
***RIDER ESDA - ELECTRIC SERVICE DISCOUNT ADJUSTMENT**

*

APPLICABILITY

Rider ESDA - Electric Service Discount Adjustment (Rider ESDA) is applicable to all Customers taking electric service from the Company.

The Electric Service Discount (ESD) is available to eligible Low-Income Qualified Customers who meet the following criteria.

1. The program is only available to a Residential (Rate DS-1 or DS-1 with DS-5) Low-Income Customer with an active account taking electric service from the Company.
2. In accordance with 220 ILCS 5/16-115E, Eligible Participants receiving financial assistance in the previous 12 months from LIHEAP or at the time of enrollment is participating in the PIPP Program will not change suppliers unless the change is pursuant to a government aggregation program or a Commission-approved savings guarantee plan.
3. An ESD Participant who relocates to a new service address will continue on the program through the end of their program period as normal or until the Local Administrative Agencies (LAAs) notifies the Company the ESD participant is no longer eligible for the discount.
4. Participation in ESD does not prevent the Customer from receiving other energy assistance benefits.

PURPOSE

The purpose of the Electric Service Discount Adjustment is to implement an Electric Service Discount offered to Low-Income Qualified Customers in accordance with the Commission's December 15, 2022 Low-Income Discount Rate Study Report conducted pursuant to 220 ILCS 5/9-241 of the Public Utilities Act (Act) and additionally to provide for the full recovery of discounts the Company will apply to Low-Income Qualified Customers' bills as a result of the Electric Service Discount. This Rider will be listed as a separate line item on the Customer bill as the "Low Income Discount Adjustment."

***RIDER ESDA - ELECTRIC SERVICE DISCOUNT ADJUSTMENT**

*

DEFINITIONS

Generally, definitions of terms used in this Rider are provided in the Definitions part of the Customer Terms and Conditions of the Company's Electric Schedule of Rates. The following definitions are for use specifically in this Rider:

Effective Period

Effective Period means the twelve-month period of June through May Billing Periods. The initial Effective Period shall be the period beginning with the June 2026 Billing Period and extending through the May 2027 Billing Period.

Electric Service Discount (ESD)

Electric Service Discount means the discount or credit to a Customer's bill as specified in the Electric Service Discount section of this Rider.

Low-Income Qualified Customer (LIQC)

Low-Income Qualified Customer means a Residential Customer who qualifies for LIHEAP (Low-Income Home Energy Assistance Program, specifically 305 ILCS 20/6) or PIPP (Percent of Income Payment Plan) benefits under the Energy Assistance Act, as determined by the authority of the LIHEAP administrator, or has a household income up to 300% of the Federal Poverty Level (FPL). Qualification is specifically recognized for purposes of this Rider when the LIHEAP administrator notifies the Company that the Customer is qualified for this discount. Qualification as a LIQC for purposes of this Rider will be effective upon proper notification to the Company and extend through the end of the Program Year following the current Program Year.

Program Year

Program Year means the twelve-month period of October through September Billing Periods.

Reconciliation Period

Reconciliation Period means the twelve-month period of June through May Billing Periods for which actual Electric Service Discounts are being compared to ESDA Revenues during an annual reconciliation. The initial Reconciliation Period shall be the period beginning with the June 2026 Billing Period and extending through the May 2027 Billing Period.

Total Electric Bill

Total Electric Bill means the electric service bill charges included in the delivery, supply, and other mandated charges sections of the Customer bill associated with current Billing Period charges, but excludes all state and municipal taxes, prior balances, other payment plans, and late payment charges.

***RIDER ESDA - ELECTRIC SERVICE DISCOUNT ADJUSTMENT**

*

DETERMINATION OF ELECTRIC SERVICE DISCOUNT ADJUSTMENT

Beginning with the initial Effective Period, the Electric Service Discount Adjustment (ESDA) for all applicable Billing Periods shall be determined in accordance with the following formulas:

$$ESDA = (EC + ARA)/(1*DS-1+1*DS-2+10*DS-3+375*DS-4+1*DS-5+10*DS-6)$$

Where:

ESDA = Monthly Charge, in dollars (\$), per account rounded to two decimals.
ESDA shall be presented as a separate line item on the Customer bill.

EC = Estimated total amount of Electric Service Discounts dispersed to Low-Income Qualified Customers, in dollars (\$), for the Effective Period.

ARA = Automatic Reconciliation Adjustment, shall be calculated by the Company annually in accordance with the following equation:

$$((AC - AR) + RA + RA_F - RA_P) + O * (1 + i)$$

Where:

AC = Actual Electric Service Discounts dispersed, in dollars (\$), for the prior Effective Period.

AR = Actual Revenues from applying ESDA on Customer bills, in dollars (\$), for the prior Effective Period.

RA = The amount, in dollars (\$), owed to the Company (+RA) or Customers (-RA) arising from adjustments under this Rider that were under-billed or over-billed in prior Effective Periods.

RA_F = The optional amount, in dollars (\$), of forecasted RA owed to the Company (+RA) or Customers (-RA) arising from adjustments under this Rider that were under-billed or over-billed that have not yet been included in a reconciliation petition. For example, the cumulative RA through April 2027 or forecasted RA through May 2027 for a rate to be effective June 2027.

***RIDER ESDA - ELECTRIC SERVICE DISCOUNT ADJUSTMENT**

*

RA_P = The amount of the RA_F included in the previous ARA calculation.

O = Commission-ordered adjustment, in dollars (\$), as described in the "Annual Reconciliation" section below.

i = Interest, in decimal format, as established by the ICC in accordance with 83 Ill. Adm. Code 280.40(g)(1) from the end of the applicable Effective Period to the date in which the ARA is included in an Informational Filing.

DS-1= Number of DS-1 accounts forecasted to be billed by the Company in each month of the Effective Period.

DS-2= Number of DS-2 accounts forecasted to be billed by the Company in each month of the Effective Period.

DS-3= Number of DS-3 accounts forecasted to be billed by the Company in each month of the Effective Period.

DS-4= Number of DS-4 accounts forecasted to be billed by the Company in each month of the Effective Period.

DS-5= Number of DS-5 accounts forecasted to be billed by the Company in each month of the Effective Period.

DS-6= Number of DS-6 accounts forecasted to be billed by the Company in each month of the Effective Period.

The ESDA will begin with the initial Effective Period.

The ESDA shall be assessed as follows:

- 1 x ESDA per month on each account for DS-1 electric service.
- 1 x ESDA per month on each account for DS-2 electric service.
- 10 x ESDA per month on each account for DS-3 electric service.
- 375 x ESDA per month on each account for DS-4 electric service.
- 1 x ESDA per month on each account for DS-5 electric service.
- 10 x ESDA per month on each account for DS-6 electric service.

***RIDER ESDA - ELECTRIC SERVICE DISCOUNT ADJUSTMENT**

*

ELECTRIC SERVICE DISCOUNT

The Program will function as follows:

1. ESD participants will be placed on the Company's "Rollover" Budget Billing program. The budget billing amounts of ESD participants are expected to remain constant without interim adjustments until ESD participant's annual true up. Any under payment identified during the annual true up shall be recovered through the Rider ESDA cost-recovery mechanism. Any over payment identified during the annual true up shall be credited to the Rider ESDA cost-recovery mechanism up to the amount of the discount provided during the previous year with the remainder credited to the ESD participant.
2. For new ESD participants, the first Billing Period of the Program is expected to occur on the first Billing Period following the utility's completion of the enrollment process. ESD participants shall remain on the program for twelve (12) Billing Periods before recertification is required.
3. ESD participants will be expected to pay the portion of the monthly utility bill for which they are responsible by the due date. The ESD participant's portion of the bill includes the total charges on the bill less the monthly ESD amount. The monthly payment obligation will be provided to the Company by the DCEO for each ESD participant using common practice, existing laws, and Commission directives. The goal is to set the ESD at a level such that the Customer's Total Electric Bill after the discount is applied does not exceed 3.0% of the Customer's household income for non-space heating Customers or 6.0% of the Customer's household income for space heating Customers. Variables to be used by the DCEO in determining the percentage target of the Customer's household income may include but are not limited to primary fuel type for heating and/or transportation. The Company is not responsible for determining the level of maximum allowable bill to be assessed to achieve the above percentage targets and the actual bill amounts are determined by the LAA.
4. In the event ESD participants fail to meet their payment obligations per 83 Illinois Administrative Code Part 280 rules, they shall be subject to Company credit and collection policies, which could result in disconnection of service. Such Customers will remain responsible for all charges from that bill forward, including any debt previously deferred in the Arrearage Reduction Program (ARP) prior to reconnection of service.
5. The Company will not assess late payment charges or require new or unpaid deposits for ESD participants on the ESD Program.

***RIDER ESDA - ELECTRIC SERVICE DISCOUNT ADJUSTMENT**

*

ANNUAL REVIEW AND RECONCILIATION

Annual Reconciliation

No later than August 31st of each year beginning with the first calendar year in which an ESDA was in effect during the May Billing Period, the Company shall file a petition with testimony and exhibits with the Commission seeking initiation of an annual reconciliation process. The initial reconciliation shall cover the period from the Effective Date of this Rider through the following May 31st. The reconciliation will compare the ESDA revenues collected or refunded under this Rider during the Effective Period with the actual Electric Service Discounts costs incurred by the Company during the Effective Period and any over or under collection from previous Effective Periods as well as any Commission-ordered "O component", as described below. This calculation is represented by the "ARA" component 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 petition shall be provided to the Commission's Accounting Staff at the time of the reconciliation filing.

If, after hearing, the Commission finds that the Company has not shown all costs to be reasonable and prudently incurred or has incorrectly calculated, debited, or credited costs or revenues during the applicable Reconciliation Period to the extent that the adjustment has not already been reflected through an adjustment to the ARA component of the ESDA, the difference determined by the Commission shall be refunded or recovered, as appropriate, in the same manner that the charge was initially collected through the O component. Amounts either collected or refunded through the O component shall accrue interest at the rate established by the Commission under 83 Illinois Administrative Code Part 280.40(g)(1).

***RIDER ESDA - ELECTRIC SERVICE DISCOUNT ADJUSTMENT**

*

Reporting Requirements

No later than August 31st of each year, beginning with the first calendar year in which an ESDA was in effect during the May Billing Period, the Company shall file a report containing the following information for the previous Effective Period:

- 1) The number of participants enrolled for each month of the preceding Effective Period by zip code;
- 2) The billed usage for LIQCs [Low-Income Qualified Customers] for each month of the Effective Period by zip code;
- 3) Itemized list of administrative costs incurred to implement and operate this Rider ESDA for each year since approval of the program;
- 4) Description of educational and outreach materials (plus copies of those materials where applicable);
- 5) The dollar amount of uncollectible costs that have been reduced on an annual basis subsequent to implementation to Rider ESDA;
- 6) The dollar amount of credit and collections costs, and any other Company costs that have been reduced on an annual basis subsequent to implementation of Rider ESDA;
- 7) The aggregated non-space heating and space heating Customer billing and arrearage data, for non-space heating and space heating Low-Income Qualified Customers enrolled in the low-income discount, from the two years prior to Rider ESDA implementation to assess how Rider ESDA impacts the Customer and utility system benefit analysis;
- 8) Description of how Ameren Illinois Company has marketed the availability of Rider ESDA to populations who might qualify for the discount;
- 9) Description of potential improvements that may be made in the Company's marketing efforts to reach more LIQCs [Low-Income Qualified Customers]; and
- 10) All other information ICC Staff identifies as needed for incorporating system savings into a reconciliation.

Annual Audit Report

Annually, subsequent to the completion of an Effective Period and determination of the ARA component and the Determination of the Electric Service Discount Adjustment section of this Rider, the Company must conduct an audit of credits and recoveries from operating this Rider. The audit shall determine if 1) the ESDAs are properly billed to Customers and the ESDs are properly applied to LIQCs; 2) credits recovered through Rider ESDA are properly reflected in the calculation of the ESDA; 3) credits recovered through Rider ESDA are recorded in the appropriate accounts; 4) accounting controls are effectively preventing the double recovery of credits through Rider ESDA; and 5) credits recovered through Rider ESDA are properly reflected in the Annual Reconciliation. The above list of determinations does not limit the scope of the audit. A report on such audit must be submitted to the ICC in an Informational Filing, with copies of such report provided to the Commission at ICC.AccountingMgr@illinois.gov. The audit shall be submitted no later than November 30th following the completion of an Effective Period. Such report must be verified by an officer of the Company.

***RIDER ESDA - ELECTRIC SERVICE DISCOUNT ADJUSTMENT**

INFORMATIONAL SHEET FILINGS

The ESDA shall be shown on an Informational Sheet filing supplemental to this Rider and filed with the ICC or postmarked no later than May 20th each year, effective beginning with the June Billing Period. Supporting documentation and workpapers identifying the costs and related amounts affecting the charges presented in the Company's Informational Sheet filing shall be provided to the Commission's Accounting Staff at the time of the Informational Sheet filing. An Informational Sheet with supporting data filed after May 20th, but prior to the effective date, shall only be accepted if it corrects an error or errors from a timely filed Informational Sheet for the same effective date. The initial Informational Sheet shall be filed no later than the 20th of the month prior to the initial Effective Period of this Rider and will be effective beginning with the next Billing Period.

If the Company determines that it is appropriate to revise the ESDA to better match revenues or credits expected to be incurred, the Company may, from time to time, calculate a revised ESDA to become effective at the beginning of any monthly Billing Period, provided the Informational Sheet is filed by the 20th of the month prior to the ESDA taking effect.

TERMS AND CONDITIONS

All applicable charges for the provision of electric service by Company, not otherwise waived herein, shall be assessed to the accounts of Low Income Qualified Customers.

Any account with multiple service points will be assessed the ESDA charge at the rate associated with the delivery service point with the highest billing demand.

Pursuant to the Heat Act, all Residential Customers receiving discounts under this Rider shall be billed under company's default supply service, Rider BGS – 1, or an ARES government aggregation program or a Commission approved savings guarantee plan that is consistent with the provisions of 220 ILCS 5/16-115E.

The Customer agrees to being contacted by the Company's energy efficiency team to explore available programs that could help reduce the Customer's Total Electric Bill.

In no case shall a Customer's Total Electric Bill maximum be less than \$10.00 dollars.