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**SEVERE WEATHER COST RECOVERY**

Original Sheet No. 7.25

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SEVERE WEATHER COST RECOVERY (SWCR) SURCHARGE

1. **APPLICABILITY**

Applicable to bills for natural gas service provided under the Company's Northern Natural Gas (NNG) retail sales rate schedules as approved by the MPUC.

2. **DEFINITIONS**

- A. **February 2021 Severe Weather Event**: The Company has received approval from the MPUC to begin recovering extraordinary natural gas costs from February 2021 through a temporary bill surcharge in Docket No. G999/CI-21-135 effective September 1, 2021.
- B. **SWCR Tracker**: An accounting process used to accumulate any difference between the extraordinary purchased gas costs attributable to the February 2021 Severe Weather Event, including all adjustments approved by the Commission and any recovery offsets, and the actual revenues received through the SWCR surcharge.
- C. **SWCR Reconciliation**:
- a. The balance at the end of Period 1 in the SWCR Tracker, either positive or negative, is subject to review and approval by the MPUC in an SWCR Prudence Review filing. The approved balance is to be applied as an adjustment in Period 2 to the ongoing SWCR surcharge rate.
    - i. The MPUC is allowing the Company to begin recovery of the February 2021 Severe Weather Event costs from customers over a 27-month period from September 2021 – November 2023. The MPUC is still reviewing the extraordinary costs, and amounts collected from customers will be refunded to the extent they exceed costs ultimately approved by the MPUC.
  - b. The balance at the end of Period 2 in the SWCR Tracker, either positive or negative, is subject to review and approval by the MPUC in the standard annual September 1 filing, as explained in 5. on Sheet No. 7.01

**SEVERE WEATHER COST RECOVERY**  
 (Continued)

1st Revised Sheet No. 7.26

3. SWCR RATE

A. Currently Authorized SWCR Surcharge Rate

The SWCR surcharge rate shown below shall be effective for the time periods as follows:

Season	Time Period	SWCR Surcharge Rate Per Therm
Summer (Period 1)	September 1, 2021 – October 31, 2021	\$0.14030
Winter (Period 1)	November 1, 2021 – April 30, 2022	\$0.05612
Summer (Period 1)	May 1, 2022 – October 31, 2022	\$0.14030
Winter (Period 1)	November 1, 2022 – November 30, 2022	\$0.05612
Winter (Period 2)	December 1, 2022 – January 31, 2023	\$0.11224
Winter (Period 2)	February 1, 2023 – April 30, 2023	\$0.10826
Summer (Period 2)	May 1, 2023 – October 31, 2023	\$0.27065
Winter (Period 2)	November 1, 2023 – November 30, 2023	\$0.10826

4. EXEMPTION

A. Customers under the Company’s NNG retail sales rate schedules that qualify for an exemption from the SWCR Surcharge are defined as:

- a. Low-income residential customers who receive or previously received LIHEAP assistance during 2019-2020, 2020-2021, 2021-2022 or 2022-2023.
- b. Residential customers who are 60 to 120 days in arrears on their natural gas bill.
- c. Initial exemption qualification is to be set based on customer qualifying status as of June 30, 2021.

B. The Company has been authorized by the MPUC to recalibrate the customers covered by this exemption once every six months—exempting any new customers who have received LIHEAP or who fall within the category of being greater than 60 days and less than 120 days in arrears on a going-forward basis and removing customers who are no longer greater than 60 days and less than 120 days in arrears. These exemptions are to be adjusted:

- a. effective March 1, 2022 based on arrears and new LIHEAP enrollments as of January 31, 2022;
- b. effective September 1, 2022 based on arrears and new LIHEAP enrollments as of July 31, 2022;
- c. effective March 1, 2023 based on arrears and new LIHEAP enrollments as of January 31, 2023.