
Rider 39
Special Purpose Charge

Applicable to All Rates
Except Rates 17, 19, and 21

Purpose

This Special Purpose Charge (SPC) is used to recover from customers costs incurred as a result of the COVID-19 pandemic. The Company shall adjust the monthly Customer Charge by the amounts specified on the information sheet.

Applicability

This Rider is applicable to all customers taking service from the Company, except to the extent a customer is taking service under Rate 17, 19, or 21. For the purpose of the charge under this Rider, the following three customer classifications shall be applicable:

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

Section A - Definitions

COVID-19 Direct Costs shall mean the reasonable and prudent direct costs resulting from the Emergency Interim Order entered by the Illinois Commerce Commission in Docket No. 20-0309, obligations to accommodate the Governor's Emergency Orders to control the spread of the COVID-19 pandemic, and any other reasonable measures taken by the Company in response to the COVID-19 pandemic, incurred beginning March 1, 2020 and ending on December 31, 2021, including, but not limited to:

- one-time costs, such as information technology changes needed to enact the Large Utility Stipulation adopted by the Commission as Appendix 1 to its June 18, 2020 Order in Docket No. 20-0309, set up for remote work options (e.g., servers, software, computer equipment) and signage; and
- ongoing incremental costs, such as administration costs associated with programs provided for in the Large Utility Stipulation adopted by the Commission as Appendix 1 to its June 18, 2020 Order in Docket No. 20-0309, communications for remote operations, communications with the public, regulatory compliance costs, cleaning supplies and services, PPE, employee benefits and accommodations, contact tracing, and medical testing to the extent not paid by or covered by insurance.

COVID-19 Direct Offsets shall mean credits, payments, or other benefits received by the Company from a federal, state, or local government as a result of the COVID-19 pandemic prior to December 31, 2021 and directly related to a COVID-19 Direct Cost, including federal, state, or local tax credits or benefits that are directly related to COVID-19 or provided pursuant to enacted COVID-19 relief legislation, and are not a federal, state, or local tax rate change subject to Rider VITA.

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Section A – Definitions (continued)

COVID-19 Foregone Late Fees shall mean the amount of late payment fees not charged to customers during the period March 18, 2020 to July 26, 2020 and shall not exceed the difference between the actual late payment fees collected by the Company in the calendar or fiscal year including the period beginning March 1, 2020 and ending July 26, 2020 and the authorized annual level of late payment fees included in “other revenues” in the Company’s last rate case. The authorized annual level of late payment fees included in “other revenues” in the Company’s last rate case, Docket No. 18-1775, is \$12,319,000.

COVID-19 Foregone Reconnection Charges shall mean an amount equal to no more than one reconnection fee per customer who was reconnected to utility service without charge from March 1, 2020 to December 26, 2020. The reconnection fee shall be calculated using the applicable reconnection fee available in the Company’s tariff for reconnection during regular working hours for the reconnected customer.

COVID-19 Bill Payment Assistance Program Amount shall mean the amount of funding for the COVID-19 Bill Payment Assistance Program, as identified in the Company’s addenda to the Large Utility Stipulation adopted by the Commission as Appendix 1 to its June 18, 2020 Order in Docket No. 20-0309 for the purpose of providing eligible residential customers with relief from high arrearages incurred as a result of financial hardship caused by the COVID-19 pandemic. The total amount of Bill Payment Assistance Program funding included under this Rider is \$7,500,000.

Effective Period shall mean the 24-month period over which costs are collected from customers.

Section B - Determination of Special Purpose Charge (SPC)

- a) The Company shall determine the SPC to be placed into effect for services rendered or estimated to be rendered during the Effective Period. A separate SPC shall be calculated for each customer classification. The SPC components will be allocated to each customer classification based on the following criteria:
- COVID-19 Direct Costs, net of COVID-19 Direct Offsets – allocated based on each customer classification’s percentage of forecasted base revenues in accordance with Docket No. 18-1775: Residential 70.57%, Small Non-Residential 26.08%, Large Non-Residential 3.35%.
 - COVID-19 Foregone Late Fees – allocated based on the ratio of late pay charges in Docket No. 18-1775: Residential 86.15%, Small Non-Residential 13.45%, Large Non-Residential 0.40%.
 - COVID-19 Foregone Reconnection Charges – allocated based on the ratio of late pay charges in Docket No. 18-1775: Residential 86.15%, Small Non-Residential 13.45%, Large Non-Residential 0.40%.
 - COVID-19 Bill Payment Assistance Program Amount – allocated solely to residential customers.

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Section B - Determination of Special Purpose Charge (SPC) (continued)

b) The SPC shall be determined as follows:

$$\text{SPC} = (\text{Total COVID-19 Costs by Customer Class} / X) / B$$

$$\text{Total COVID-19 Costs by Customer Class} = ((C * P) + (L * N) + (R * N) + (D * T)) - Y$$

Where:

- SPC = Monthly Charge in dollars per customer rounded to the nearest 0.01 cent;
The SPC will be reviewed on a quarterly basis.
- X = Number of months remaining in the Effective Period
- B = Estimated number of monthly customers to whom the charge will apply
- C = Estimated COVID-19 Direct Costs incurred by the Company, net of COVID-19 Direct Offsets
- P = Ratio of base revenue for the applicable customer classification to the total Company base revenues in accordance with Docket No. 18-1775
- L = An amount representing COVID-19 Foregone Late Fees
- N = Allocation factor based on the ratio of late pay charges in Docket No. 18-1775: Residential 86.15%, Small Non-Residential 13.45%, Large Non-Residential 0.40%.
- R = An amount representing COVID-19 Foregone Reconnection Charges
- D = An amount representing COVID-19 Bill Payment Assistance Program costs
- T = Allocation factor equal to 100% for Residential customer classification; 0% for Small Non-Residential and Large Non-Residential customer classifications
- Y = Amounts previously billed to customers

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Section C – Information Sheet

The Company will file the first information sheet on or before September 20, 2020 to be effective October 1, 2020.

Thereafter, the SPC shall be reviewed on a quarterly basis. If the Company deems a revision to the SPC is necessary during the Effective Period, the Company shall file the revised SPC for each rate class with the Commission on an Information Sheet filed on the 20th of the month following the filing of each quarterly report of its COVID-19 Related Costs in Docket No. 20-0309. The information sheet submission shall be accompanied by workpapers showing the calculation of that SPC and these materials shall be made available upon request to the parties to Docket No. 20-0309.

Section D – Reconciliation of the Effective Period

After the SPC has been in effect for 24 monthly billing periods, the SPC shall be set to zero until the Commission completes a reconciliation and determines whether reconciliation or prudence and reasonableness adjustments are warranted. On or before December 20, 2022, the Company shall file a petition with supporting testimony and exhibits with the Chief Clerk to initiate the reconciliation process. The petition and filed testimony and exhibits shall include a reconciliation that will compare revenues collected under this Rider during the Effective Period with the anticipated amount of revenues that were to be recovered or refunded under this Rider. Supporting documentation or workpapers in addition to testimony and exhibits affecting the information presented in the Company's reconciliation petition shall be provided to the Commission's Accounting Staff at the time of this filing of the reconciliation and be made available upon request to the parties to Docket No. 20-0309.

If, after hearing, the Commission finds that the Company has not shown all costs to be reasonable and prudently incurred or has made errors in its reconciliation statement for such reconciliation period, the difference determined by the Commission shall be refunded or recovered, as appropriate, in the same manner that the charge was initially collected, along with interest at the interest rate established by the Commission under 83 Ill. Adm. Code 280.40(g)(1) shall be applied from December 31, 2022 through the date of refund/collection.

Section E – Miscellaneous

The charges and revenues under this rider will not be considered Base Rate Revenues as defined in Rider 32 – Qualified Infrastructure Plant.