
Terms and Conditions

(Continued From Sheet No. 36.1)

BILLING, MAINTENANCE OF CREDIT, AND DEPOSITS:

Deferred Payment Arrangement (DPA)

A residential customer owing a past due amount shall be eligible for a Deferred Payment Arrangement (DPA), consisting of a down payment amount followed by subsequent installment payments, as long as the customer has not failed to complete a previous DPA in the past twelve (12) months. In addition, at any time a customer's account balance is brought to current status, the Company shall consider all previous DPAs completed.

The terms of the DPA shall be in accordance with the terms listed in the 83 Ill. Adm. Code Sec. 280.120 and shall only include amounts owed for utility service for which Customer is subject to disconnection. A residential Low-Income customer shall be entitled to more favorable DPA terms under 83 Ill. Adm. Code Sec. 280.125, including but not limited to, a lower down payment amount and a longer payment term. Company shall consider the DPA in default when Customer fails to pay the full amount of the installment and current bill amount by the second day after the due date of the bill, at which time, Company may resume collection activities.

Customer may reinstate a defaulted DPA by paying the required amount of the DPA installments owing up to that date on the DPA, including all past due amounts that were not included in the original DPA amount; however, Company is not obligated to reinstate a defaulted DPA once it has disconnected service.

*** Deposits and Establishment of Credit.**

An Applicant for gas service or a Customer of the Company will be extended credit in accordance with rules and regulations in 83 Ill. Adm. Code (the "Code") Part 280. The Company may require an Applicant or Customer to pay a deposit at any time to secure the prompt payment of bills in accordance with Sections 280.40 and 280.45 of the Code. The amount of any deposit made for the purpose of establishing credit will be collected, adjusted and refunded in compliance with the Small Business Utility Deposit Relief Act [220 ILCS 35], Part 280, and any applicable variances.

A deposit may be assessed to a residential Applicant or Customer if 1) the Applicant was previously disconnected for non-payment of bills for the same class and type of service, 2) Applicant failed to pay a final bill for the same class of service, 3) Payment Avoidance by Location conditions exist for the Applicant as described in Section 280.210 of the Code, 4) the Company has proof of tampering that benefited the Applicant or Customer, or 5) other conditions for which a deposit may be assessed apply as described below. The determination of any deposit for the purpose of establishing credit for residential service may also be based on the Applicant's credit score provided by recognized credit agencies. The Company may request a deposit from the Applicant for residential service if the Applicant's credit score does not meet the Company's predetermined minimum credit score. A credit score shall not be used to determine a deposit for an Applicant for residential service that qualifies for the Low Income Home Energy Assistance Program (LIHEAP) or provides proof of identity fraud. The Company will provide, by confirming letter, the toll-free telephone number and contact information of the appropriate credit agency to any customer that is billed a deposit based on the customer's credit score.

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BILLING, MAINTENANCE OF CREDIT, AND DEPOSITS: (continued)

- * An existing residential or non-residential Customer who pays late on four (4) or more occurrences in any twelve (12) consecutive billing periods and has an undisputed past due balance that has remained unpaid for over 30 days beyond the due date, shall be billed a deposit. Customers who are off-for-nonpayment and who are applying for service shall be billed a deposit.
- * An Applicant requesting non-residential service will be initially reviewed for deposit assessment based on the records of the Company, or in the alternative, 1) a credit score if applicable, or 2) the validation of a valid business entity. If no records or alternatives exist, the Applicant may pay the assessed deposit or provide acceptable credit references from a current electric or gas utility, and on their respective utility company's letterhead, a signed letter specifically noting the Applicant's demonstration of the following; (i) no disconnection of service in the past twelve (12) months, (ii) not more than one (1) returned payment in the past twelve (12) months, and (iii) an indication that a final bill, if rendered, was paid in full. In addition, an Applicant for non-residential service may obtain service by providing either an irrevocable letter of credit or a surety bond from a financial institution or an insurance company that the Company, in its own judgement, ascertains to be financially stable.
- * Non-residential Customers served under Rates 6, 7, 76 and 77, that are not Small Business customers, may be required to pay a deposit for indications of financial insecurity. Company shall determine a customer's financial insecurity on the basis of any one or more of the following conditions; (i) Customer defaults in its payment obligation to Company and Customer fails to remedy such default within fourteen (14) calendar days; (ii) Customer pays late on four (4) or more occurrences in any twelve (12) consecutive billing periods; (iii) Customer files a petition or otherwise commences, authorizes, or acquiesces in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors or has such petition filed or proceeding commenced against it; (iv) Customer's senior unsecured debt rating or if not available, its issuer or corporate credit rating is determined to be lower than (a) Baa3 from Moody's Investor Service Inc. (Moody's), or its successor, or (b) BBB- from Standard and Poor's (S&P), a division of the McGraw Hill Companies, Inc., or its successor; or (v) in a situation in which neither a Moody's nor an S&P's rating is available for such Customer, other financial information from a national financial credit reporting agency or other business specializing in commercial credit data will be utilized for evaluation; or (vi) Customer otherwise becomes bankrupt or insolvent. In cases where a deposit is assessed for indications of financial insecurity, the Company will hold such deposit for at least one year from the date it was paid in full, at which time the information used to assess the deposit will be updated with current data to determine if the deposit remains necessary.

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(Continued From Sheet No. 37.1)

BILLING, MAINTENANCE OF CREDIT, AND DEPOSITS: (continued)

* **Late Payment Charges.**

Except as otherwise specified below, and subject to the requirements set forth in the Final Order of the Illinois Commerce Commission in Docket No. 20-0309, dated June 18, 2020, the stated charges shall be payable within 21 days after the date they are sent for residential customers and within 14 days after such date for non-residential customers, and late payment charges shall be assessed on any undisputed amounts unpaid for more than two (2) days after the due date.

Late fees for units of State government shall either be 1) assessed according to the State Prompt Payment Act [30 ILCS 540], or 2) waived. Federal, County, and City Governments, including public schools, will be allowed 45 days, but no late payment charge will be assessed. Churches and other premises used solely for religious purposes, hospitals, and charitable institutions, including parochial schools, supported wholly or in part by voluntary contributions, and private schools will be allowed a payment period of 45 days.

Customers regularly operating five or more premises having multiple billing dates may, upon written request to the Company, have a single day in each month designated for the payment of bills for all such premises, such day to be selected by the Company. The stated charges of all such bills shall be payable if payment is made on or before such day and late payment charges shall be assessed thereafter.

At its option the Company may (for (1) through (3) below), and shall (for (4) and (5) below) extend the due date for bills to residential customers living on a limited fixed income who demonstrate difficulty in paying their bills. This extension will only be applied to a permanent address at a home or apartment. To qualify for consideration for an extended due date the customer must be the head of household and subject to one of the following:

- (1) Age 65 or over and retired.
- (2) Age 62 or over, retired and receiving Social Security income.
- (3) Disabled and receiving benefits from Supplemental Security Income or other similar program.
- (4) Regardless of age, collecting unemployment benefits from the State Unemployment Insurance Agency.
- (5) Regardless of age, collecting Aid to Families with Dependent Children; Aid to the Aged, Blind and Disabled; benefits from General Assistance or Supplementary Security Income; payments as primary source of income from Social Security or Veterans Administration benefits; survivor benefits under Social Security.

When the last day of any normal payment period falls on Saturday, Sunday, or a legal holiday, such period will automatically be extended to include the first full business day following.

The late payment charge shall be one and one-half (1-1/2) percent per month of any undisputed amounts remaining unpaid for more than two days after the due date on the bill. Unless authorized by statute, late payment charges shall not be assessed on any amount billed which is not for utility service. Late fees may be assessed on undisputed overdue budget installment amounts owing on a budget plan when there is a deficit credit balance in the account as an alternative to termination of a budget payment plan.

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BILLING, MAINTENANCE OF CREDIT, AND DEPOSITS: (continued)

Late Payment Charges. (continued)

A Customer shall be deemed to have paid on time when a customer mails payment of the full amount of a bill for service, and such payment is received at the Company's office not more than two full business days after the due date printed on the bill.

Where the Customer disputes any bill within the normal payment period, the Company will accept payment in full of such bill without late payment charges if payment is made within 14 days after resolution of the dispute.

The Company shall not assess a late payment charge to a residential low income customer while he/she is qualified as a Low Income Customer.

Late payment charges shall not continue to be assessed for a final bill which has been outstanding for more than six (6) months.

* **Interest on Refunds and Credit Balances.**

All refunds and credits due to utility billing error shall be accompanied with interest calculated at the rates set by the Commission for customer deposits. Interest shall accumulate starting thirty (30) days after the date the actual money comprising the overpayment is received by the Company until the date the Company issues a refund or credit to the customer's account. Credit balances accumulated on an active Budget Payment Plan shall not be subject to such interest credit amount unless the Budget Payment Plan is cancelled while a credit balance remains. Interest shall accumulate from the date of the Budget Payment Plan cancellation until the credit is refunded or consumed by future billing.

Medical Certificate and Medical Payment Arrangement (MPA).

Company shall accept written certification (though initial certification may be by telephone) in the form of a Medical Certification by a licensed physician or local board of health and such certification shall temporarily prohibit the disconnection of residential utility service at Customer's premises for sixty (60) days. On the basis of a certified medical necessity, Customer shall also have the opportunity to retire past due amounts by periodic installments under an automatic Medical Payment Arrangement commencing after thirty (30) days.

Payment Avoidance by Location (PAL)

Payment Avoidance by Location or PAL occurs when Company receives a new application for utility service at a service location and a former Customer who was disconnected for non-payment at the same service location still resides at the service address and the Company has proof the new Applicant for service also resided at the service location during the time the previous Customer's debt accrued. PAL shall not include new owners and/or new tenants at a service location. Company shall have verifiable evidence that a PAL condition exists. When a verifiable PAL condition exists, Company may require the new Applicant to pay a deposit in full prior to service equal to one-third (1/3) of the estimated annual charges for the premises.

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Bill Inserts.

Bill inserts shall be delivered to the Customer in the same manner that the Customer has elected to receive their monthly utility bill from the Company. For customers electing to have their monthly utility bill delivered via access to the Company's website, bill inserts will be provided via a separate email notification with a link to the bill insert location.

Right to Discontinue Service.

The Company shall have the right to discontinue its gas service to the Customer on due notice and to remove its property from the Customer's premises upon failure of the Customer to establish credit or adjust his cash deposit, or for the following reasons as provided in 83 Illinois Administrative Code Part 280, non-payment of a past due bill, non-payment of a deposit, non-payment of a deposit resulting from a valid Payment Avoidance by Location, failure to provide access in a multi-metered premises, failure to provide access to Company facilities after (4) four attempts, Occupant usage without a valid customer of record, theft of service or tampering, unsafe conditions, cooperation with civil authorities, non-compliance with an order of the Commission, and non-compliance with any Commission approved rules which authorize Company to disconnect service, or in cases where the Customer fails to comply with, or perform, any of the conditions or obligations hereof.

A Customer's service so discontinued shall be reconnected after the Customer has made settlement for his bills in arrears at a Company office or has, to the Company's satisfaction, complied with or performed such other conditions or obligations hereof which were in default, as the case may be, and has paid a service disconnection and reconnection charge as hereinafter provided.

*** Service Disconnection and Reconnection Charge.**

When the Company discontinues service for cause, as specified above, by means of disconnecting the service line from the main and/or removing the meter, the Customer shall be responsible for the expenses, including material, labor, clerical and transportation, with associated overheads for fringe benefits, direct supervision and taxes on material and labor, incurred in the discontinuation of service for cause by such means and, if service is subsequently resumed for the same Customer, the Customer shall be responsible for all of these same expenses incurred to replace the service line and/or meter.

When the Company discontinues service for a cause, as specified above, by means of turning off the service valve on the meter, the Customer will not be responsible for a disconnection charge, but only will be reconnected without charge once each calendar year. For each subsequent reconnection of service in any calendar year following disconnection for cause by such means, the Customer shall pay an additional charge of \$74.00 subject to the requirements set forth in the Final Order in Docket No. 20-0309. For Customers whose service is turned off at their request by such means, reinstatement of service within 12 months at the same location shall be provided at a charge of \$74.00, plus the monthly charges applicable to the period during which service was turned off, including but not limited to, applicable Riders 1, 2, 7, 26, 32, and 39, Customer Charge, Administrative, Demand, Recording Device and Gas Supply Cost charges as applicable under the rate and riders under which the Customer is served.

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Payment by Invalid Check.

A charge of \$16.00 will be assessed on a Customer who pays by a check or any other negotiable instrument which is not honored and returned to the Company for the following reasons: (a) Not Sufficient Funds; (b) account closed; or (c) any other reason except error of the financial institution or Company. Company shall notify Customer when Company no longer accepts a specific form or method of payment as a result of Customer's returned payment.

Monthly Billing and Bimonthly Meter Reading.

For the purposes of this Schedule the terms "month" or "monthly" shall mean the period between any two consecutive regular meter readings taken as nearly as practicable at 30-day intervals. Company shall not bill Customer for utility service in advance without prior authorization from the Customer. Billing to large, non-residential customers, who are subject to disconnection or payment of a deposit, may be rendered more frequently than monthly when agreed to by the Company and Customer.

The Company shall prepare a bill for service on a monthly basis, unless Customer and Company have both agreed to bi-monthly or quarterly billing. The Company may read meters bimonthly under Rates 1, 4 or 5, but render bills on a monthly basis, using estimated readings for bills falling between bimonthly readings.

Estimated Meter Readings for Billing. When necessary or specifically applicable under Company's Schedule of Rates, Company shall compute an estimate of the Customer's meter reading based on customer-specific baseload and heating degree-day (HDD) sensitive parameters and the resulting estimate shall be based on the number of days and HDD's in the bill period. Company may then further refine the estimated meter reading for billing purposes by the application of a seasonal adjustment factor derived through the analysis of actual meter readings of similarly-situated customers.

* **Estimate of Gas Delivered.**

In cases where Company is unable to take a regular meter reading or in alternate months for customers served under applicable rates, Company shall make an estimate of the volume of gas delivered for billing purposes based upon the use of gas at the premises in previous billing periods and reflective of the effects of weather measured in Degree Days as determined using the formula below.

$$EVGD = ((HDD^{BP} \times HUF) + (D^{BP} \times (BL / 30 \text{ days})) \times SAF)$$

Where:

EVGD = Estimated Volume of Gas Delivered, in CCF, during the billing period.

HDD^{BP} = Heating degree-days in the billing period.

HUF = Heat Use Factor is premises based and calculated using historical meter reading data over a specified period and recorded in Company's customer information and billing systems. The HUF shall be equal to the CCF of usage in a specified period, less the baseload volume in CCF used during the same period, divided by the of HDDs in the specified

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* **Estimate of Gas Delivered** (continued).

period. Where there is no historical meter reading data for the customer or premises, the customer's HUF will be computed using system average factors until usage history has been established. The HUF shall not be less than zero (0).

D^{BP} = Days in the billing period.

BL = Baseload calculated for the premises using an average of monthly usage with the fewest degree days, adjusted to a thirty (30) day basis. Baseload (BL) shall not be less than zero (0).

SAF = Seasonal Adjustment Factor is an adjustment factor derived by analyzing the usage of similarly-situated customers billed using actual meter readings to determine the volume of gas delivered had the volume of gas used been estimated. A similarly-situated customer is one that shares certain characteristics including customer class.

Budget Payment Plan.

Budget Payment Plan is intended to reduce fluctuations in the amount a customer must pay in each billing cycle. The Customer agrees to pay an amount for each billing cycle that is based upon the amount the Company expects the Customer to be billed for an entire year divided by the number of billing cycles in the year. The amount may be adjusted to accommodate changes in the price of gas and changes in the usage pattern by the Customer, and to ensure that significant shortfalls and credits do not accrue.

The Budget Payment Plan is available to residential customers and small-business customers defined as an Illinois business with fifty (50) or less full time employees in Illinois. Nothing shall prevent the Company from offering a Budget Payment Plan to non-residential customers that are not small businesses. Upon inquiry from the Customer, the Company shall calculate and advise the Customer what the projected Budget Payment Plan amount will be for the Customer's account. If the Customer accepts the offer to enroll in budget billing, the Company shall begin the plan for the Customer's account. A Customer whose account balance is current may enroll in a budget payment plan at any time of the year. To be eligible for the Budget Payment Plan, a Customer owing a past due amount must either pay the entire past due amount or enter into a Deferred Payment Arrangement (DPA) with Company to retire the past due debt.

Approximately every four (4) months the Company will evaluate the Customer's account and may adjust the Customer's monthly payment amount for changes in the Customer's pattern of usage and/or the price of gas. If the Budget Payment Plan amount must be altered, the Company shall notify the Customer of the change in writing, such notification to be either included in the bill statement or by separate delivery.

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* **Budget Payment Plan** (continued).

No late payment charge shall be assessed on a Budget Payment Plan unless there is an overall budget deficit in an account when the late payment occurs. The late payment charge shall be computed on the late installment only, not on the accumulated budget deficit in the account.

A customer may cancel a Budget Payment Plan at any time. The Company may cancel the Customer's Budget Payment Plan when the Customer either submits a payment that is less than the full Budget Payment Plan amount or the Customer's payment is twenty-one (21) days in arrears. A late payment charge may be assessed on undisputed budget installments amounts owed on the Budget Payment Plan as an alternative to termination of participation in the plan. Any shortfall amount owed to the Company at the time of cancelation shall be included and payable as current charges on the next bill statement. Any credit amount owing to the Customer at the time of cancelation shall appear as a credit on the next bill statement. After the issuance of that bill statement, the provisions of Section 280.110 – Refunds and Credits, shall apply to the credit balance.

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