
RIDER GC – GOVERNMENT COMPLIANCE ADJUSTMENT

APPLICABILITY

This Rider GC - Government Compliance Adjustment pertains to adjustments that may be collected by the Company to recover additional or excess costs that a Governmental Unit could impose on the Company from time to time. This adjustment shall be applicable to Customers taking service under the following Rate tariffs of this Gas Service Schedule, in a Governmental Unit area that has imposed additional or excess costs as specified below.

Residential – Rate GDS-1

* Non-Residential – Rate GDS-2, GDS-3, GDS-4, GDS-5, GDS-6, and GDS-7.

PURPOSE

If a Governmental Unit enacts an ordinance or otherwise utilizes its constitutional or statutory powers to compel the Company, directly or indirectly, to do any of the following:

- (a) Provide a service in addition to, different from, or instead of a service which the Company would otherwise be required to provide,
- (b) Install facilities in addition to, different from, or instead of those facilities which the Company would otherwise be required to install,
- (c) Remove existing facilities and replace them with facilities different from those facilities which the Company would otherwise be required to do so,
- (d) Modify facilities which the Company would otherwise not be required to modify, or modify facilities in a manner different than that which the Company would otherwise be required to do so,
- (e) Maintain its facilities in a manner that imposes additional requirements on, or is different from the manner in which the Company would otherwise be required to maintain.

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- * The items listed above shall be considered projects for purposes of this Rider
- * The total amount of compliance costs associated with a specific project (Costs) shall be charged to the Company's Customers located within the boundaries of such Governmental Unit.

*** CHARGES**

The adjustment associated with this Rider shall be charged on a per Therm delivered basis or a per Customer basis, as applicable, and specified in an informational filing. The time period over which this adjustment shall be collected by the Company for a specific project (Collection Period), will be determined by the Company. The Company and Governmental Unit may jointly agree to a Collection Period different than that determined by the Company.

Annual Amount to be Collected

The amount to be collected each year of the Collection Period for a specific project under this Rider will be determined by the Company as follows:

$$G = A+O$$

Where:

G = Government Compliance Amount: The amount, in dollars, to be collected each year of the Collection Period for a specific project.

A = Government Compliance Annual Costs: The Annual Costs shall be determined by dividing the total amount of compliance costs associated with a specific project by the number of years in the Collection Period over which "G" shall be collected by the Company for a specific project. The Annual Costs are the total annual compliance costs for a specific project to be collected by the Company each year of the Collection Period. Costs associated with capitalized investment shall include recovery of revenue requirements for capital investment associated with the project, based upon the most recent rate of return approved by the ICC.

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O = Over or under recoveries: The amount of revenues over or under recovered through this Rider as determined by a reconciliation.

Rider GC Charge

Once the Annual Government Compliance Amount has been calculated, the Company shall calculate Rider GC charges using two methods, the Company Default method consisting of a charge per Therm for all natural gas delivered to Customers located within the Governmental Unit and the Governmental Option method consisting of a single per Customer charge to be applicable to all Customers located within the Governmental Unit. Once calculated, the Company shall provide the proposed charges to the Governmental Unit for review. When the Governmental Unit determines the appropriate calculation method, the Governmental Unit shall specify the charge in an ordinance or other acceptable document. If the Governmental Unit does not specify the charge in an ordinance or other acceptable document, the Company shall utilize the Company Default method to recover compliance costs. However, if the Governmental Unit currently has a Rider GC charge based on the Governmental Option methodology, the Governmental Option methodology will be utilized to recover costs associated with the project. The applicable Rider GC charge will be utilized by the Company as the “base” charge. The base charge shall be modified by the Company, as required, over the life of the charge to reflect revisions of the Rider GC charge or reconciliation amounts.

Company Default

The Company shall develop a per Therm charge to be associated with all Therms delivered to Customers located within the boundaries of the Governmental Unit. The total amount to be collected each year of the Collection Period will be equal to the annual Government Compliance Amount determined by the Company. The Company shall determine the per Therm charge as follows:

$$GCC = (G / T) \times 100$$

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Where:

- GCC= Government Compliance Charge: The charge in cents, applicable to all Therms delivered.
- G = Government Compliance Amount: The amount to be collected each year of the Collection Period for a specific project (calculated above).
- T = Therm Sales: The Company shall determine the Therms delivered to Company's Customers located within the boundaries of such Governmental Unit over the last 12 months in total.

Governmental Option

The Company shall develop a single per Customer charge to be associated with all Customers located within the boundaries of the Governmental Unit. The total amount to be collected each year of the Collection Period will be equal to the annual Government Compliance Amount determined by the Company. The Company shall determine the charge per Customer as follows:

$$GCC = G / (NG \times 12)$$

Where:

- GCC= Government Compliance Charge: The monthly charge, in dollars, applicable to each Customer.
- G = Government Compliance Amount: The amount to be collected each year of the Collection Period for a specific project (calculated above).
- NG = Natural Gas Service Accounts: The number of natural gas service accounts located within the boundaries of such Governmental Unit.

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If a Governmental Unit requires the Company to proceed with multiple projects, the charge associated with each project must utilize the same charge methodology, therefore, the methodology used for the first project will be used for additional projects running concurrently. The charges associated with concurrent projects shall be summed to determine the appropriate charge to be placed on Customer bills.

RECONCILIATION

The Company shall perform an annual reconciliation for each specific project as follows:

At the end of each year of the Collection Period for a specific project, the Company shall perform a reconciliation to reconcile the Costs with the amount recovered under this Rider for each specific project and provide the results to the Governmental Unit as well as Illinois Commerce Commission Accounting Department Staff.

When a reconciliation does not occur at the end of the Collection Period, the Company shall file with the Commission, by the 20th day of the second month following the reconciliation, an informational filing reflecting adjustments to the Rider GC charge to compensate for any reconciliation amounts, if necessary.

When a reconciliation occurs at the end of the Collection Period, a credit or charge will be calculated, as applicable, and credited or charged to Customers in a single month (Reconciliation Collection Period). If a reconciliation results in a charge that is higher than the previous charge, the Company may amortize the reconciliation charge over a longer Reconciliation Collection Period in order to minimize the affect on Customers. The Company shall file with the Commission, by the 20th day of the second month following the Collection Period, an informational filing reflecting the credit or charge applicable for the Reconciliation Collection Period. After the Reconciliation Collection Period, a new reconciliation will be performed. If the reconciliation results in an overcollection, Company shall donate such remaining Rider GC adjustment balance to an energy assistance program predominantly within Company's service territory. If the reconciliation results in an undercollection, Company shall write-off the remaining amount to expense.

Date of Filing, July 20, 2011

Date Effective, September 3, 2011

Issued by S.A. Cisel, President
300 Liberty Street, Peoria, IL 61602

*Asterisk denotes change

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TERMS AND CONDITIONS

For purposes of this adjustment, the Company is required to provide a service, or install, remove, replace, modify, or maintain facilities in a particular manner only if it is obliged to do so under a state or federal statute, a state or federal regulation, the Company's then current Gas Service Schedule as filed with the Illinois Commerce Commission.

- * The Government Compliance Adjustment charges currently applicable for each Governmental Unit project shall be shown in an informational filing supplemental to this Rider.
- * On or before the 20th day of the month prior to effective date of the ordinance or other appropriate document used by the Governmental Units to apply their statutory power, the Company shall file with the Commission an informational filing specifying the Rider GC charge to be effective for service during the Collection Period and associated workpapers. If the Company determines during the Collection Period that it is appropriate to revise the Rider GC charge to better match revenues recovered under this Rider with the Government Compliance Amount, the Company may, from time to time, calculate and file the revised Rider GC charge to become effective as of the beginning of any calendar month.
- * For purposes of this adjustment, a Governmental Unit means any county or municipal unit of local government by law.
- * If a Customer within the Governmental Unit has concerns about the charge implemented under this Rider, the Company and Governmental Unit shall work together with such Customer to address the concerns. Customer shall have the ability to utilize the Dispute Resolution section of the Customer Terms and Conditions if they so choose.
- * For purposes of this adjustment, Costs are the entire amount of compliance costs associated with a project including revenue requirements, as applicable. Such Costs may be estimated, subject to adjustment to actual Costs as they become available.

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- * The Company will not begin the requested project until the Governmental Unit enacts an ordinance or otherwise utilizes its constitutional or statutory powers to compel the Company to undertake such project and provides an ordinance or other appropriate document used by the Governmental Units to apply their statutory power.
- * Any facilities the Company is compelled to install under this adjustment shall be the property of the Company.
- * The total amount of charges or credits under this adjustment will be separately stated on each Customer's bill.