
RIDER GUA – GAS UNCOLLECTIBLE ADJUSTMENT

APPLICABILITY

The uncollectible adjustments developed pursuant to this Rider are applicable to Customers taking gas delivery services from Company, and also applicable to Customers taking gas supply services from Company.

PURPOSE

The purpose of this Rider is to provide for monthly adjustments to Customer bills for any over-or-under recoveries of the Company’s actual uncollectible expense amounts for a reporting year for each Rate Zone through the 2015 reporting year. Beginning with the 2016 reporting year uncollectible expense amounts will be determined on a total Company basis. Such adjustments are based on the incremental difference between actual uncollectible expense and the Commission-approved uncollectible amount included in the utility’s rates that were in effect for the reporting year, as further defined by the formulas herein. Rider GUA operates pursuant to Illinois Public Act 096-0033.

INCREMENTAL UNCOLLECTIBLE ADJUSTMENTS

Incremental uncollectible adjustment amounts are determined pursuant to this Rider for delivery services (IDUA) and for Company gas supply (ISUA). Both adjustments shall be computed separately for each Rate Zone and class designation (C), through the 2011 reporting year, as follows:

*

IDUA Gas Delivery Class Designations	ISUA Supply Class Designations
GDS-1 Residential Delivery Service	Rider S-PGA
GDS-2 Small General Delivery Service	Rider S-PGA
GDS-3 Intermediate General Delivery Service	Rider S-PGA
GDS-4 Large General Delivery Service	Rider S-PGA
GDS-5 Seasonal Delivery Service	Rider S-PGA
GDS-6 Inadequate Capacity Delivery Service	Rider S-PGA
GDS-7 Special Contract Delivery Service	Rider S-PGA

RIDER GUA – GAS UNCOLLECTIBLE ADJUSTMENT

For the 2012 through 2015 reporting years, the IDUA and ISUA adjustments shall be computed separately for each Rate Zone and class designation, C, as follows:

<u>IDUA Gas Delivery Class Designations</u>	<u>ISUA Supply Class Designations</u>
<u>GDS-1 Residential Delivery Service</u>	<u>Rider S-PGA</u>
<u>Non-Residential Gas Delivery Service 1/</u>	<u>Rider S-PGA</u>

- * 1/ Non-Residential Delivery Service class designations consist of: GDS-2 Small General Delivery Service, GDS-3 General Delivery Service, GDS-4 Large General Delivery Service, GDS-5 Seasonal Delivery Service, GDS-6 Inadequate Capacity Delivery Service, and GDS-7 Special Contract Delivery Service.

Beginning with the 2016 reporting year, and subsequent reporting years, the IDUA and ISUA adjustments shall be computed on a total Company basis for the rate class designations, C, as shown above.

For the 2009 reporting year, and through the 2012 reporting year, the incremental uncollectible adjustment amounts shall be the difference between the actual uncollectible expense amounts for Account 904, as reported in the ICC Form 21 of Company, and the uncollectible amounts included in the utility’s rates that were in effect for such reporting year, as further defined herein and applied to the applicable delivery services tariff customer charge component during the twelve month effective period, beginning with the first billing cycle of the June (June 2010 for the 2009 reporting year) billing period and extending through the last billing cycle of the subsequent May billing period. For the 2010 reporting year, and through the 2012 reporting year, the annual Account 904 expense amounts shall be allocated to each Rate Zone based on the relative weighting of Account 904 expense by corresponding legacy utility for the period January through September 2010.

For the 2013 reporting year, and for subsequent reporting years, the incremental uncollectible adjustment amounts shall be the difference between the actual uncollectible expense amounts based on the Company’s net write-offs for the year, and the uncollectible amounts included in the utility’s rates that were in effect for such reporting year. The incremental uncollectible adjustment amounts shall be computed pursuant to the formulas herein and shall apply during the twelve month period, beginning with the first billing cycle of the June (June 2014 for the 2013 reporting year) billing period and extending through the last billing cycle of the subsequent May billing period. For the 2013 through 2015 reporting years, the annual net write-off expense amounts shall be allocated to each Rate Zone based on the relative weighting of Account 904 expense by corresponding legacy utility for the period January through September 2010. Beginning with the 2016 reporting year, and subsequent reporting years, the annual net write-off expense will be determined for the rate class designation, C, on a total Company basis.

RIDER GUA – GAS UNCOLLECTIBLE ADJUSTMENT

The charge or credit for delivery services uncollectible adjustment amount shall be applied to the applicable delivery services tariff customer charge component on the monthly bill. The charge or credit for supply services uncollectible adjustment amount shall be applied to the applicable delivery services tariff customer charge component for those Customers also being billed for Company's purchased gas supply charges.

DELIVERY SERVICE UNCOLLECTIBLE ADJUSTMENT

- * The delivery services uncollectible adjustment charge or credit to be included in the monthly customer charge component of the delivery services monthly bill for each reporting year and for each class designation, C, shall be determined for each Rate Zone through the 2015 reporting year. Beginning with the 2016 reporting year, and subsequent reporting years, the Delivery Service uncollectible adjustment charge or credit to be included in the monthly customer charge component of the Delivery Service monthly bill for each reporting year and for each class designation, C, shall be determined on a total Company basis. The calculation for determining the charge or credit is as follows:

$$IDUA_{EPc} = \frac{F904D_{Yc} - DUR_{Yc} + AB_c + O_c}{EDB_{EPc}}$$

Where:

- $IDUA_{EPc}$ = Incremental Delivery Uncollectible Amount, in dollars (\$), rounded to two decimals, and, applicable to class designations, C, during the effective period (EP) for which the computed IDUA is applicable. The IDUA may be modified during an effective period due to Commission ordered adjustment amounts, Company determined automatic balancing adjustments, or for other reasons requiring a recalculation.
- C = Class Designation as set forth in table above.
- $F904D_{Yc}$ = Delivery Services Uncollectible Costs, in dollars (\$), equal to the delivery-related bad debt expense for which class designation, C, is applicable for the applicable reporting year through 2012, Y, in Account No. 904 of the ICC Form No. 21 of Company. For subsequent reporting years beginning in 2013, net write off amounts for supply and delivery by class shall be allocated, based on Company records.

RIDER GUA – GAS UNCOLLECTIBLE ADJUSTMENT

* DUR_{Yc} = Delivery Uncollectible Revenue, in dollars (\$) representing the amount of uncollectible costs included in base rates for delivery services for which class designation, C, is applicable for the reporting year, Y.

*

The DUR amounts for each class designation, C, for each reporting year, Y, shall equal the billed revenues accrued in each month of the reporting year, derived by: 1) Applying the stated base rate uncollectible charge, a dollar amount per customer, per month, to 2) The number of times the monthly customer charge for each class designation, C, is billed during such period, adjusted for any partial month prorated bills.

*

* EDB_{EPc} = Expected Delivery Services Bills issued by the Company during the effective period (EP) the applicable IDUA will be in effect for class designation, C. This value shall represent the estimated number of times the monthly customer charge for each class designation, C, will be billed during the IDUA effective period.

* AB_c = Company-determined Automatic Balancing component for each class designation, C, equal to the cumulative debit or credit balance (over-or-under recovery) resulting from application of the IDUA for a prior period. The (AB) amount shall be expressed in dollars (\$). The total amount of any over or under recovery Incremental Delivery Service Uncollectible Amount for a preceding effective period will be included in the AB component and thereby be reflected in the applicable $IDUA_{EPc}$ for the effective period following the reconciliation period.

RIDER GUA – GAS UNCOLLECTIBLE ADJUSTMENT

O_c = Commission ordered adjustment amount, in dollars (\$), for class designation, C, resulting from a Commission Order in a reconciliation proceeding, plus the calculated interest attributable to the O component. Interest shall be at the rate established by the Commission under 83 Ill. Adm. Code 280.40(g)(1). Interest on the O component shall be applied from the end of the reconciliation period until the O component is refunded or charged to Customers through the IDUA. The total amount of any O component for a preceding effective period will be reflected in the applicable IDUA_{EPc} for the effective period following the Order.

SUPPLY SERVICE UNCOLLECTIBLE ADJUSTMENT

- * The supply service uncollectible adjustment charge or credit shall be applicable to the monthly customer charge component of the delivery services bill for Customers taking utility gas supply service, and shall be determined for each reporting year and for each Rate Zone and class designation, C, through the 2015 reporting year. Beginning with the 2016 reporting year, and subsequent reporting years, the supply service uncollectible adjustment shall be determined on a total Company basis for each class designation, C. The calculation for the supply service uncollectible adjustment is as follows:

$$ISUA_{EPc} = \frac{F904S_{Yc} - SUR_{Yc} + AB_{Sc} + O_{Sc}}{ESB_{EPc}}$$

Where:

ISUA_{EPc} = Incremental Supply Uncollectible Amount, in dollars (\$), rounded to two decimals, and, applicable to class designations, C, during the effective period (EP) for which the computed ISUA is applicable. The ISUA may be modified during an effective period due to Commission ordered adjustment amounts, Company determined automatic balancing adjustments, or for other reasons requiring a recalculation.

RIDER GUA – GAS UNCOLLECTIBLE ADJUSTMENT

- * C = Class Designation as set forth in table above.

- * F904S_{Yc} = Supply Uncollectible Costs, in dollars (\$), equal to the supply-related bad debt expense for the applicable reporting year through 2012, Y, in Account No. 904 as reported in the ICC Form No. 21 of Company. Through the 2012 reporting year, Account 904 amounts for supply and delivery by class shall be directly assigned, based on Company records. For subsequent reporting years beginning in 2013, net write off amounts for supply and delivery by class shall be allocated, based on Company records.

- * SUR_{Yc} = Supply Uncollectible Revenue, in dollars (\$) representing the amount of uncollectible costs included in base rates associated with PGA revenues for which class designation, C, is applicable for the reporting year, Y.

- *
 - * The SUR for each class designation, C, for each reporting year, Y, shall be equal to the amount accrued in the applicable reporting year in accordance with the expressed application of the uncollectible percentage adjustment factors established at the time of a Commission rate case order as reflected in Rider S and applicable to PGA charges.

- * ESB_{EPc} = Expected Supply Services Bills issued by the Company during the effective period (EP) the applicable ISUA will be in effect for class designation, C. This value shall represent the estimated number of times the monthly Delivery Services customer charge will be billed in conjunction with utility gas supply services for each class designation, C, during the effective period.

RIDER GUA – GAS UNCOLLECTIBLE ADJUSTMENT

- AB_{Sc} = Company-determined Automatic Balancing component for each class designation, C, equal to the cumulative debit or credit balance (over-or-under recovery) resulting from application of the ISUA for a prior period. The (AB) amount shall be expressed in dollars (\$). The total amount of any over or under recovery Incremental Supply Service Uncollectible Amount for a preceding effective period will be included in the AB component and thereby be reflected in the applicable ISUA_{EPC} for the effective period following the reconciliation period.
- * O_{Sc} = Commission ordered adjustment amount, in dollars (\$), for class designation, C, resulting from a Commission Order in a reconciliation proceeding, plus the calculated interest attributable to the O component. Interest shall be at the rate established by the Commission under 83 Ill. Adm. Code 280.40(g)(1). Interest on the O component shall be applied from the end of the reconciliation period until the O component is refunded or charged to Customers through the ISUA. The total amount of any O component for a preceding effective period will be reflected in the applicable ISUA_{EPC} for the effective period following the Order.

INFORMATION SHEET FILINGS

Information sheet filings must be filed with the Commission and shall include supporting information no later than the 20th of the month preceding the effective date of the IDUA or ISUA adjustment amounts. An information sheet with supporting information filed after that date, but prior to the effective date, shall be accepted only if it corrects an error or errors from a timely filed information sheet for the same effective date. Any other information sheet with supporting data, not otherwise required or anticipated pursuant to the terms of this Rider, nor Ordered as a compliance filing by the Commission, shall be accepted only if submitted as a special permission request to become effective on less than 45 days notice under provisions of Section 9-201 (a) of the Act.

RIDER GUA – GAS UNCOLLECTIBLE ADJUSTMENT

ANNUAL AUDIT

- * Annually, subsequent to completion of IDUA and ISUA adjustments for a reporting year, the Company must conduct an internal audit of its costs and recoveries of such costs pursuant to this Rider. The internal audit shall determine if 1) The uncollectible costs recorded through the rider are being recovered through other tariffs; 2) The IDUA and ISUA are properly billed; 3) The Revenues are properly recorded; and 4) The uncollectible costs are properly recorded in Account 904 and reported in Form 21 ILCC. The above list of determinations does not limit the scope of the audit. The Company must also prepare a report each year summarizing the results of such audit. Such report must be submitted to the Commission in an informational filing, with copies of such report provided to the Manager of the Staff's Accounting Department by August 31. Such report must be verified by an officer of the Company.

ANNUAL RECONCILIATION

- * The Company shall file a petition annually with the Commission no later than August 31, seeking initiation of an annual review to reconcile all uncollectible amounts included in rates, plus amounts accrued pursuant to this Rider with the actual uncollectible amount for the reporting year. The information submitted shall allow the Commission to verify that the Company collects the actual uncollectible expense amounts as provided for in each applicable ICC Form 21 reporting year. For the 2010 and 2011 reporting years, the reconciliation shall address the amounts recovered for class designations in effect beginning with the 2012 reporting year rather than individual classes in effect prior to the 2012 reporting year.

Any Commission ordered adjustment amounts for the 2008 through 2011 reporting years applicable to Delivery Service (IDUA) or Company gas supply (ISUA) shall be assigned to class designations in effect beginning with the 2012 reporting year.

RIDER GUA – GAS UNCOLLECTIBLE ADJUSTMENT

MISCELLANEOUS GENERAL PROVISIONS

For each reporting year through 2012, the sum of the F904D_{Yc} and F904S_{Yc} must not exceed the amount listed in Account No. 904 of the Form No. 21 ILCC for such calendar year. For each subsequent reporting year beginning in 2013, the sum of the net write off amounts must not exceed the total amount of write offs for the calendar year.

- * The reporting year is a calendar year. The effective period for the adjustment associated with the reporting year is the following June – May period. For example, the effective period for the 2015 reporting year is June 2016 – May 2017.