

ENVIRONMENTAL RESPONSE COST RATE ADJUSTMENT

A. Purpose:

In order to recover Environmental Response Cost ("ERC") expenditures associated with former manufactured gas plants, there shall be an ERC Rate applied to all firm gas sales and transportation billed under this Tariff in accordance with the provisions of Chapter 430 of the M.P.U.C Rules and Regulations.

B. Application:

An annual ERC Rate shall be calculated effective every November 1 for the annual period of November 1 through October 31, and adjusted effective May 1 for the remaining six months of the recovery period. The annual ERC Rate shall be filed with the Company's winter period Cost of Gas Factor ("CGF") filing and be subject to review and approval by the Commission. The annual ERC Rate will be applied to firm sales by reflecting such rates in the CGF, and to firm transportation throughput as a separate surcharge to transportation billings.

C. Environmental Response Costs Allowable:

All environmental response costs associated with manufactured gas plants, plus one-half of the expenses incurred by the Company in pursuing insurance and third party claims, less one-half of any recoveries received by the Company as a result of such claims may be included in the ERC Rate

The total annual charge to the Company's ratepayers for environmental response costs during any annual ERC recovery period shall not exceed four percent (4%) of the Company's total revenues from firm gas sales and transportation throughput during the preceding twelve (12) month period ending June 30. The total annual charge shall represent the ERC expenditures reflected in the calculation of the ERC Rate to be in effect for the upcoming twelve month period, November 1 through October 31. If this recovery limitation results in the Company recovering less than the amount that would otherwise be recovered in a particular ERC Recovery Year, then the Company would defer this unrecovered amount until the next recovery period in which this amount could be recovered without violating the 4% limitation.

D. Definitions:

(1) Environmental Response Costs shall include all costs of investigation, testing, remediation, litigation expenses, and other liabilities relating to manufactured gas plant sites, disposal sites, or other sites onto which material may have migrated, as a result of the operating or decommissioning of Maine gas manufacturing facilities.

D. Definitions (cont.):

(2) **Expenses and Recoveries Associated with Insurance and Third-Party Expenses and Recoveries** shall include one-half the expenses incurred by the Company in pursuing insurance and third-party claims and one-half of any recoveries or other benefits received by the company as a result of such claims.

(3) **Weighted Cost of Capital** is the weighted cost of capital allowed in the Company's most recent base rate case.

E. Calculation of ERC Rate:

The ERC Rate calculated annually consists of one-fifth of actual response costs incurred by the Company in the twelve month period ending June 30 of each year until fully amortized (over five years), plus one-half of insurance and third-party expenses for the twelve month period ending June 30, less one-half of insurance and third-party recoveries for the twelve month period ending June 30. The sum of these amounts is then divided by the Company's forecast of total firm sales and transportation throughput for the upcoming twelve months of November 1 through October 31. The ERC Rate is revised effective May 1 to reflect the remaining costs to be collected over the last six months, May through October, of the ERC recovery period.

F. Application of ERC Rate to Bills:

The annual ERC Rate shall be calculated to the nearest one one-hundredth of a cent per therm and will be applied to the monthly firm gas sales by being included in the determination of the semiannual CGF, and also will be applied to the monthly firm transportation throughput of each firm transportation customer's bill.

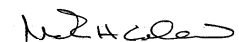
G. Information to be Filed with the Commission:

The annual ERC Rate filing shall include copies of all bills and receipts relating to any environmental response costs and expenses related to insurance and third-party recoveries incurred in the preceding twelve month cost period ending June 30 as well as a separate schedule depicting the particular purpose of the amount of any environmental response costs and expenses related to insurance and third-party recoveries incurred in the same preceding twelve month period. Such filings shall be made with the winter period CGF filing, on or before August 15.

Issued: March 1, 2018

DOCKET NO 2017-00065
EFFECTIVE 3/1/18

Issued by:



Title:


Senior Vice
President

CALCULATION OF ENVIRONMENTAL RESPONSE COST RATE ADJUSTMENT

Period Covered: November 1, 2024 through October 31, 2025

Line No.	ERC COSTS	CGA Recovery Period	Total Recovery Costs	Annual Recovery Eff. 11/24	Adjusted Recovery Remaining 6 mos Eff. 5/25 -10/25
1	Jul 19 - Jun 20	11/20-10/25	\$199,477	\$39,895	
2	Jul 20 - Jun 21	11/21 - 10/26	\$204,041	\$40,808	
3	Jul 21 - Jun 22	11/22 - 10/27	\$194,474	\$38,895	
4	Jul 22 - Jun 23	11/23 - 10/28	\$213,731	\$42,746	
5	Jul 23 - Jun 24	11/24 - 10/29	\$227,252	\$45,450	
6	Period Costs to be Recovered			\$207,795	
7	(Line 1 + Line 2 + Line 3 + Line 4 + Line 5)				
8					
9	Plus 1/2 Insurance and Third Party Expenses			\$0	
10	Less 1/2 2019 Insurance and Third Party Recoveries			\$0	
11	Total Amount to be Recovered/Return			<u>\$207,795</u>	<u>\$207,795</u>
12	(Line 7 + Line 10 + Line 11)				
13					
14	Firm Sales & Firm Transportation Nov. 2024 - Oct. 2025			129,193,657	
15					
16					
17	ERC Recovery/(Passback) Rate eff. Nov. 2024 - Oct. 2025			<u>\$0.0016</u>	
18					
19	Amount recovered during the period November 2024 - April 2025				
20	Based on actual sales 11/24 - 12/24 and forecasted 01/25 - 04/25				
21					
22	Amount to be recovered May 2025 - October 2025				
23					
24	Firm Sales & Firm Transportation May 2025 - October 2025				
25					
26	ERC Recovery/(Passback) Rate effective May 2025 - October 2025				
27					

Issued: August 15, 2024
Effective: November 1, 2024

Issued By: 
Title: Vice President and Treasurer