

## GENERAL INFORMATION

13. Reserved for Future Use

### 14. REVENUE DECOUPLING MECHANISM (RDM) ADJUSTMENT

1. Applicable to:

All customers taking service under Service Classification Nos. 1, 3, and 5 shall be subject to a RDM Adjustment as described below.

2. Definitions

- a. Delivery Service Revenue (DSR) Targets – monthly weather-normalized targets shall be developed based on the Company’s delivery revenue requirement established in Case No 25-G-0380. Residential customers taking service under Service Classification No. 1 and Service Classification No. 5 shall be combined into monthly DSR Targets. Non-residential customers taking service under Service Classification Nos. 1, 3, and 5 shall be combined into monthly DSR Targets. DSR Target for the Rate Year is set forth in accordance with the Commission Order issued and effective on May 14, 2026. The DSR Target for the Rate Year shall repeat annually until changed by the Commission.
  - (i) The Company shall have two RDM classes for reconciliation purposes: one residential class consisting of residential Service Classification Nos. 1 and 5 customers; and one consolidated non-residential class consisting of non-residential Service Classification Nos. 1, 3, and 5 customers.
- b. “Delivery Revenues” - For the purpose of RDM, Delivery Revenues shall be measured as the sum of the billed base delivery revenues from all customers for each RDM classification (customer charges and per term delivery rates). For purposes of this calculation, revenues related to the System Benefits Charge (SBC), Rate Adjustment Mechanism (RAM), Merchant Function Charge (MFC), Non-Pipes Alternative (NPA) Surcharge, Earnings Adjustment Mechanism (EAM) Surcharge, Transition Charge, and gross receipts taxes are excluded. All sales to economic incentive rate incentive customers and low income customers shall be priced out at standard service classification rates in developing the DSR Targets.
- c. “Rate Year” – for the purposes of RDM, the Rate Year shall be effective May 1<sup>st</sup> through April 30<sup>th</sup> of the following year.

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### 14. REVENUE DECOUPLING MECHANISM (RDM) ADJUSTMENT (Cont'd)

#### 3. Calculation

- a. Each month, actual billed delivery service revenues shall be reconciled to account for weather normalized delivery service revenues. Actual delivery service revenues are defined as the revenue received from base delivery rates (customer charges and per-therm delivery rates). Actual delivery service revenues shall reflect the weather normalization adjustment clause.
- b. At the end of the Rate Year, actual billed delivery service revenues by RDM class for the entire Rate Year shall be compared to the cumulative monthly targets for the entire Rate Year. Any variance from the cumulative monthly targets for the Rate Year shall be either surcharged or credited to customers over the 12-monthly periods of the immediately succeeding Rate Year. Surcharges or credits shall be developed on a RDM class basis. Any surcharge or credit amount shall reflect interest at the then effective other customer deposit rate. Any such surcharge or credit under the annual reconciliation or interim reconciliation process (refer to 3.d. below) shall be recovered or returned through RDM class specific rates. Surcharges or credits arrived at in the annual reconciliation shall reflect amounts already surcharged or refunded through the interim reconciliation process.
- c. The first two months of the Rate Year shall be adjusted upward to reverse the effect of proration between old and new rates in actual billed delivery service revenue. The actual billing determinants for each RDM applicable service class shall be multiplied by the approved rates for the Rate Year.  
If at any time during the Rate Year the cumulative difference between the actual billed delivery service revenues and the cumulative target revenues is 1.50% or more, the Company may file an interim RDM Adjustment for each RDM classification.

Such interim RDM Adjustment shall be limited to no more than one per Rate Year and shall occur over four months or until the end of the Rate Year, whichever is longer.

#### 4. Filing of Statements

- a. A Revenue Decoupling Mechanism (RDM) Statement setting forth the rate adjustment shall be filed with the Public Service Commission on not less than 30 days' notice.
- b. Should the Company file an interim RDM Adjustment as described above, such filing shall occur on not less than 10 days' notice.
- c. Such statement can be found at the end of this Schedule (P.S.C. No. 16 Gas).