,947.94      | \$117.63         | 6.4%    |
| 5,000                | \$3,510.61  | \$3,745.88      | \$235.27         | 6.7%    |
| 6,745                | \$4,683.33  | \$5,000.68      | \$317.35         | 6.8%    |
| 10,000               | \$6,871.23  | \$7,341.75      | \$470.52         | 6.8%    |
| 15,000               | \$10,231.84 | \$10,937.63     | \$705.79         | 6.9%    |
| 20,000               | \$13,592.46 | \$14,533.50     | \$941.04         | 6.9%    |
| 25,000               | \$16,953.07 | \$18,129.38     | \$1,176.31       | 6.9%    |
| 30,000               | \$20,313.69 | \$21,725.25     | \$1,411.56       | 6.9%    |
| 40,000               | \$27,034.91 | \$28,917.00     | \$1,882.09       | 7.0%    |
| 50,000               | \$33,756.14 | \$36,108.75     | \$2,352.61       | 7.0%    |
|                      |             |                 |                  |         |
|                      |             | PRESENT<br>RATE | PROPOSED<br>RATE |         |
| Customer Charge      |             | \$150.00        | \$150.00         |         |
| Distribution Charge  |             | \$0.220365      | \$0.284904       |         |
| Cost of Gas          |             | \$0.434271      | \$0.434271       |         |
| Commodity Total      |             | \$0.654636      | \$0.719175       |         |
| GUIC/CIP             |             | \$0.017487      | \$0.000000       |         |

**MEDIUM INTERRUPTIBLE GAS SERVICE  
SYSTEM SUPPLY**

| <b>MONTHLY<br/>THERM USE</b> | <b>BILLING</b> |                 | <b>INCREASE</b> |                |
|------------------------------|----------------|-----------------|-----------------|----------------|
|                              | <b>PRESENT</b> | <b>PROPOSED</b> | <b>AMOUNT</b>   | <b>PERCENT</b> |
| 5,000                        | \$3,263.99     | \$3,534.09      | \$270.10        | 8.3%           |
| 10,000                       | \$6,227.98     | \$6,768.18      | \$540.20        | 8.7%           |
| 20,000                       | \$12,155.96    | \$13,236.36     | \$1,080.40      | 8.9%           |
| 30,000                       | \$18,083.93    | \$19,704.54     | \$1,620.61      | 9.0%           |
| 40,000                       | \$24,011.91    | \$26,172.72     | \$2,160.81      | 9.0%           |
| 46,220                       | \$27,698.82    | \$30,195.61     | \$2,496.79      | 9.0%           |
| 60,000                       | \$35,867.87    | \$39,109.08     | \$3,241.21      | 9.0%           |
| 70,000                       | \$41,795.84    | \$45,577.26     | \$3,781.42      | 9.0%           |
| 80,000                       | \$47,723.82    | \$52,045.44     | \$4,321.62      | 9.1%           |

|                     | <b>PRESENT<br/>RATE</b> | <b>PROPOSED<br/>RATE</b> |
|---------------------|-------------------------|--------------------------|
| Customer Charge     | \$300.00                | \$300.00                 |
| Distribution Charge | \$0.154138              | \$0.225645               |
| <u>Cost of Gas</u>  | <u>\$0.421173</u>       | <u>\$0.421173</u>        |
| Commodity Total     | \$0.575311              | \$0.646818               |
| GUIC/CIP            | \$0.017487              | \$0.000000               |

**LARGE INTERRUPTIBLE GAS SERVICE  
SYSTEM SUPPLY**

| <b>MONTHLY<br/>THERM USE</b> | <b>BILLING</b> |                 | <b>INCREASE</b> |                |
|------------------------------|----------------|-----------------|-----------------|----------------|
|                              | <b>PRESENT</b> | <b>PROPOSED</b> | <b>AMOUNT</b>   | <b>PERCENT</b> |
| 50,000                       | \$29,178.38    | \$31,138.99     | \$1,960.61      | 6.7%           |
| 100,000                      | \$57,906.76    | \$61,827.98     | \$3,921.22      | 6.8%           |
| 200,000                      | \$115,363.52   | \$123,205.96    | \$7,842.44      | 6.8%           |
| 300,000                      | \$172,820.28   | \$184,583.94    | \$11,763.66     | 6.8%           |
| 400,000                      | \$230,277.05   | \$245,961.92    | \$15,684.87     | 6.8%           |
| 617,483                      | \$355,235.79   | \$379,448.66    | \$24,212.87     | 6.8%           |
| 500,000                      | \$287,733.81   | \$307,339.90    | \$19,606.09     | 6.8%           |
| 600,000                      | \$345,190.57   | \$368,717.89    | \$23,527.32     | 6.8%           |
| 700,000                      | \$402,647.33   | \$430,095.87    | \$27,448.54     | 6.8%           |

|                     | <b>PRESENT<br/>RATE</b> | <b>PROPOSED<br/>RATE</b> |
|---------------------|-------------------------|--------------------------|
| Customer Charge     | \$450.00                | \$450.00                 |
| Distribution Charge | \$0.136293              | \$0.192992               |
| <u>Cost of Gas</u>  | <u>\$0.420788</u>       | <u>\$0.420788</u>        |
| Commodity Total     | \$0.557081              | \$0.613780               |
| GUIC/CIP            | \$0.017487              | \$0.000000               |

### Summary List of Tariff Changes

| <u>Tariff</u>   | <u>Sheet No.</u>            | <u>Rate Code</u>   | <u>Changes</u>   |
|---|-----------------------------|--|--|
| Index of Company's Service Area                               | 3-1, 3-1.1, 3-2, 3-2.1, 3-3 |  | Service area updates.  |
| Residential Firm Service                                      | 5-1                         | 101  | 1. Rate changes.   |
| Commercial Firm Service                                       | 5-2                         | Small: 102, 108<br>Large: 118, 125                               | 1. Rate changes.   |
| Commercial Demand Billed Service                              | 5-3, 5-4                    | Small: 119<br>Large: 103   | 1. Rate changes.<br>2. Edited "Revenue Decoupling Mechanism Rider" (RDM Rider) language to include Small Commercial Demand as applicable to the RDM Rider.   |
| Large Firm Transportation Service                             | 5-5, 5-6                    | 104  | 1. Rate changes.<br>2. Added "Revenue Decoupling Mechanism Rider" language to include Large Firm Transport as applicable to the RDM Rider.   |
| Interruptible Service   | 5-10.1, 5-11, 5-11.1        | Small: 105, 111, 130, 131<br>Medium: 106, 132<br>Large: 120, 133 | 1. Rate changes.<br>2. Edited "Revenue Decoupling Mechanism Rider" (RDM Rider) language to include Large Interruptible as applicable to the RDM Rider.   |
| Interruptible Transportation Service                          | 5-16, 5-17, 5-17.1          | Small: 123<br>Medium: 107<br>Large: 124                          | 1. Rate changes.<br>2. Added "Revenue Decoupling Mechanism Rider" language to include Interruptible Transport as applicable to the RDM Rider.  |
| Negotiated Transportation Service                             | 5-24                        | 114  | 1. Rate changes.   |
| Conservation Improvement Program Adjustment Rider             | 5-43.1                      |  | 1. Rate changes to the Conservation Cost Recovery Charge (CCRC) and the CCRC Exemption Factor.   |
| Revenue Decoupling Mechanism Rider                            | 5-71, 5-72                  |  | 1. Added all services, except "Negotiated Transportation Service" as being applicable to adjustments in the RDM Rider.<br>2. Edited deferral account language to account for all classes that will be applicable to the RDM Rider. |
| General Rules and Regulations – Service Excess Footage Charge | 6-18.2                      |  | 1. Rate change.  |

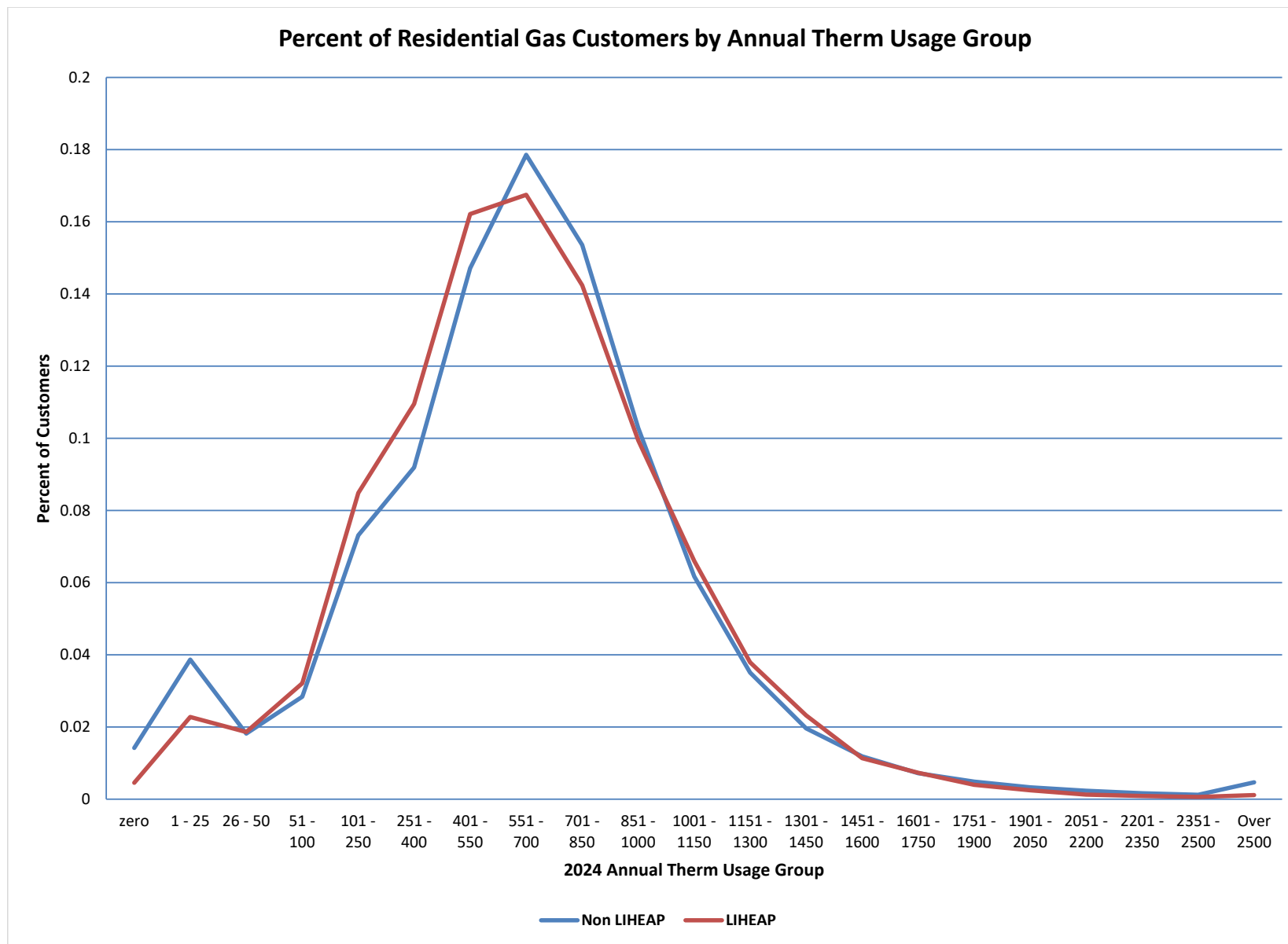


### Summary List of Tariff Changes

| <u>Tariff</u>   | <u>Sheet No.</u> | <u>Rate Code</u> | <u>Changes</u>  |
|---|------------------|------------------|---|
| General Rules and Regulations – Winter Construction Charges | 6-19             |                  | 1. Rate changes.  |
| Commercial and Industrial Service Agreement                 | 7-7.1            |                  | 1. Removed incorrectly placed dollar sign.  |
| Underground Gas And/Or Electric Distribution Agreement      | 7-31, 7-32, 7-33 |                  | 1. Changed multiple construction requirements from set numbers to references to the Xcel Energy Standards and Use Manual.<br>2. Added that developers will add marker stakes at lot numbers or house numbers.<br>3. Added “changes” by a developer as a reason for developers to pay excess installation costs.<br>4. Added that customers will pay the cost to relocate facilities to accommodate alterations. Customer is also responsible for reaching out to other contractors, building authorities, and other utilities for other potential requirements. |

| (1)                      | (2)                       |                            |                          |                                  | (3)                               | (4)                              | (5) = (3)*(4)           | (6)=(5)/12               | (7)              | (8)=(6)/(7)                            |
|--------------------------|---------------------------|----------------------------|--------------------------|----------------------------------|-----------------------------------|----------------------------------|-------------------------|--------------------------|------------------|--|
| <u>Category</u>          | <u>Employee</u>           | <u>Salary<br/>Midpoint</u> | <u>Labor<br/>Loading</u> | <u>Annual<br/>Work<br/>Hours</u> | <u>Loaded<br/>Hourly<br/>Rate</u> | <u>Annual<br/>EUAS<br/>Hours</u> | <u>Annual<br/>Labor</u> | <u>Monthly<br/>Labor</u> | <u>Customers</u> | <u>Monthly<br/>Cost<br/>/ Customer</u> |
| Operational Labor        | Principal Analyst         | \$125,250                  | 166.36%                  | 2,080                            | \$100.18                          | 48                               | \$4,808.64              | \$400.72                 | 8                | \$50.09                                |
| Regulatory Exp *         | Associate Analyst         | \$94,600                   | 166.36%                  | 2,080                            | \$75.66                           | 12                               | \$907.92                | \$75.66                  | 8                | \$9.46                                 |
| <u>Regulatory Exp **</u> | <u>Management / Legal</u> | <u>\$165,650</u>           | <u>166.36%</u>           | <u>2,080</u>                     | <u>\$132.49</u>                   | <u>3</u>                         | <u>\$397.47</u>         | <u>\$33.12</u>           | <u>8</u>         | <u>\$4.14</u>                          |
| Total                    |                           |                            |                          |                                  |                                   |                                  |                         |                          |                  | \$63.69                                |

\* Estimated staff hours required for development and monitoring of compliance filings.  
\*\* Estimated mgmt/legal hours required for compliance filing.



Residential

|  |              |              |              |              |              |             |             |             |             |              |              |              |               |
|--|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|---------------|
| TY 2026 Therms and Customers             | Jan-26       | Feb-26       | Mar-26       | Apr-26       | May-26       | Jun-26      | Jul-26      | Aug-26      | Sep-26      | Oct-26       | Nov-26       | Dec-26       | Annual        |
| Therms                                   | 74,698,663   | 65,527,143   | 49,178,932   | 28,448,702   | 15,367,169   | 7,892,660   | 6,500,899   | 6,711,477   | 8,654,843   | 21,889,941   | 42,079,205   | 67,298,315   | 394,247,949   |
| Customers                                | 459,709      | 459,971      | 460,207      | 460,320      | 460,575      | 460,298     | 460,264     | 460,479     | 460,714     | 461,483      | 462,029      | 462,511      | 460,713       |
| Distribution Charge (\$/therm)           | \$0.472233   | \$0.472233   | \$0.472233   | \$0.472233   | \$0.472233   | \$0.472233  | \$0.472233  | \$0.472233  | \$0.472233  | \$0.472233   | \$0.472233   | \$0.472233   |               |
| Customer Charge (\$/month)               | \$12.00      | \$12.00      | \$12.00      | \$12.00      | \$12.00      | \$12.00     | \$12.00     | \$12.00     | \$12.00     | \$12.00      | \$12.00      | \$12.00      |               |
| TY 2026 Revenues                         | Jan-26       | Feb-26       | Mar-26       | Apr-26       | May-26       | Jun-26      | Jul-26      | Aug-26      | Sep-26      | Oct-26       | Nov-26       | Dec-26       | Annual        |
| Distribution Charge Revenue              | \$35,275,188 | \$30,944,092 | \$23,223,924 | \$13,434,421 | \$7,256,887  | \$3,727,176 | \$3,069,940 | \$3,169,382 | \$4,087,104 | \$10,337,157 | \$19,871,197 | \$31,780,498 | \$186,176,965 |
| Customer Charge Revenue                  | \$5,516,506  | \$5,519,656  | \$5,522,486  | \$5,523,839  | \$5,526,895  | \$5,523,580 | \$5,523,170 | \$5,525,748 | \$5,528,572 | \$5,537,801  | \$5,544,350  | \$5,550,134  | \$66,342,737  |
| Distribution + Customer Chg Revenue      | \$40,791,694 | \$36,463,748 | \$28,746,410 | \$18,958,260 | \$12,783,782 | \$9,250,755 | \$8,593,111 | \$8,695,130 | \$9,615,676 | \$15,874,958 | \$25,415,547 | \$37,330,631 | \$252,519,701 |
| CCRC Revenue @ 0.047505/therm            | \$3,548,552  | \$3,112,860  | \$2,336,240  | \$1,351,452  | \$730,016    | \$374,940   | \$308,824   | \$318,828   | \$411,147   | \$1,039,879  | \$1,998,968  | \$3,196,999  | \$18,728,704  |
| Distribution + Customer Chg Rev w/o CCRC | \$37,243,142 | \$33,350,888 | \$26,410,170 | \$17,606,808 | \$12,053,766 | \$8,875,816 | \$8,284,286 | \$8,376,302 | \$9,204,529 | \$14,835,078 | \$23,416,579 | \$34,133,632 | \$233,790,997 |
| FRC (Fixed Revenue per Customer) - 2026  | Jan          | Feb          | Mar          | Apr          | May          | Jun         | Jul         | Aug         | Sep         | Oct          | Nov          | Dec          |               |
| FDC (Fixed Distribution Charge) - 2026   | \$81.01      | \$72.51      | \$57.39      | \$38.25      | \$26.17      | \$19.28     | \$18.00     | \$18.19     | \$19.98     | \$32.15      | \$50.68      | \$73.80      |               |
|  | \$0.498578   | \$0.508963   | \$0.537022   | \$0.618897   | \$0.784384   | \$1.124566  | \$1.274329  | \$1.248056  | \$1.063512  | \$0.677712   | \$0.556488   | \$0.507199   |               |

Revenue Decoupling Mechanism Model

Small Commercial & Industrial

|  |             |             |             |             |             |             |            |             |             |             |             |             |              |
|--|-------------|-------------|-------------|-------------|-------------|-------------|------------|-------------|-------------|-------------|-------------|-------------|--------------|
| TY 2026 Therms and Customers             | Jan-26      | Feb-26      | Mar-26      | Apr-26      | May-26      | Jun-26      | Jul-26     | Aug-26      | Sep-26      | Oct-26      | Nov-26      | Dec-26      | Annual       |
| Therms                                   | 10,936,685  | 10,108,400  | 7,619,544   | 3,817,288   | 2,207,344   | 1,182,665   | 582,503    | 894,087     | 1,129,048   | 2,711,572   | 5,836,836   | 9,771,719   | 56,797,690   |
| Customers                                | 25,058      | 25,074      | 25,126      | 25,140      | 25,121      | 25,080      | 24,922     | 24,907      | 24,894      | 24,884      | 24,875      | 24,925      | 25,000       |
| Distribution Charge (\$/therm)           | \$0.401388  | \$0.401388  | \$0.401388  | \$0.401388  | \$0.401388  | \$0.401388  | \$0.401388 | \$0.401388  | \$0.401388  | \$0.401388  | \$0.401388  | \$0.401388  |              |
| Customer Charge (\$/month)               | \$30.00     | \$30.00     | \$30.00     | \$30.00     | \$30.00     | \$30.00     | \$30.00    | \$30.00     | \$30.00     | \$30.00     | \$30.00     | \$30.00     |              |
| TY 2026 Revenue                          | Jan-26      | Feb-26      | Mar-26      | Apr-26      | May-26      | Jun-26      | Jul-26     | Aug-26      | Sep-26      | Oct-26      | Nov-26      | Dec-26      | Annual       |
| Distribution Charge Revenue              | \$4,389,854 | \$4,057,390 | \$3,058,393 | \$1,532,214 | \$886,001   | \$474,708   | \$233,810  | \$358,876   | \$453,186   | \$1,088,393 | \$2,342,836 | \$3,922,251 | \$22,797,911 |
| Customer Charge Revenue                  | \$751,752   | \$752,215   | \$753,773   | \$754,203   | \$753,620   | \$752,385   | \$747,660  | \$747,209   | \$746,830   | \$746,515   | \$746,254   | \$747,758   | \$9,000,174  |
| Distribution + Customer Charge Revenue   | \$5,141,606 | \$4,809,605 | \$3,812,166 | \$2,286,416 | \$1,639,622 | \$1,227,093 | \$981,470  | \$1,106,084 | \$1,200,016 | \$1,834,908 | \$3,089,090 | \$4,670,009 | \$31,798,085 |
| CIP Exempt Therms                        | 426         | 215         | 112         | 45          | 10          | 8           | 6          | 8           | 10          | 41          | 185         | 247         | 1,311        |
| CCRC Related Therms                      | 10,936,260  | 10,108,185  | 7,619,432   | 3,817,243   | 2,207,334   | 1,182,657   | 582,497    | 894,079     | 1,129,038   | 2,711,532   | 5,836,651   | 9,771,472   | 56,796,379   |
| CCRC Revenue @ 0.047505/therm            | \$519,526   | \$480,188   | \$361,960   | \$181,338   | \$104,859   | \$56,182    | \$27,671   | \$42,473    | \$53,635    | \$128,811   | \$277,269   | \$464,193   | \$2,698,106  |
| Distribution + Customer Chg Rev w/o CCRC | \$4,622,081 | \$4,329,417 | \$3,450,206 | \$2,105,079 | \$1,534,762 | \$1,170,911 | \$953,798  | \$1,063,611 | \$1,146,381 | \$1,706,097 | \$2,811,821 | \$4,205,816 | \$29,099,980 |
| FRC (Fixed Revenue per Customer) - 2026  | Jan         | Feb         | Mar         | Apr         | May         | Jun         | Jul        | Aug         | Sep         | Oct         | Nov         | Dec         |              |
| FDC (Fixed Distribution Charge) - 2026   | \$184.45    | \$172.67    | \$137.32    | \$83.73     | \$61.10     | \$46.69     | \$38.27    | \$42.70     | \$46.05     | \$68.56     | \$113.04    | \$168.74    |              |
|  | \$0.422622  | \$0.428299  | \$0.452810  | \$0.551459  | \$0.695298  | \$0.990061  | \$1.637414 | \$1.189606  | \$1.015352  | \$0.629191  | \$0.481737  | \$0.430407  |              |

Large Commercial & Industrial

|   | Jan-26       | Feb-26       | Mar-26      | Apr-26      | May-26      | Jun-26      | Jul-26      | Aug-26      | Sep-26      | Oct-26      | Nov-26      | Dec-26       | Annual       |
|---|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
| TY 2026 Therms and Customers            |              |              |             |             |             |             |             |             |             |             |             |              |              |
| Therms                                  | 31,433,714   | 29,534,972   | 22,510,169  | 13,747,522  | 8,006,127   | 5,134,635   | 3,682,053   | 4,046,790   | 5,043,429   | 11,219,019  | 19,763,540  | 29,241,626   | 183,363,595  |
| Customers                               | 11,734       | 11,738       | 11,743      | 11,742      | 11,738      | 11,733      | 11,725      | 11,718      | 11,716      | 11,700      | 11,698      | 11,700       | 11,724       |
| Distribution Charge (\$/therm)          | \$0.344499   | \$0.344499   | \$0.344499  | \$0.344499  | \$0.344499  | \$0.344499  | \$0.344499  | \$0.344499  | \$0.344499  | \$0.344499  | \$0.344499  | \$0.344499   |              |
| Customer Charge (\$/month)              | \$50.00      | \$50.00      | \$50.00     | \$50.00     | \$50.00     | \$50.00     | \$50.00     | \$50.00     | \$50.00     | \$50.00     | \$50.00     | \$50.00      |              |
| TY 2026 Revenue                         |              |              |             |             |             |             |             |             |             |             |             |              |              |
| Distribution Charge Revenue             | \$10,828,883 | \$10,174,768 | \$7,754,731 | \$4,736,008 | \$2,758,103 | \$1,768,877 | \$1,268,464 | \$1,394,115 | \$1,737,456 | \$3,864,941 | \$6,808,520 | \$10,073,711 | \$63,168,575 |
| Customer Charge Revenue                 | \$586,708    | \$586,914    | \$587,171   | \$587,120   | \$586,914   | \$586,656   | \$586,244   | \$585,883   | \$585,780   | \$585,007   | \$584,904   | \$585,007    | \$7,034,305  |
| TY 2026 Distribution Charge Revenue     | \$11,415,590 | \$10,761,682 | \$8,341,902 | \$5,323,127 | \$3,345,016 | \$2,355,533 | \$1,854,707 | \$1,979,998 | \$2,323,236 | \$4,449,948 | \$7,393,423 | \$10,658,717 | \$70,202,880 |
| CIP Exempt Therms                       | 10,193       | 8,236        | 6,391       | 3,435       | 2,001       | 1,860       | 1,752       | 1,888       | 2,291       | 3,741       | 7,925       | 9,378        | 59,089       |
| CCRC Related Therms                     | 31,423,521   | 29,526,737   | 22,503,778  | 13,744,087  | 8,004,126   | 5,132,775   | 3,680,301   | 4,044,902   | 5,041,137   | 11,215,279  | 19,755,615  | 29,232,248   | 183,304,506  |
| CCRC Revenue @ 0.047505/therm           | \$1,492,771  | \$1,402,664  | \$1,069,039 | \$652,911   | \$380,235   | \$243,832   | \$174,832   | \$192,153   | \$239,479   | \$532,781   | \$938,488   | \$1,388,675  | \$8,707,860  |
| Dist. Chg Rev w/o CCRC - TY 2026        | \$9,922,820  | \$9,359,018  | \$7,272,863 | \$4,670,216 | \$2,964,781 | \$2,111,701 | \$1,679,875 | \$1,787,845 | \$2,083,757 | \$3,917,167 | \$6,454,935 | \$9,270,043  | \$61,495,020 |
| FRC (Fixed Revenue per Customer) - 2026 | \$845.64     | \$797.31     | \$619.31    | \$397.72    | \$252.57    | \$179.98    | \$143.27    | \$152.58    | \$177.86    | \$334.80    | \$551.79    | \$792.30     |              |
| FDC (Fixed Distribution Charge) - 2026  | \$0.315674   | \$0.316879   | \$0.323092  | \$0.339713  | \$0.370314  | \$0.411266  | \$0.456233  | \$0.441793  | \$0.413163  | \$0.349154  | \$0.326608  | \$0.317015   |              |

**Demand Billed & Firm Transport**

|   | Jan-26      | Feb-26      | Mar-26     | Apr-26     | May-26     | Jun-26     | Jul-26     | Aug-26     | Sep-26     | Oct-26     | Nov-26     | Dec-26      | Annual      |
|---|-------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|
| TY 2026 Therms and Customers                    |             |             |            |            |            |            |            |            |            |            |            |             |             |
| Therms  | 4,782,741   | 4,309,453   | 4,038,122  | 3,214,266  | 2,566,315  | 2,171,961  | 2,351,953  | 2,174,183  | 2,434,212  | 3,146,505  | 3,504,994  | 4,374,571   | 39,069,275  |
| Customers                                       | 155         | 155         | 155        | 155        | 155        | 155        | 155        | 155        | 155        | 155        | 155        | 155         | 155         |
| Distribution Charge (\$/therm)                  | \$0.225645  | \$0.225645  | \$0.225645 | \$0.225645 | \$0.225645 | \$0.225645 | \$0.225645 | \$0.225645 | \$0.225645 | \$0.225645 | \$0.225645 | \$0.225645  |             |
| Customer Charge (\$/month) - Small              | \$175.00    | \$175.00    | \$175.00   | \$175.00   | \$175.00   | \$175.00   | \$175.00   | \$175.00   | \$175.00   | \$175.00   | \$175.00   | \$175.00    |             |
| Customer Charge (\$/month) - Large              | \$275.00    | \$275.00    | \$275.00   | \$275.00   | \$275.00   | \$275.00   | \$275.00   | \$275.00   | \$275.00   | \$275.00   | \$275.00   | \$275.00    |             |
| Customer Charge (\$/month) - Firm Transport     | \$300.00    | \$300.00    | \$300.00   | \$300.00   | \$300.00   | \$300.00   | \$300.00   | \$300.00   | \$300.00   | \$300.00   | \$300.00   | \$300.00    |             |
| TY 2026 Revenue                                 | Jan-26      | Feb-26      | Mar-26     | Apr-26     | May-26     | Jun-26     | Jul-26     | Aug-26     | Sep-26     | Oct-26     | Nov-26     | Dec-26      | Annual      |
| Distribution Charge Revenue                     | \$1,079,202 | \$972,407   | \$911,182  | \$725,283  | \$579,076  | \$490,092  | \$530,706  | \$490,594  | \$549,268  | \$709,993  | \$790,884  | \$987,100   | \$8,815,786 |
| Customer Charge Revenue                         | \$41,600    | \$41,600    | \$41,600   | \$41,600   | \$41,600   | \$41,600   | \$41,600   | \$41,600   | \$41,600   | \$41,600   | \$41,600   | \$41,600    | \$499,200   |
| Distribution + Customer Charge Revenue          | \$1,120,802 | \$1,014,007 | \$952,782  | \$766,883  | \$620,676  | \$531,692  | \$572,306  | \$532,194  | \$590,868  | \$751,593  | \$832,484  | \$1,028,700 | \$9,314,986 |
| CIP Exempt Therms                               | 30,152      | 31,614      | 26,049     | 18,023     | 21,941     | 20,646     | 14,011     | 18,167     | 16,319     | 25,543     | 26,664     | 18,283      | 267,409     |
| CCRC Related Therms                             | 4,752,589   | 4,277,839   | 4,012,073  | 3,196,243  | 2,544,374  | 2,151,315  | 2,337,942  | 2,156,016  | 2,417,893  | 3,120,962  | 3,478,330  | 4,356,288   | 38,801,866  |
| CCRC Revenue @ 0.047505/therm                   | \$225,771   | \$203,218   | \$190,593  | \$151,837  | \$120,870  | \$102,198  | \$111,064  | \$102,421  | \$114,862  | \$148,261  | \$165,238  | \$206,945   | \$1,843,278 |
| Distribution + Customer Charge Revenue w/o CCRC | \$895,030   | \$810,788   | \$762,189  | \$615,046  | \$499,806  | \$429,494  | \$461,243  | \$429,772  | \$476,006  | \$603,332  | \$667,247  | \$821,755   | \$7,471,708 |
| FRC (Fixed Revenue per Customer) - 2026         | Jan         | Feb         | Mar        | Apr        | May        | Jun        | Jul        | Aug        | Sep        | Oct        | Nov        | Dec         |             |
| FDC (Fixed Distribution Charge) - 2026          | \$5,774.39  | \$5,230.89  | \$4,917.35 | \$3,968.04 | \$3,224.55 | \$2,770.93 | \$2,975.76 | \$2,772.72 | \$3,071.01 | \$3,892.47 | \$4,304.82 | \$5,301.65  |             |
|   | \$0.187138  | \$0.188142  | \$0.188748 | \$0.191349 | \$0.194756 | \$0.197745 | \$0.196111 | \$0.197671 | \$0.195548 | \$0.191747 | \$0.190370 | \$0.187848  |             |

Small Interruptible

|   |            |            |            |            |            |            |            |            |            |            |            |            |             |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| TY 2026 Therms and Customers            | Jan-26     | Feb-26     | Mar-26     | Apr-26     | May-26     | Jun-26     | Jul-26     | Aug-26     | Sep-26     | Oct-26     | Nov-26     | Dec-26     | Annual      |
| Tier 1 Therms                           | 947,047    | 743,996    | 832,323    | 516,053    | 321,616    | 134,710    | 167,369    | 160,385    | 204,942    | 401,898    | 670,542    | 875,346    | 5,976,226   |
| Tier II Therms                          | 947,047    | 743,996    | 832,323    | 516,053    | 321,616    | 134,710    | 167,369    | 160,385    | 204,942    | 401,898    | 670,542    | 875,346    | 5,976,226   |
| Customers                               | 154        | 152        | 151        | 150        | 149        | 148        | 147        | 146        | 145        | 144        | 143        | 142        | 148         |
| Tier 1 Distribution Charge (\$/therm)   | \$0.284904 | \$0.284904 | \$0.284904 | \$0.284904 | \$0.284904 | \$0.284904 | \$0.284904 | \$0.284904 | \$0.284904 | \$0.284904 | \$0.284904 | \$0.284904 |             |
| Tier 2 Distribution Charge (\$/therm)   | \$0.256414 | \$0.256414 | \$0.256414 | \$0.256414 | \$0.256414 | \$0.256414 | \$0.256414 | \$0.256414 | \$0.256414 | \$0.256414 | \$0.256414 | \$0.256414 |             |
| Customer Charge (\$/month)              | \$150.00   | \$150.00   | \$150.00   | \$150.00   | \$150.00   | \$150.00   | \$150.00   | \$150.00   | \$150.00   | \$150.00   | \$150.00   | \$150.00   |             |
| TY 2026 Revenue                         | Jan-26     | Feb-26     | Mar-26     | Apr-26     | May-26     | Jun-26     | Jul-26     | Aug-26     | Sep-26     | Oct-26     | Nov-26     | Dec-26     | Annual      |
| Distribution Charge Revenue             | \$512,653  | \$402,739  | \$450,551  | \$279,349  | \$174,096  | \$72,921   | \$90,600   | \$86,819   | \$110,939  | \$217,555  | \$362,977  | \$473,840  | \$3,235,039 |
| Customer Charge Revenue                 | \$23,039   | \$22,868   | \$22,697   | \$22,540   | \$22,383   | \$22,226   | \$22,069   | \$21,912   | \$21,755   | \$21,599   | \$21,442   | \$21,285   | \$265,815   |
| TY 2026 Distribution Charge Revenue     | \$535,693  | \$425,607  | \$473,248  | \$301,889  | \$196,479  | \$95,147   | \$112,669  | \$108,732  | \$132,694  | \$239,153  | \$384,418  | \$495,125  | \$3,500,854 |
| CCRC Revenue @ 0.047505/therm           | \$89,979   | \$70,687   | \$79,079   | \$49,030   | \$30,557   | \$12,799   | \$15,902   | \$15,238   | \$19,471   | \$38,184   | \$63,708   | \$83,166   | \$567,800   |
| Dist. Chg Rev w/o CCRC - 2026           | \$445,714  | \$354,920  | \$394,169  | \$252,859  | \$165,923  | \$82,348   | \$96,767   | \$93,494   | \$113,223  | \$200,969  | \$320,710  | \$411,959  | \$2,933,054 |
| FRC (Fixed Revenue per Customer) - 2026 | Jan        | Feb        | Mar        | Apr        | May        | Jun        | Jul        | Aug        | Sep        | Oct        | Nov        | Dec        |             |
| FDC (Fixed Distribution Charge) - 2026  | \$2,901.90 | \$2,328.06 | \$2,605.00 | \$1,682.73 | \$1,111.93 | \$555.75   | \$657.71   | \$640.01   | \$780.65   | \$1,395.71 | \$2,243.60 | \$2,903.19 |             |
|   | \$0.235318 | \$0.238522 | \$0.236789 | \$0.244993 | \$0.257952 | \$0.305651 | \$0.289084 | \$0.291466 | \$0.276231 | \$0.250025 | \$0.239142 | \$0.235312 |             |



Revenue Decoupling Mechanism Model

Medium & Large Interruptible, Interruptible Transportation

| TY 2026 Therms and Customers                    | Jan-26      | Feb-26      | Mar-26      | Apr-26      | May-26      | Jun-26      | Jul-26      | Aug-26      | Sep-26      | Oct-26      | Nov-26      | Dec-26      | Annual       |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Therms  | 10,410,713  | 9,454,796   | 9,439,489   | 7,325,342   | 4,826,188   | 5,281,960   | 5,818,202   | 5,534,777   | 5,000,085   | 5,808,250   | 7,644,471   | 9,325,943   | 85,870,217   |
| Customers                                       | 96          | 95          | 95          | 95          | 95          | 95          | 95          | 94          | 94          | 94          | 94          | 94          | 95           |
| Medium Interruptible Dist. Chg - Tier 1         | \$0.225645  | \$0.225645  | \$0.225645  | \$0.225645  | \$0.225645  | \$0.225645  | \$0.225645  | \$0.225645  | \$0.225645  | \$0.225645  | \$0.225645  | \$0.225645  |              |
| Medium Interruptible Dist. Chg - Tier 2         | \$0.203081  | \$0.203081  | \$0.203081  | \$0.203081  | \$0.203081  | \$0.203081  | \$0.203081  | \$0.203081  | \$0.203081  | \$0.203081  | \$0.203081  | \$0.203081  |              |
| Large Interruptible Dist. Chg - Tier 1          | \$0.192992  | \$0.192992  | \$0.192992  | \$0.192992  | \$0.192992  | \$0.192992  | \$0.192992  | \$0.192992  | \$0.192992  | \$0.192992  | \$0.192992  | \$0.192992  |              |
| Large Interruptible Dist. Chg - Tier 2          | \$0.173693  | \$0.173693  | \$0.173693  | \$0.173693  | \$0.173693  | \$0.173693  | \$0.173693  | \$0.173693  | \$0.173693  | \$0.173693  | \$0.173693  | \$0.173693  |              |
| Interruptible Transport Distribution Charge     | \$0.225645  | \$0.225645  | \$0.225645  | \$0.225645  | \$0.225645  | \$0.225645  | \$0.225645  | \$0.225645  | \$0.225645  | \$0.225645  | \$0.225645  | \$0.225645  |              |
| Medium Interruptible Customer Charge            | \$300.00    | \$300.00    | \$300.00    | \$300.00    | \$300.00    | \$300.00    | \$300.00    | \$300.00    | \$300.00    | \$300.00    | \$300.00    | \$300.00    |              |
| Large Interruptible Customer Charge             | \$450.00    | \$450.00    | \$450.00    | \$450.00    | \$450.00    | \$450.00    | \$450.00    | \$450.00    | \$450.00    | \$450.00    | \$450.00    | \$450.00    |              |
| Interruptible Transport Customer Charge         | \$325.00    | \$325.00    | \$325.00    | \$325.00    | \$325.00    | \$325.00    | \$325.00    | \$325.00    | \$325.00    | \$325.00    | \$325.00    | \$325.00    |              |
| Large Interruptible Generation Customer Charge  | \$475.00    | \$475.00    | \$475.00    | \$475.00    | \$475.00    | \$475.00    | \$475.00    | \$475.00    | \$475.00    | \$475.00    | \$475.00    | \$475.00    |              |
| TY 2026 Revenue                                 | Jan-26      | Feb-26      | Mar-26      | Apr-26      | May-26      | Jun-26      | Jul-26      | Aug-26      | Sep-26      | Oct-26      | Nov-26      | Dec-26      | Annual       |
| Distribution Charge Revenue                     | \$2,153,431 | \$1,959,458 | \$1,945,593 | \$1,513,283 | \$1,013,217 | \$1,078,636 | \$1,190,805 | \$1,129,788 | \$1,038,739 | \$1,215,353 | \$1,593,413 | \$1,947,528 | \$17,779,245 |
| Customer Charge Revenue                         | \$29,288    | \$29,236    | \$29,185    | \$29,133    | \$29,082    | \$29,032    | \$28,981    | \$28,931    | \$28,881    | \$28,831    | \$28,781    | \$28,731    | \$348,092    |
| Distribution + Customer Charge Revenue          | \$4,336,150 | \$3,948,153 | \$3,920,371 | \$3,055,700 | \$2,055,516 | \$2,186,304 | \$2,410,591 | \$2,288,506 | \$2,106,360 | \$2,459,538 | \$3,215,607 | \$3,923,786 | \$35,906,582 |
| CIP Exempt Therms                               | 2,919,456   | 2,032,066   | 2,132,901   | 2,535,729   | 1,693,895   | 1,589,699   | 1,579,164   | 1,608,061   | 1,716,708   | 3,380,522   | 2,641,598   | 2,912,805   | 26,742,604   |
| CCRC Related Therms                             | 7,491,257   | 7,422,730   | 7,306,588   | 4,789,613   | 3,132,293   | 3,692,262   | 4,239,038   | 3,926,716   | 3,283,377   | 2,427,727   | 5,002,873   | 6,413,138   | 59,127,612   |
| CCRC Revenue @ 0.047505/therm                   | \$355,871   | \$352,616   | \$347,099   | \$227,530   | \$148,799   | \$175,400   | \$201,375   | \$186,538   | \$155,976   | \$115,329   | \$237,661   | \$304,655   | \$2,808,851  |
| Distribution + Customer Charge Revenue w/o CCRC | \$3,980,279 | \$3,595,537 | \$3,573,273 | \$2,828,170 | \$1,906,717 | \$2,010,903 | \$2,209,216 | \$2,101,968 | \$1,950,383 | \$2,344,209 | \$2,977,946 | \$3,619,130 | \$33,097,731 |
| FRC (Fixed Revenue per Customer) - 2026         | Jan         | Feb         | Mar         | Apr         | May         | Jun         | Jul         | Aug         | Sep         | Oct         | Nov         | Dec         |              |
| FDC (Fixed Distribution Charge) - 2026          | \$41,623.27 | \$37,667.52 | \$37,501.74 | \$29,735.43 | \$20,083.51 | \$21,218.28 | \$23,352.01 | \$22,257.72 | \$20,689.23 | \$24,911.03 | \$31,701.85 | \$38,596.33 |              |
|   | \$0.382325  | \$0.380287  | \$0.378545  | \$0.386080  | \$0.395077  | \$0.380712  | \$0.379708  | \$0.379775  | \$0.390070  | \$0.403600  | \$0.389555  | \$0.388071  |              |