
RIDER EDITA – ELECTRIC DEFERRED INCOME TAX ADJUSTMENT

APPLICABILITY

Rider EDITA – Electric Deferred Income Tax Adjustment is applicable to all retail customers.

PURPOSE

The purpose of this Rider is to allow the Company to: (a) expeditiously pass on to retail customers the amount of unamortized, non-protected property-related Excess Deferred Income Taxes (EDIT) related to the decrease in federal corporate income tax rates pursuant to the Tax Cuts and Jobs Act of 2017 (“TCJA”) (Public Law 115-97) and not included in the establishment of delivery service revenue requirement (DSRR), over a period of three (3) calendar years from 2023 through 2025; and (b) reflect the same forecasted cost reduction in Schedule FR A-4: Reconciliation Computation as described in the Determination of the Delivery Reconciliation Amount section of Rider MAP-R – Modernization Action Plan Reconciliation (Rider MAP-R) filed in the calendar year 2024.

DEFINITIONS

Generally, definitions of terms used in this Rider are provided in the Definitions section of the Customer Terms and Conditions. The following definitions are for use in this Rider.

Base Rate Revenues

Base Rate Revenues, for purposes of this Rider, mean revenues recovered through base rates, as determined in the Company's last Article IX rate case, formula rate update under Section 16-108.5, or set pursuant to Section 16-108.18, as applicable. Base Rate Revenues shall include costs and revenues associated with the Delivery Service Rates for DS-1, DS-2, DS-3, DS-4, DS-5, and DS-6. Base Rate Revenues 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 Rate Revenues shall not include revenues or credits arising from other Riders, including Riders BGS, HSS, PER, PSP, RTP, TS, EEA, EUA, PTR, CEAC, NSM, NM2, REA, EE, CGC, EF, GC, HMAC, EFC, ETAC, or QF.

Effective Period

Effective Period means the period during which the EDIT Adjustment Factor (EDAF) is applied to the Company's Base Rate Revenues. The Effective Period begins with the first January monthly Billing Period after the EDAF percentage is filed, continuing through the following December monthly Billing Period.

RIDER EDITA – ELECTRIC DEFERRED INCOME TAX ADJUSTMENT

DETERMINATION OF THE EDIT ADJUSTMENT FACTOR

The amount of EDIT amortized in an applicable year beginning with the January monthly Billing Period is calculated through uniformly applying an EDAF expressed as a uniform percentage carried to two decimal places and applied to Base Rate Revenues of each Customer's bill. The EDAF is determined in accordance with the following formula:

$$\text{EDAF} = \text{EDITAA} / [\text{PBR}]$$

Where:

EDITAA = EDIT Amortization Amount, in \$, for the applicable year, is the product of the amortization rate for the applicable year described in the Determination of the Amortization Rate subsection of this section multiplied by the unamortized EDIT balance as of December 31 prior to the initial amortization year.

PBR = Projected Base Rate Revenue for the twelve (12) consecutive monthly Billing Periods of the Effective Period.

PBR for the 2023 applicable year is established by the ICC and provided in the ICC Final Order in the Company's 2022 formula rate update proceeding filed pursuant to Section 16-108.5 of the Act.

PBRs for the 2024 and 2025 applicable years are established by the ICC and provided in the ICC Final Order(s) in the Company's rate proceeding(s) filed under Article IX or Section 16-108.18 of the Act, excluding the reconciliation amount in Rider MAP-R applicable in 2024 and 2025.

Notwithstanding the above, if the ICC Final Order for the Company's filing under Article IX or Section 16-108.18 of the Act is not available to determine EDAF for billing beginning in the January monthly billing period, the Company shall use estimated PBR to determine the EDAF and may update the EDAF when the ICC Final Order is available.

To the extent the actual amount of EDAF credits in the prior Effective Period is over, or under, the amount of EDITAA for said prior Effective Period, such amount of difference shall be subsequently collected, or credited, respectively, in Rider MAP-R for the 2023 "Delivery Reconciliation Year", as that term is used in Rider MAP-R, and in the "Actual Revenues" component of Rider RBA – Revenue Balancing Adjustment for years 2024 and 2025.

RIDER EDITA – ELECTRIC DEFERRED INCOME TAX ADJUSTMENT

Notwithstanding the above, during the calendar year 2025, the Company may set the EDAF at a factor that is not applied uniformly across all delivery service charges if the Company determines the outstanding balance of the EDITAA can be recovered more accurately.

Determination of the Amortization Rate

The amortization rates for each year 2023 through 2025 is in the following table.

EDIT Amortization	Amortization Rate
2023	15%
2024	45%
2025	40%

INFORMATIONAL SHEET FILING

The EDAF shall be determined in accordance with the provisions of this Rider and filed with the ICC in an Informational Sheet filing no later than December 20th prior to the applicable Effective Period. The Informational Sheet filing must be accompanied by supporting work papers and documentation supporting their determination, as applicable. An Informational Sheet 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 date.

MISCELLANEOUS GENERAL PROVISIONS

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.