
RIDER GER – GAS ENERGY EFFICIENCY COST RECOVERY

APPLICABILITY

- * Rider GER-Gas Energy Efficiency Cost Recovery (Rider GER) is applicable to all Customers taking service under this Gas Service Schedule as authorized by Section 8-104 of the Public Utilities Act (Act), 220 ILCS 5/8-104. Sections 8-104(m)&(1) provides exemptions from Gas Energy Efficiency Program Cost Recovery charges for Electric Generation Customers, Exempt Feedstock, and Self-Directing Customers (SDC's). Customers must apply to the Department of Commerce and Economic Opportunity (DCEO) to be designated as a SDC or Exempt Feedstock. Effective January 1, 2020 in accordance with Section 8-104(n), Gas Energy Efficiency Program Cost Recovery charges will not apply to any Customer meeting the requirements of Section 8-104(m). The charges calculated pursuant to this Rider shall be applicable to all Therms delivered by Ameren Illinois (the Company) other than those delivered to exempt Customers.

PURPOSE

The purpose of this Rider is to provide for the recovery of costs, fees and charges for approved Gas Energy Efficiency (GEE) measures implemented by the Company and approved by the Commission. Moreover, pursuant to the provisions of Section 19-140 of the Act, any GEE Charge applicable to Residential (Rate GDS-1) or Small Non-residential (Rate GDS-2) Retail Customers computed by the Company shall provide for the recovery of all costs prudently incurred by Company in association with any on-bill financing program described in such Section 19-140.

DEFINITIONS

Effective Period

Effective Period means the period during which the GEE Charge, the recovery mechanism for GEE Incremental Costs, is applied to delivered Therms. The Effective Period begins with the first monthly Billing Period after the GEE Charge is filed.

GEE Measures or Measures

GEE Measures (Measures) mean activities and programs that are developed, implemented, or administered by or for the Company, or the DCEO, related to gas energy efficiency plans approved by the Illinois Commerce Commission (ICC) pursuant to a Commission Order.

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Incremental Costs

Incremental Costs means costs incurred by or for the Company or recovered on behalf of DCEO in association with the Measures, incurred after February 1, 2008, to be recovered pursuant to this Rider, and include, but are not limited to (a) fees, charges, billings, or assessments related to the Measures; (b) costs or expenses associated with equipment, devices, or services that are purchased, provided, installed, operated, maintained, or monitored for the Measures; (c) the revenue requirement equivalent of the return of and on a capital investment associated with the Measures, based upon the most recent rate of return approved by the ICC; and (d) all legal and consultant costs associated with the Measures.

- * Incremental Costs also include costs for wages, salaries, and benefits of the Company employees, including direct and indirect incremental costs associated with such Company employees hired specifically to administer Measures, provided such costs are not otherwise recovered under Delivery Services rates.

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Incremental Costs may also include joint costs common to both gas and electric energy efficiency programs. The proportion of joint costs allocated and recovered through this Rider will be based on the proportion of gas program expenses to total electric and gas program expenses.

Incremental Costs also include costs incurred after July 10, 2009, by the Company in association with on-bill financing programs approved by the ICC and provided in accordance with the provisions of Section 19-140 of the Act and include, 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) the revenue requirement equivalent of the return of and on a capital investment associated with any such program, based on the most recent rate of return approved by the ICC; and (d) all legal and consultant costs associated with any such program. Such costs may not include bad debt expense related to costs incurred by the Company as described in Section 19-140(c)(6) of the Act.

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- * Incremental Costs also include costs for wages, salaries, and benefits of Company employees, including direct and indirect costs associated with Company employees, who are hired for positions related to any on-bill financing program approved by the ICC and provided in accordance with the provisions of Section 19-140 of the Act, provided such costs are not otherwise recovered under other effective tariffs.

Incremental Costs may also include joint costs common to both gas and electric on-bill financing programs. The proportion of joint costs allocated and recovered through this Rider will be based on the proportion of maximum on-bill financing permitted for a gas utility to maximum gas on-bill financing and maximum electric utility on-bill financing, permitted pursuant to Section 19-140(c)(7) of the Act and Section 16-111.7(c)(7) of the Act, respectively.

Program Year

Program Year means the period of January 1, 2009 through May 31, 2009 with subsequent Program Years, through May 31, 2016, consisting of the period of June through May, of the next year for which the GEE Charge is generally determined. The 2017 Program Year shall consist of the period of June 2016 through December 2017, with subsequent Program Years consisting of the period of January through December of the next year for which the GEE Charge is generally determined.

CALCULATION OF THE GEE CHARGE

A separate GEE Charge (or GEEC) shall be calculated for each of the following Customer classes:

- Residential – Rate GDS-1
- Small Non-residential – Rate GDS-2
- Medium Non-residential - GDS-3
- Large Non-residential – Rate GDS-4, GDS-5, GDS-6, and GDS-7

The calculation and application of the GEE Charge (or GEEC) shall be applied to all delivered Therms subject to this Rider. The GEE Charge will include costs and revenues for the Company, where:

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$$\text{GEEC} = \frac{\text{PC} + \text{RIC} + [\text{ARA}]_{\text{amortized}} + \text{ORA}}{\text{PT}} \times \text{UF} \times \frac{100 \text{ ¢}}{\$ 1}$$

Where:

GEEC = GEE Charge, in cents/Therm, rounded to the thousandths of a cent, applied as a charge or credit to Therms delivered for Customers, as applicable, during the Program Year as specified in this Rider.

*PC = Projected Costs, in dollars, are equal to the Incremental Costs associated with the applicable Program Year, including applicable cost incurred after February 1, 2008, or in the case of a revised GEE Charge, are equal to adjustments for such projected Incremental Costs for the remaining Effective Periods of the Program Year. Such Projected Costs to be recovered during the Program Year may include adjustments for (a) costs incurred related to the planning and development of plans approved by the ICC for energy efficiency programs amortized over the energy efficiency plan period or other such costs related to annual reporting requirements and (b) ICC approved adjustments to Incremental Costs, if any. In computing the GEEC for GDS-1 and GDS-2 Customers, Projected Costs also include projected Incremental Costs associated with any on-bill financing program approved by the ICC and provided in accordance with the provisions of Section 19-140 of the Act during the applicable Program Year beginning in the month following the date that the GEEC is filed with the ICC, or in the case of a revised GEEC, beginning with the month following the date that such revised GEEC is filed with the ICC for informational purposes and extending through the end of the Program Year.

RIC = Reimbursement of Incremental Costs, in dollars, that are equal to funds from any source other than the application of GEEC that the Company expects to receive that are associated with the applicable ICC approved energy efficiency plan, if any, directly related to the implementation of programs and not otherwise credited during an applicable Program Year. In addition to not including funds that the Company expects to receive from the application of the GEEC, Reimbursements of Incremental Costs do not include funds that the Company expects to receive through the application of Rider GUA – Gas Uncollectible Adjustment (Rider GUA) to recover costs incurred by the Company as described in Section 19-140(c)(6) of the Act.

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- ARA = Automatic Reconciliation Adjustment, in dollars, is equal to the cumulative over-or under-collection of Incremental Costs, pursuant to the plans approved by the ICC, resulting from the application of the applicable GEEC through the Program Year (which will reflect projections through the end of the Program Year due to timing of adjustments).
- *[] amortized Amortization of all or a portion of the quantity included in the brackets, as necessary, which will be a period of months not to exceed the number of months remaining in the energy efficiency plan period approved by the Commission. For a situation in which amortization exceeds 12 months, only the first 12 months will be included in the GEEC. At the end of each energy efficiency plan period, a true-up of costs and recoveries will be reflected in the rates for the first year of the subsequent planning period.
- ORA = Ordered Reconciliation Adjustment, in dollars, is equal to an amount ordered by the ICC to be refunded to or collected from Customers. Such amounts include interest charged at the rate established by the ICC in accordance with 83 Ill. Adm. Code 280.40(g)(1).
- UF = Uncollectible Factor to adjust for applicable uncollectibles related to this Rider based upon the historical uncollectible experiences of the Company. The first factor will be based upon the collective uncollectible experience for the Company in the consolidated Docket Nos. 07-0588, 07-0589 and 07-0590 in the Company Gas Delivery Services rate cases. The factor shall be revised after subsequent Gas Delivery Services rate cases. Notwithstanding the above, UF shall be equal to 1.0 effective with the May 2010 Billing Period and thereafter.
- PT = Projected Therms forecasted to be delivered to the Company GDS-1 and GDS-2 Customers during the applicable Effective Period(s). Effective with the June 2011 Billing Period, PT will be the Projected Therms forecasted to be delivered to the applicable Customer classes during the applicable Effective Period(s).

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ANNUAL REPORTING AND REVIEW

* **Annual Audit Report**

Annually, subsequent to completion of a Program Year, the Company must conduct an internal audit of its costs and recoveries of such costs pursuant to this Rider. The internal audit should also determine if and to what extent Incremental Costs recovered through this Rider are: 1) associated with the Measures or applicable on-bill financing programs, as appropriate; and 2) not recovered through other approved tariffs. The internal audit should also determine whether: 3) Rider GER is being properly billed to Customers; 4) Rider GER revenues are recorded in appropriate accounts; and 5) any reimbursements of costs are identified and recorded properly for calculating rates and reconciliation. The above list of determinations does not limit the scope of the audit.

The Company must also prepare an annual report summarizing the results of such audit. Such report must be submitted to the ICC in an informational filing, with a copy of such report provided to AccountingMgr@icc.illinois.gov by September 30, subsequent to completion of a Program Year. Beginning with the 2017 Program Year and every Program Year thereafter, the report will be provided by April 30 subsequent to completion of a Program Year. Such report must be verified by an officer of the Company.

* **Annual Energy Efficiency Charge Report**

The Company will prepare an annual report summarizing the operation of the automatic adjustment mechanism for Measures and applicable on-bill financing programs, as appropriate, for the previous year. Such report will be submitted to the ICC in an informational filing, with copies of such report provided to the Manager of the Staff's Accounting Department and the Director of the Staff's Financial Analysis Division by September 30, subsequent to completion of a Program Year. Beginning with the 2017 Program Year and every Program Year thereafter, the report will be provided by April 30 subsequent to completion of a Program Year. Such report must be verified by an officer of Company.

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TERMS OF PAYMENT

Customer bills for service under this tariff shall be rendered and payments shall be due in accordance with the Payment of Bills and Late Payments section of the Customer Terms and Conditions.

MISCELLANEOUS TERMS AND CONDITIONS

* **Informational Filing**

The amount of the GEE Charge shall be shown on an informational filing supplemental to this Rider and filed with the ICC at least once annually, prior to the Program Year. Such filing and any subsequent informational filings shall not be filed later than the 20th day of the month immediately preceding the Effective Period. An informational filing submitted after that date but prior to the first day of the Effective Period will be accepted only if it corrects an error or errors for a timely filed report for the same Effective Period. Any other informational filing submitted 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. The informational filing shall be accompanied by work papers showing the calculation of the GEE Charge. Unless otherwise required as indicated in the succeeding paragraph, each GEE Charge shall become effective as indicated on the informational filing and shall remain in effect for all Therms delivered during the Program Year.

General

Service hereunder is subject to the Customer Terms and Conditions, Standards and Qualifications for Gas Service, Tax Additions, and Supplemental Customer Charges 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 are in effect.

Annual Energy Efficiency Reconciliation Docket

During the annual reconciliation proceeding, the Company shall file testimony that addresses the Company's reconciliation statement and the prudence and reasonableness of costs incurred and recovered under this Rider during the Program Year that is the subject of the reconciliation statement.