
RIDER RBA – REVENUE BALANCING ADJUSTMENT

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APPLICABILITY

Rider RBA – Revenue Balancing Adjustment (Rider RBA) is applicable to all Customers taking service from the Company under this Electric Service Schedule. For the purpose of this Rider, the following three Customer Classifications shall be applicable:

1. Residential - Rate DS-1
2. Small Non-Residential - Rate DS-2, DS-5
3. Large Non-Residential - Rate DS-3, DS-4, DS-6

A separate RBA Percentage shall be calculated for each Customer Classification.

PURPOSE

The purpose of this tariff is to effectuate the provisions of Section 16-105.7 of the Public Utilities Act to decouple the Company's sales and revenues.

Rider RBA is intended to stabilize the collection of the billed distribution revenue requirement approved by the Commission in a Multi-Year Rate Plan or an Article 9-201 rate case. Actual Revenues shall be compared annually to the distribution revenue requirement or requirements approved by the Commission in a Multi-Year Rate Plan or an Article 9-201 rate case on which the rates giving rise to those revenues were based to prevent under-collections or over-collections.

DEFINITIONS

Actual Revenues (AR)

Actual Revenues means the dollar amount of revenues arising from applying the charges giving rise to the distribution revenue requirement or requirements approved by the Commission under a Multi-Year Rate Plan or an Article 9-201 rate case, excluding revenues arising from adjustments applied under this Rider, which were billed for the applicable Fiscal Year. Where Actual Revenues are tracked by Delivery Service Rate, those Actual Revenues will be assigned to the applicable Customer Classifications for purposes of the "Determination of the RBA and the RBA Percentage" section of this Rider. Where Actual Revenues are associated with the delivery service portion of other operating revenues recorded in FERC accounts 449-457, then the amount of Actual Revenues included in the "Determination of the RBA and the RBA Percentage" for the applicable Customer Classification will be allocated to each Customer Classification on the same basis as approved by the Commission in the applicable Multi-Year Rate Plan or an Article 9-201 rate case.

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Base Delivery Service Revenues (BDSR)

Base Delivery Service Revenues, for the purpose of this Rider, shall include revenues associated with Delivery Service Rates for DS-1, DS-2, DS-3, DS-4, DS-5, and DS-6. Base Delivery Service Revenues shall also include EDT Cost Recovery implemented through the Tax Additions tariff, any ongoing Delivery Service charges applied through Rider RDC – Reserve Distribution Capacity, and "Monthly Charges" applied through Rider EVCP – Optional Electric Vehicle Charging Program. Base Delivery Service Revenues shall not include revenues or credits arising from other Riders, including but not limited to Riders BGS, HSS, PER, PSP, RTP, TS, EEA, EUA, PTR, CEAC, NSM, REA, EE, CGC, EF, GC, HMAC, EFC, or QF.

Customer Classification

Customer Classification means the customers served within one of the following groupings of rates:

1. Residential - Rate DS-1
2. Small Non-Residential - Rate DS-2, DS-5
3. Large Non-Residential - Rate DS-3, DS-4, DS-6

Distribution Revenues (DR)

Distribution Revenues, for purposes of this Rider, means distribution revenue requirement or requirements approved by the Commission for an applicable calendar year in a Multi-Year Rate Plan or an Article 9-201 rate case. Distribution Revenues shall include revenues associated with Delivery Service Rates for DS-1, DS-2, DS-3, DS-4, DS-5, and DS-6. Distribution Revenues shall also include the delivery service portion of other operating revenues recorded in FERC accounts 449-457, including but not limited to other sales, provisions for refunds, forfeited discounts, miscellaneous service, rent from electric property, other electric revenues, wholesale delivery service revenue, and other miscellaneous revenues. Distribution Revenues shall also include EDT Cost Recovery implemented through the Tax Additions tariff, any ongoing Delivery Service charges applied through Rider RDC – Reserve Distribution Capacity, and "Monthly Charges" applied through Rider EVCP – Optional Electric Vehicle Charging Program. If more than one Commission-approved distribution revenue requirement or revenue requirements are in effect during a Reconciliation Year, the Company will prorate the Distribution Revenues for purposes of determining the RBA Percentage. Any portion of Distribution Revenues associated with Delivery Service Rates will be prorated in a manner that recognizes seasonality of monthly revenues. Any portion of Distribution Revenues (FERC accounts 449-457, as described above) not associated with Delivery Service Rates may be prorated using number of days.

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Effective Period

Effective Period means the period for which the RBA in the “Determination of the RBA and the RBA Percentage” section of this Rider is to be billed to Customers and shall be any consecutive twelve-month period beginning with the January Billing Period subsequent to the Company's annual revenue balancing reconciliation report filed by March 20th following a Reconciliation Year. An Effective Period beginning with the January Billing Period may be less than twelve months in situations described in the “Application of the RBA” section of this Rider.

Fiscal Year

Fiscal Year means the fiscal year of the Company that ends December 31.

Multi-Year Rate Plan (MYRP)

Multi-Year Rate Plan means a plan establishing the base delivery service rates the Company shall charge for each calendar year of the 4-year period to be covered by the plan as specified in Section 16-108.18(d). The first MYRP may be effective for the Billing Period starting January 2024 and ending December 2027. To the extent the Company files a subsequent MYRP, subsequent MYRP's shall repeat at regular 4-year intervals and take effect immediately at the close of the final year of the initial or previous Multi-Year Rate Plan.

Revenue Balancing Adjustment (RBA)

Revenue Balancing Adjustment means the factor applied to a Customer bill when the RBA Percentage is applied in accordance with the "Determination of the RBA and the RBA Percentage" section of this Rider.

Reconciliation Year

Reconciliation Year means a period during which base delivery service rates approved by the Commission in a Multi-Year Rate Plan or an Article 9-201 rate case were applied, beginning with the January monthly Billing Period and extending through the December monthly Billing Period of the same calendar year.

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DETERMINATION OF THE RBA AND THE RBA PERCENTAGE

An adjustment shall be calculated and applied to the BDSR of each Customer’s bill for each month in the Effective Period per the following formula:

$$RBA = RBA \text{ Percentage} \times BDSR$$

A separate RBA Percentage shall be calculated for each of the three Customer Classifications and expressed as a percentage carried to two decimal places. The RBA Percentage for each Customer Classification is determined by the following formula and may be either positive or negative:

$$RBA \text{ Percentage}(\%) = \left[\left(\frac{BA + O}{PBDSR} \right) + \left(\frac{ARA}{PBDSR9} \right) \right] \times 100$$

Where:

BA = Balancing Adjustment, equal to DR – AR

DR = Distribution Revenues in the Reconciliation Year.

AR = Actual Revenues in the Reconciliation Year.

PBDSR = The projected BDSR for the Effective Period in which RBA Percentage shall be in effect.

PBDSR9 = The projected BDSR for 9 months, April through December, of the Effective Period in which RBA Percentage shall be in effect.

O = Ordered adjustment, in dollars (\$), ordered by the Commission that is to be refunded to or collected from Customers as a result of a reconciliation established in the Reports and Reconciliation section of this Rider. 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 RBA.

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ARA = Automatic Reconciliation Adjustment, equal to zero dollars (\$0.00) for each RBA Percentage applicable during the January, February, and March monthly Billing Periods, otherwise equal to an amount determined in accordance with the following equation:

$$ARA = PBA + PO + PARA - RBAR$$

PBA = Prior Balancing Adjustment (BA), equal to the dollar amount equal to the BA in effect during the previous Effective Period.

RBAR = Revenue Balancing Adjustment Recoveries, equal to the dollar amount equal to the actual revenues billed due to the application of each RBA Percentage applicable during the previous Effective Period.

PO = Prior Ordered adjustment, the dollar amount equal to the O adjustment in effect during the previous Effective Period

PARA = Prior Automatic Reconciliation Adjustment, the dollar amount equal to the ARA in effect during the previous Fiscal Years.

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APPLICATION OF THE RBA

The RBA Percentage shall be in effect and applied to the BDSR of each Customer's monthly bill for the twelve-month period commencing with January Billing Period following the submission of an annual revenue balancing reconciliation report. An RBA Percentage may be in effect and applied to the BDSR of each Customer bill for Fiscal Years beyond the twelve-month period commencing with the January Billing Period following the submission of an annual revenue balancing reconciliation report to the extent the RBA Percentage any ARA includes amounts that were over or under billed in previous Fiscal Years. In these situations, the Company may apply an RBA Percentage for less than twelve months. The RBA shall be presented as a separate line item on a customer bill.

REPORTS AND RECONCILIATION

The Company shall submit an annual revenue balancing reconciliation report to the Commission no later than March 20 following a Reconciliation Year. Such reconciliation reports and adjustments shall continue until the prior reconciliation adjustment associated with a Reconciliation Year has been fully applied. The report shall reflect the difference between the Actual Revenues and Distribution Revenues for the applicable Reconciliation Year and identify the applicable RBA Percentages for each Customer Classification to be applied thereafter. Such reconciliation and determination of RBA Percentages shall be determined for each Customer Classification.

The reconciliation will also compare the revenues collected or refunded under this Rider during the Effective Period and any over or under collection from previous periods as well as any Commission-ordered "O" component. This calculation is represented by the ARA in the formula shown above and shall be included in the Company's next Informational Sheet filing. Supporting documentation and workpapers affecting the information presented in the Company's reconciliation report shall be provided to the Commission's Accounting Staff at the time of the reconciliation filing.

The Commission may initiate a review of the revenue balancing reconciliation report each year to determine if any subsequent adjustment is necessary. If the Commission elects to initiate such review, the Commission shall, after notice and hearing, enter an order approving, or approving as modified, such revenue balancing reconciliation report no later than 120 days after the Company files its report with the Commission. If the Commission does not initiate such a review, the revenue balancing reconciliation report and the identified RBA Percentages included in the report shall be deemed accepted and approved 120 days after the Company files the report and shall not be subject to review in any other proceeding.

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INFORMATIONAL SHEET

RBA Percentage determined in accordance with the provisions of the "Determination of the RBA and RBA Percentage" section of this tariff shall be filed with the ICC for informational purposes in the form of an Informational Sheet. The Informational Sheet filing shall be accompanied by supporting work papers and documentation. The Informational Sheet will be included with the revenue balancing reconciliation report.

The annual updated RBA Percentages that are scheduled to be applicable with the January Billing Period shall be filed with the ICC for informational purposes in the form of an Informational Sheet by December 20th in the year prior to the Effective Period and shall adhere to the Commission's order. The RBA shall take effect during the following January monthly Billing Period. Updates to the RBA Percentage are subsequently determined in March of the year after such RBA Percentage was applied to Customers bills to incorporate the ARA, as applicable. Updates to the RBA Percentage to incorporate a non-zero ARA shall be submitted in the form of an Informational Sheet by March 20th and applicable for the April through December Billing Periods.

If the Company determines during the Effective Period that it is appropriate to revise the RBA Percentage to better match the BA or ARA, the Company may, from time to time, calculate a revised RBA Percentage to become effective as of the beginning of any Billing Period during the Effective Period. Any such revision must be submitted by the Company to the ICC in an informational filing not later than the 20th of the month prior to the monthly Billing Period during which any such revised RBA Percentage becomes applicable.

TERMS AND CONDITIONS

Service hereunder is subject to the Customer Terms and Conditions, Standards and Qualifications for Electric Service, Tax Additions, and Supplemental Customer Charge Tariffs of this Schedule, as well as any other applicable Rates, Riders, taxes, adjustments, fees or charges that may be approved by the ICC from time to time and in effect.