# COLUMBIA GAS OF MARYLAND, INC.

**121 Champion Way, Suite 100**
**Canonsburg, PA 15317**

## Rates, Rules and Regulations for Furnishing

## GAS SERVICE

## IN

## THE TERRITORY AS DESCRIBED HEREIN

**Filed with**
**THE PUBLIC SERVICE COMMISSION OF MARYLAND**

Issued Date: October 29, 2021 Effective Date: January 1, 2022

ISSUED BY: MARK KEMPIC, PRESIDENT
121 CHAMPION WAY, SUITE 100
CANONSBURG, PENNSYLVANIA 15317

# IRIS - INFRASTRUCTURE REPLACEMENT AND IMPROVEMENT SURCHARGE

## PURPOSE

The purpose of the Infrastructure Replacement and Improvement Surcharge ("IRIS" or "Surcharge") is to recover reasonable and prudent costs of proposed eligible infrastructure replacement projects. An eligible infrastructure replacement project is defined as replacement of infrastructure that: 1) is made on or after June 1, 2013; 2) is designed to improve public safety or infrastructure reliability; 3) does not increase the revenue of the Company by connecting an improvement directly to new customers; 4) reduces or has the potential to reduce greenhouse gas emissions through a reduction in natural gas system leaks; and 5) is not included in current rate base as determined in the Company's most recent rate base proceeding.

## APPLICABILITY

The Infrastructure Replacement and Improvement Surcharge ("IRIS") shall be applicable to all customers throughout the territory served under this tariff.

## SURCHARGE

| Rate Class | Fixed Surcharge per Month | |
|---|---|---|
| Residential Service | $ 2.00 | |
| Commercial & Industrial Service | | |
| Usage < 20,920 therms/yr | $ 6.88 | (D) |
| Usage => 20,920 and =<523,000 therms/yr | $ 60.11 | (I) |
| Usage > 523,000 therms/yr | $ 716.93 | (I) |

The Surcharge will appear as a separate line item on each customer bill.

## CALCULATION OF SURCHARGE

The Surcharge is calculated as follows:

((Net RB * RRB) * CF) + Dep + Tax + IntSync = EPC

(EPC + PYR) * AF = AIRIS

AIRIS / NOB = IRIS

where:

Net RB, or Net Rate Base, equals eligible plant additions plus cost of removal, less the sum of accumulated depreciation and Accumulated Deferred Income Tax (ADIT).

RRB equals the Return on Rate Base, capital structure and cost of capital as approved in the most recent rate case.

Dep equals the Depreciation Expense based on the most recent approved depreciation rates as applied to the average net plant balance grossed-up for bad debt expense, regulatory fees and gross receipts tax.

(C) Indicates Change (D) Indicates Decrease (I) Indicates Increase