
GAS UTILITY INFRASTRUCTURE COST RIDER

1st Revised Sheet No. 7.20

1. APPLICABILITY

Applicable to bills for natural gas service provided under all utility rate schedules, as approved by the Minnesota Public Utilities Commission (MPUC). Effective August 26, 2019, the GUIC Rider rate is suspended for Direct Connect Customers, who are subject to service under Tariff Sheet No. 6.50.

2. RIDER

The Gas Utility Infrastructure Cost (GUIC) rider statute (Minn. Stat. § 216B.1635) permits a public utility to petition the MPUC outside of a general rate case for a rider to recover the revenue deficiency from projects not already included in utility rates that have been incurred for:

- A. replacement of natural gas facilities located in the public right-of-way required by the construction or improvement of a highway, road, street, public building, or other public work by or on behalf of the United States, the state of Minnesota, or a political subdivision; and
- B. replacement or modification of existing natural gas facilities, including surveys, assessments, reassessment, and other work necessary to determine the need for replacement or modification of existing infrastructure that is required by a federal or state agency.

3. RATE

The GUIC Rider rate for any customer class will be the MPUC-approved rate for that customer class. Such GUIC Rider rates may be volumetric, a flat fee, or some other form of approved recovery.

4. TERM

The GUIC Rider rate will be established for each customer group and be based on the annual revenue requirements for costs associated with forecasted natural gas infrastructure projects eligible for recovery under Minnesota Statute Sections 216B.1635 that are determined by the Commission to be eligible for recovery under this GUIC Rider.

The Company will file a GUIC Annual Report each April 1, which will include a reconciliation of the previous full calendar year's GUIC Tracker Account balance, if applicable, as well as support for any request to change the GUIC Rider Rate for a subsequent calendar year. (For example, the year-end 2019 GUIC Rider Tracker Account balance will be applied as a true-up adjustment to the 2021 GUIC Rider rate.) The GUIC Rider rate will be adjusted to reflect new Recoverable GUIC Costs as well as the amortization of the prior year's GUIC Tracker balance as approved by the Commission.

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(Continued)

2nd Revised Sheet No. 7.21

5. DEFINITIONS

- A. GUIC Tracker: An accounting process used to accumulate any difference between the actual revenue requirement impact of Recoverable GUIC Costs and the actual revenues recovered through the GUIC Rider.
- B. GUIC Rider Reconciliation: The GUIC Factor for each customer group may be adjusted annually with approval of the MPUC. The Company will file a GUIC Annual Report on or before April 1, which will include a reconciliation of the previous full calendar year's GUIC Tracker Account balance, if applicable, as well as support for any request to change the GUIC Factor for the subsequent calendar year.
- C. Qualifying Projects: Projects eligible for recovery via the GUIC Rider under Minn. Stat. § 216B.1635 include:
 - i. replacement of natural gas facilities located in the public right-of-way required by the construction or improvement of a highway, road, street, public building, or other public work by or on behalf of the United States, the state of Minnesota, or a political subdivision; and
 - ii. replacement or modification of existing natural gas facilities, including surveys, assessments, reassessment, and other work necessary to determine the need for replacement or modification of existing infrastructure that is required by a federal or state agency.
- D. Recoverable GUIC Costs: The revenue requirement related to Qualifying Projects not already reflected in rates. The annual revenue requirement for costs associated with the Qualifying Projects includes the currently authorized rate of return on capital investment, incremental income taxes, incremental property taxes, incremental depreciation expense, and any incremental operation and maintenance costs relative to the Qualifying Project(s). A standard model will be used to calculate the revenue requirement related to Qualifying Project(s) for the filing period.

6. GUIC RIDER RATES

A. Currently Authorized GUIC Rider Rate

A separate GUIC Rate may be calculated for each customer class or the same rate may be applied across all or a portion of customer classes, as approved by the MPUC. The GUIC rate shall be calculated to recover the Recoverable GUIC Costs over the period approved by the MPUC.

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6. GUIC RIDER RATES (Continued)

A. Currently Authorized GUIC Rider Rate (Continued)

The GUIC surcharge rates effective August 1, 2020 shall be as follows:

Rate Class	Rate/Therm
Residential, including Farm Tap	\$0.01611
Class 1-2 Firm (Sales and Transport), including Farm Tap	\$0.00805
Class 1-2 Interruptible (Sales and Transport), Class 1-2 Ag Grain Dryer, and Class 1 Electric Generation	\$0.00805
Class 3-4 Firm (Sales and Transport), including Farm Tap	\$0.00349
Class 3-4 Interruptible (Sales and Transport) and Class 3 Ag Grain Dryer	\$0.00349
Class 5 (including Farm Tap), FLEX, Transport for Resale, and Class 2 Electric Generation	\$0.00124
Direct Connect	\$0.00000

Effective August 26, 2019, the GUIC Rider rate is suspended for Direct Connect Customers.

B. Adjustment to GUIC Tracker Account with Changes in Base Rates

Whenever the Company implements changes in base rates as the result of a final Commission order in a general rate case, the Company shall simultaneously adjust the GUIC Tracker Account to remove all costs that have been included in the approved base rates.