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**RIDER EUA - ELECTRIC UNCOLLECTIBLE ADJUSTMENT**

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**APPLICABILITY**

The uncollectible adjustments developed pursuant to this Rider are applicable to Customers taking Delivery Services from Company, and also applicable to Customers taking power 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 2014 reporting year. Beginning with the 2015 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 sum of (1) 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, and (2) the uncollectible amount recovered pursuant to the Commission authorized uncollectible factor included in rates for power supply service charges of Company. Rider EUA operates pursuant to 220 ILCS 5/16-111.8. This rider also collects funds to operate a residential Bill Payment Assistance program authorized pursuant to Docket No. 20-0309.

**INCREMENTAL UNCOLLECTIBLE ADJUSTMENTS**

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

<b>IDUA Delivery Class Designations</b>	<b>ISUA Supply Class Designations</b>
DS-1 Residential Delivery Service	BGS-1/RTP-1/PSP - Residential Service
DS-2 Small General Delivery Service	BGS-2/RTP-2 - Small General Service
DS-3 General Delivery Service	BGS-3/RTP-3/HSS under 1000 kW- General Service
DS-4 Large General Delivery Service	HSS $\geq$ 1000 kW - Large General Service
	BGS-5 - Lighting Service

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- \* For the 2012 through 2014 reporting year, the IDUA and ISUA adjustments shall be computed separately for each Rate Zone and class designation (C), as follows:

<b>IDUA Delivery Class Designations</b>	<b>ISUA Supply Class Designations</b>
Residential Delivery Service 1/	Residential Supply Service 3/
Non-Residential Delivery Service 2/	Non-Residential Supply Service 4/

1/ Residential Delivery Service class designation is: DS-1 Residential Delivery Service

2/ Non-Residential Delivery Service class designations consist of: DS-2 Small General Delivery Service, DS-3 General Delivery Service, DS-4 Large General Delivery Service, and DS-6 Temperature Sensitive Delivery Service

3/ Residential Supply Service class designation consist of: BGS-1/RTP-1/PSP

4/ Non-Residential Supply Service class designations consist of: BGS-2/RTP-2 - Small General Service, BGS-3/RTP-3/HSS under 1000 kW- General Service, HSS  $\geq$  1000 kW – Large General Service, and BGS-5 - Lighting Service

- \* Beginning with the 2015 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.

The IDUA adjustment is expressed as a monetary value and shall be applied prospectively to the applicable Delivery Services customer charge component during the effective period. The ISUA adjustment is expressed as monetary value and applied per kWh during the effective period to Customers taking Company power supply services.

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 Account 904, as reported in the FERC Form 1 of Company, 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 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.

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- \* For the 2013 reporting year through May 2020, the incremental uncollectible adjustment amounts shall be the difference between the actual uncollectible expense amounts based on the Company's net write-offs, and the uncollectible amounts included in the utility's rates that were in effect during the same time period. For the period from June 2020 through December 2020 actual uncollectible expense recorded to FERC Account No. 904 shall be used to determine incremental uncollectible adjustment amounts. Beginning with the year 2021, incremental uncollectible adjustment amounts shall be determined based on the Company's net write-offs. 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 and 2014 reporting year, the annual net write-off expense amounts shall be allocated to each Rate Zone based on the relative weighting of FERC Account No. 904 expense by corresponding legacy utility for the period January through September 2010. Beginning with the 2015 reporting year, and subsequent reporting years, the annual net write-off expense or uncollectible expense, as applicable, will be determined for the rate class designation, (C) on a total Company basis.

The charge or credit for Delivery Services uncollectible adjustment amount shall be included with the monthly customer charge component on the monthly bill. The charge or credit for supply services uncollectible adjustment amount shall be applied to Company supplied kWh, and shall be included with the monthly Rider PER and Rider HSS supply cost adjustment component on the monthly bill, as applicable.

**DELIVERY SERVICES 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 2014 reporting year. Beginning with the 2015 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 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:

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- $IDUA_{EPc}$  = Incremental Delivery Services 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 FERC Account No. 904. Through the 2012 reporting year, FERC Account No. 904 amounts for supply and delivery by class shall be allocated, based on Company records. For subsequent reporting years beginning in 2013, net write-off or FERC Account No. 904 amounts, as applicable (and described in the Incremental Uncollectible Adjustments section), for supply and delivery by class shall be allocated based on Company records.
- $DUR_{Yc}$  = 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.

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AB <sub>c</sub>	=	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 <sub>EPc</sub> for the effective period following the reconciliation period.
O <sub>c</sub>	=	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 <sub>EPc</sub> for the effective period following the Order.

**\* Bill Payment Assistance Adder**

In addition to the determination of the IDUA applicable to the residential class determined in this Delivery Service Uncollectible Adjustment section, a Bill Payment Assistance Adder shall be collected from the residential class equal to \$5 million, applicable for Billing Periods of July 2020 through May 2021, and \$2.5 million applicable for Billing Periods of June 2021 through May 2022. The incremental Bill Payment Assistance program funds are recovered like an O component, but implemented to match the Billing Period following the Order in Docket No. 20-0309.

**SUPPLY SERVICE UNCOLLECTIBLE ADJUSTMENT**

The supply service uncollectible adjustment amount for application to utility supply service kWh usage shall be determined for each reporting year and for each Rate Zone and class designation, (C), through the 2014 reporting year. Beginning with the 2015 reporting year, and subsequent reporting years, the supply service uncollectible adjustment amount for application to utility supply service kWh usage shall be determined on a total Company basis for each class designation, (C). The calculation for the supply service uncollectible adjustment is as follows:

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

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Where:

- $ISUA_{EPc}$  = Incremental Supply Uncollectible adjustment amount, expressed in cents per kWh, rounded to three decimal places, and applicable to retail class designations, C, during the effective period (EP) for which 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.
- 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 FERC Form No. 1 of Company, as determined for retail customers for which class designation, C, is applicable. For subsequent reporting years beginning in 2013, net write-off or FERC Account No. 904 amounts, as applicable (and described in the Incremental Uncollectible Adjustments section), for supply and delivery by class shall be allocated, based on Company records.
- $SUR_{Yc}$  = Supply Uncollectible Revenues, in dollars (\$), 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 and reflected in subsequent information filings to the Commission for supply-related charges and associated transmission (Rider TS) charges by class designation, C.
- $EEU_{EPc}$  = Expected Energy Usage, in kWh, forecasted to be supplied and metered by the Company during the effective period (EP) the applicable ISUA will be in effect for class designation, C.
- $AB_{Sc}$  = Company-determined Automatic Balancing component for each class designation C, expressed in dollars (\$), equal to the cumulative debit or credit (over-or-under) recovery resulting from application of the ISUA for a prior period. 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.

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Date of Filing, June 23, 2020

Date Effective, June 24, 2020

Filed Pursuant to ICC Order  
in Docket No. 20-0309

Issued by R.J. Mark, President & CEO  
10 Executive Drive, Collinsville, IL 62234

\*Asterisk denotes change

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O<sub>sc</sub> = 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<sub>EPC</sub> 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 20<sup>th</sup> 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. Notwithstanding the above, an updated information sheet may be submitted after June 20, 2020 but prior to the beginning of July 2020 Billing Period to implement provisions of the Order in Docket No. 20-0309.

**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 FERC Form 1. 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.

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**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 FERC Form 1 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 – 2011 reporting years applicable to Delivery Service (IDUA) or Company power supply services (ISUA) shall be assigned to class designations in effect beginning with the 2012 reporting year.

**MISCELLANEOUS GENERAL PROVISIONS**

- \* For each reporting year through 2012, the sum of the F904D<sub>Yc</sub> and F904S<sub>Yc</sub> must not exceed the amount listed in Account No. 904 of the FERC Form No. 1 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 net write offs for the calendar year. Such F904D<sub>Yc</sub> and F904S<sub>Yc</sub> may not include bad debt expenses associated with receivables purchased by the Company in accordance with provisions of Section 16-118 of the Act. Notwithstanding the previous provisions the annual sum of the F904D<sub>Yc</sub> and F904S<sub>Yc</sub> may exceed net 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 2014 reporting year is June 2015 – May 2016.