Rider 30
Energy Efficiency Plan Cost Recovery

*** Applicable to All Rates Except Rate 21 and 82**

Purpose.
The purpose of this Rider is to provide for the recovery of all prudently incurred costs, fees and charges related to energy efficiency measures implemented by the Company and approved by the Illinois Commerce Commission ("Commission") as provided for by Section 8-104, 220 ILCS 5/8-104, of the Public Utilities Act (the Act). Additionally, as provided by Section 19-140, 220 ILCS 5/19-140, of the Act, the Company shall, through this Rider, recover all costs prudently incurred by the Company in association with the implementation and operation of its Commission approved On-Bill Financing Program.

Applicability.
The Energy Efficiency Plan Charge (EEP Charge), as authorized by Section 8-104(e-10) of the Act, and applicable to all service classifications, shall be determined by the Company annually and expressed on a per-therm basis. Energy Efficiency Plan (the Plan) costs shall be allocated to each applicable classification based on the amount of such costs budgeted for each classification. For purposes of this rider, the following three classifications shall be applicable:

Residential (Rate 1)
Small Non-residential (Rates 4, 5, 74 and 75)
Large Non-residential (Rates 6, 7, 17, 19, 76 and 77)

Exemptions.
Non-residential customers may be exempt from EEP Charges if they have been designated as a self-directing customer or as an exempt customer by the Illinois Department of Commerce and Economic Opportunity (DCEO), as provided for under Section 8-104(m) of the Act.

Section 8-104(m) provides exemptions for customers that: "…have a North American Industry Classification System code number that is 22111, or any such code number beginning with the digits 31, 32, or 33, and (i) annual usage in the aggregate of 4 million therms or more within the service territory of the affected gas utility or with aggregate usage of 8 million therms or more in this State and complying with the provisions of item (1) of this subsection (m); or (ii) using natural gas as feedstock and meeting the usage requirements described in item (i) of this subsection (m), to the extent such annual feedstock usage is greater than 60% of the customer's total annual usage of natural gas."

Limitations.
As provided by Section 8-104(d) of the Act, the cost of energy efficiency programs implemented in any multi-year Reporting Period established by Section 8-104(f) of the Act, shall be limited to an amount that would increase the estimated average amounts paid by retail customers in connection with natural gas service by no more than two (2) percent in the applicable multi-year Reporting Period. Costs related to the Company's On-Bill Financing Program, as described below, are excluded from the determination of the limitation.

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Section A – Definitions.
As used in this rider, the terms below are defined as follows:

* **Annual Reconciliation Period** means the nine (9) month period beginning April 1, 2018 and ending December 31 of the current year and each subsequent nine (9) month period beginning April 1 thereafter.

* **Annual Recovery Period** from June 1, 2011through May 31, 2016 means the twelve (12) month period beginning June 1 of the filing year and ending May 31 of the following year and each subsequent twelve (12) month period beginning June 1 thereafter. Thereafter, such Period means the nineteen (19) month period from June 1, 2016 through December 31, 2017. Beginning January 1, 2018 such Period means the twelve (12) month period beginning January 1 of the filing year and ending December 31 of the current year and each subsequent twelve (12) month period beginning each January 1 thereafter.

Energy Efficiency Measures ("Measure" or "Measures") means activities that are developed, implemented, or administered by or on the behalf of either the Company or DCEO and are related to energy efficiency plans approved by the Commission.

* **Incremental Costs** means:
(1) costs incurred after July 10, 2009 and before January 1, 2018 by the Company, including those recovered on the behalf of DCEO, in association with the Plan and the Measures and include, but are not limited to: (a) fees, charges, billings, or assessments related to the Plan and the Measures; (b) costs or expenses associated with equipment, devices, or services that are purchased, provided, installed, operated, maintained, or monitored for the Plan and the Measures; (c) costs to develop and implement the systems and procedures required to apply the provisions of the Plan; (d) joint costs common to shared gas and electric energy efficiency or on-bill financing programs allocated between the Company and another utility; (e) all legal and consultative costs associated with the implementation of the Plan and Measures and (f) the direct and indirect costs associated with the wages, salaries, benefits and payroll taxes of Company employees appointed to positions created after July 10, 2009 that are specifically related to implementation of the Plan and Measures; and

(2) costs incurred on or after January 1, 2018 by the Company, including those recovered on the behalf of DCEO for any prior year costs incurred or associated with DCEO implementing and operating its Commission approved program for applicable periods, in association with the Plan and the Measures and include, but are not limited to: (a) fees, charges, billings, or assessments related to the Plan and the Measures; (b) costs or expenses associated with equipment, devices, or services that are purchased, provided, installed, operated, maintained, or monitored for the Plan and the Measures; (c) costs to develop and implement the systems and procedures required to apply the provisions of the Plan; (d) joint costs common to shared gas and electric energy efficiency or on-bill financing programs allocated between the Company and another utility; (e) all legal and consultative costs associated with the implementation of the Plan and Measures and (f) the direct and indirect costs associated with the wages, salaries, benefits and payroll taxes of Company employees appointed to positions created after July 10, 2009 that are specifically related to implementation of the Plan and Measures; and

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* **Incremental Costs** (continued)
(3) costs incurred after July 10, 2009 associated with Rider 31, the On-Bill Financing Program, as provided under Section 19-140(f) of the Act including but are not limited to: (a) all start-up and administrative costs associated with any such program; (b) evaluation costs associated with any such program; (c) costs to develop and implement the systems and procedures required to apply the provisions of Rider 31; (d) joint costs common to on-bill financing programs allocated between utilities; (e) all legal and consultative costs associated with any On-Bill Financing Program; and (f) the direct and indirect costs associated with the wages, salaries, benefits and payroll taxes of Company employees appointed to positions created after July 10, 2009 that are specifically related to implementation and operation of the On-Bill Financing Program.

Incremental Costs of the type specified in (3) above shall be allocated to the residential and small commercial and industrial billing classes based on the number of participants from each class. In the event that there are no participants in the billing classes, Incremental Costs shall be allocated based on the number of eligible customers for each billing class.

* **Plan Period or Reporting Period** means the 36-month period beginning June 1, 2011and ending May 31, 2014, followed by the 43-month period beginning June 1, 2014 and ending December 31, 2017, and thereafter each subsequent calendar 4-year period beginning January 1, 2018.

* **Section B – Determination of EEP Charge.**
On or before December 20, 2017, and each year thereafter on or before December 20, the Company shall file with the Commission, for informational purposes, each EEP Charge, computed in accordance with the equations provided below. Such filing to be accompanied by work papers documenting the Company's calculation of the amounts. The EEP Charge shall be calculated for each classification and will be placed into effect with service rendered on and after the first day of January of each year. Unless otherwise ordered by the Commission, such EEP Charge shall become effective as indicated in the information sheet filed with the Commission and shall remain in effect until superseded under the terms of this rider.

The EEP Charge shall be determined for each classification in accordance with the following formula:

$$EEP = \frac{(EEPC + ARB + ORB - RIC) \times 100}{CT}$$

Where: EEP = The Energy Efficiency Plan Charge for each classification in cents per therm rounded to the nearest 0.01¢; any fraction of 0.01¢ shall be dropped if less than 0.005¢; or, if 0.005¢ or more, shall be rounded up to the next full 0.01¢.

EEPC = The forecasted amount of Incremental Costs for each rate classification for the succeeding Annual Recovery Period.

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* **Section B –** (continued)

ARB = Annual Reconciliation Balance is the overage or underage resulting from the calculation of actual Plan expenses less the amount of revenue received from application of the EEP Charge during the immediately preceding Plan year. Such ARB shall include interest at the interest rate established by the Commission under 83 Ill. Administrative Code 280.40(g)(1) and in effect when each ARB is calculated, adjusted for the number of months in the Annual Reconciliation Recovery Period.

ORB = Ordered Reconciliation Balance is equal to an amount ordered by the Commission to be refunded to or collected from applicable customers.

RIC = Reimbursements, if any, of Incremental Costs directly related to implementation of Measures that the Company expects to receive from any source other than the application of EEP Charges and that are associated with the applicable customers during the applicable twelve (12) month period of a Commission approved Plan, beginning in June following the date that the Plan is filed with the Commission, or in the case of a revised Plan, beginning with the month following the date that such revised Plan is filed with the Commission for informational purposes and extending through the following May. On or after January 1, 2018, the June and May dates referred to above shall become January and December, respectively.

CT = The amount of forecasted deliveries in therms for each classification for the appropriate recovery period.

If amounts received from other sources cause the EEP Charge to be negative, the adjustment determined will be a refund to Customers. If the Company determines during the Annual Recovery Period that it is appropriate to revise the EEP Charge to better match revenues recovered under this rider with actual Energy Efficiency Plan costs incurred, or other recoveries received, the Company may from time to time calculate a revised EEP Charge for each classification to become effective as of the beginning of any calendar month during the Annual Recovery Period.

* **Section C – Reports and Reconciliation.**

The Company shall file annually with the Commission, no later than December 20, an information sheet and supporting work papers showing the determination of the EEP Charges to be in effect during the following Annual Recovery Period. Any subsequent informational filings to revise the EEP Charge shall not be filed later than the 20th day of the month immediately preceding the month in which the revised EEP Charge becomes effective ("effective month"). An informational filing postmarked after that date but prior to the first day of the effective month will be accepted only if it corrects an error or errors for a timely filed report for the same effective month. Any other informational filing postmarked after that date will be accepted only if submitted as a special permission request under the provision of Section 9-201 (a) of the Act.

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* **Section C –** (continued)
Beginning in 2018, the Company shall also file annually with the Commission, no later than March 20, a report showing the determination of the Annual Reconciliation Balance to be in effect during the Annual Reconciliation Period.

EEP Charges computed in accordance with the provisions of this rider are subject to adjustment in accordance with lawful orders issued by the Commission. Following the Company's annual report filing, the Commission shall initiate a hearing to review such annual report pursuant to Section 8-104(e) of the Act. All amounts previously credited or collected under this rider are subject to further adjustment through the ORB, as directed by the Commission following such review.

Prior to November 30, 2017, the Company shall file quarterly with the Commission, status reports tracking the implementation and expenditures for the Company's and DCEO's portfolio of energy efficiency measures. Such reports shall be filed within 45 days of the end of each Plan quarter, August 31, November 30, February 28 and May 31.
On or after November 30, 2017, the Company shall file quarterly with the Commission, status reports tracking the implementation and expenditures for the Company's portfolio of energy efficiency measures. Such reports shall be filed after the end of each Plan quarter on or before February 15, May 15, August 15 and November 15.

Section D – Annual Reporting and Audit.
The Company shall annually conduct an internal audit of the operation of the Rider. The internal audit shall include at least the following tests: 1) test that costs being recovered through the Rider are not being recovered through other approved tariffs; 2) test that the Rider adjustments are being properly billed to customers; 3) test that the Rider revenues are being recorded in appropriate accounts; 4) test that the Rider charges or credits are being identified and recorded properly for calculating rates and reconciliation; and 5) test at the end of each multi-year Plan Period that the total costs recovered do not exceed two (2) percent of Company revenues as specified in Section 8-104(d). The above list of tests does not limit the scope of the audit.

The Company shall submit the audit report each year to the Manager of the Accounting Department of the Commission's Financial Analysis Division no later than February 1 for the period from June 1, 2011 through May 31, 2016 and no later than September 1 for the period from June 1, 2016 through December 31, 2017 and each calendar year thereafter. Such report shall be verified by an officer of the Company.

Section E – Miscellaneous General Provisions.
The Company's Schedule of Rates, of which this rider is a part, includes General Terms and Conditions and other tariffs. Service hereunder is subject to the General Terms and Conditions and such other tariffs, as applicable.