

GENERAL INFORMATION

36. EXCELSIOR JOBS PROGRAM (Cont'd)

C. BILLING (cont'd)

TRANSITION CHARGE

All Excelsior Jobs Program customers receiving discounted delivery rates are exempt from paying the Transition Charge.

REVENUE DECOUPLING MECHANISM (RDM) ADJUSTMENT

All Excelsior Jobs Program customers are exempt from paying the Revenue Decoupling Mechanism (RDM) Adjustment on qualifying load.

D. INCREASE IN RATES AND CHARGES

The rates and charges under this rider are increased by the applicable effective aggregate percentage shown in General Information Section 3 for service supplied in the municipality where the customer is taking service.

E. OTHER

A qualified customer shall pay a monthly service bill at the rates and charges under this rate for all terms in excess of a base amount of terms established for each monthly billing period.

- a. For an existing customer, the base amount shall be determined by the Company using an annual historical period. The customer may request an adjustment to the base amount if the customer has installed energy conservation measures pursuant to an energy efficiency program approved by the Commission.
- b. For a prospective customer, the base amount shall be zero.

If it is determined that the bill calculated under this provision exceeds the bill calculated under the otherwise applicable standard Service Classification rates, the customer shall pay the lower of the two bills.

If the customer is receiving Empire Zone or Economic Development Zone discounts, such customer agrees to forfeit any prospective discounts received under the Empire Zone or Economic Development Zone program at any location or locations that qualify for Excelsior Jobs Program discounts as of the date the customer begins to receive Excelsior Jobs Program discounts.

37. RATE ADJUSTMENT MECHANISM ("RAM")

A. Applicable to all customers taking gas delivery service.

B. RAM Eligible Deferrals and Costs:

The RAM will contain two types of eligible deferrals and costs:

- (1) Type 1 - Customer Bill Credits

The RAM will collect the customer bill credits provided to customers as a result of Covid-19 over a five-year period beginning July 1, 2021. The annual collection will be determined by dividing the total amount to be collected by the number of years remaining in the five-year period.

- (2) Type 2 – Other RAM Eligible Deferrals and Costs

All RAM Eligible Deferrals and Costs shall be the difference between actual costs and the amounts provided for in base rates. RAM Eligible Deferrals and Costs shall include:

- (1) Property Taxes;
- (2) Gas Leak Prone Pipe Replacement; and
- (3) Reforming the Energy Vision ("REV") costs and fees which are not covered by other recovery mechanisms.

All RAM revenues and deferrals are subject to reconciliation.

GENERAL INFORMATION

37. RATE ADJUSTMENT MECHANISM (“RAM”) (Cont’d)

C. Annual RAM Recovery / Return Limits:

- (1) The annual RAM recovery / return shall be limited to \$5.2 million for gas.
- (2) Type 1 – Customer bill credits will be collected annually beginning July 1, 2021 (over a five- year period).
- (3) Type 2 – Other RAM Eligible deferrals and costs will only be implemented once the limit is reached from netting the RAM Eligible Deferrals.
- (4) The limit will take into account the Type 1 Customer bill credits.

Any net RAM Eligible Deferral value in excess of the limit shall remain deferred and shall be carried forward to the calculation of the RAM limits in the following year. Any net regulatory asset or liability in excess of the Company’s annual RAM recovery / return limit shall be carried forward to the calculation of the RAM in the following year.

D. Deferred Regulatory Asset and Liability Balances:

The Company shall measure the deferred regulatory asset and liability balances for the items specified as Type 2 - RAM Eligible Deferrals and Costs (listed above) as of December 31 for each year. The RAM shall be identified in the Company’s respective RAM Compliance Filings submitted on March 31 of each year and shall be implemented in rates on July 1 of each year for collection over the 12 months from July 1 to June 30. The RAM Compliance Filings shall include proposed RAM rates by service classification. Annually, the Company shall submit RAM tariff statements effective on July 1.

E. RAM Annual Recovery / Return Allocation:

The gas RAM annual recovery / return amounts shall be allocated to service classifications based on the following:

- (1) Type 1 - Customer Bill Credits
Shall be recovered from those service classes which were eligible to receive the customer bill credits. Specifically, residential classes will be charged for the recovery of the residential bill credits and applicable nonresidential service classes will be charged for the recovery of the nonresidential bill credits. The Company will not recover customer bill credits from service classes that are not eligible for the bill credits. Recovery will occur on a per therm basis.
- (2) Type 2 – Other RAM Eligible Deferrals and Costs
Shall be allocated based on delivery service revenues and recovered from customers on a per therm basis.

F. Carrying Costs:

The Company shall accrue carrying costs on Type 1 – Customer Bill Credits based on the Commission’s authorized Other Customer Capital Rate.

GENERAL INFORMATION

37. RATE ADJUSTMENT MECHANISM (“RAM”) (Cont’d)

F. Carrying Costs: (Cont’d)

The Company shall accrue carrying costs on Type 2 – Other RAM Eligible Deferrals and costs as follows:

- (1) During the period that the RAM is in effect for those deferral balances being specifically collected or returned, carrying costs shall be based on the Commission’s authorized Other Customer Capital Rate.
- (2) RAM Eligible Deferral Balances not in the RAM tariff due to the annual dollar amount restrictions set forth above shall accrue carrying charges as follows:
 - (a) Net Deferral amounts at or under the annual RAM recovery / return limits shall accrue carrying charges at the Other Customer Capital Rate;
 - (b) Additional deferral amounts over the annual RAM recovery / return limits, up to one year’s worth of value, shall accrue carrying costs at the Other Customer Capital Rate; and
 - (c) Additional deferral amounts over the annual RAM recovery / return limits in Rule 37.F.(2)(a) and (2)(b) above, shall accrue carrying costs at the Company’s respective Pre-Tax Weighted Cost of Capital, applied to the after-tax balance.

G. Filings and Statements:

- (1) A RAM Compliance Filing setting forth the RAM rates by Service Classification shall be filed with the Commission by March 31 on an annual basis.
- (2) A RAM Statement setting forth the RAM rates shall be filed with the Commission on not less 30 days’ notice to be effective July 1. Such statement may be found at the end of this Schedule.