
RIDER PGA – PURCHASED GAS ADJUSTMENT
GAS CHARGE
Applicable To All Service Classifications

SECTION A - APPLICABILITY

- * The Gas Charge (GC) is applicable to Residential and Non-Residential Customers electing to receive gas supply from the Company under Rider S. A single GC shall be determined for all Ameren Illinois Customers in accordance with the provisions of this Rider. The GC may also be applicable to Rider T Customers under certain conditions pursuant to Rider T. The GC is calculated by adding the Commodity Gas Charge (CGC) and Non Commodity Gas Charge (NCGC). The GC shall be applied to each therm delivered during the Effective Month. The determination of the GC is set forth in Section F.
- * The Demand Gas Charge (DGC) is applicable to all Customers on Rate GDS-4, GDS-5, and GDS-6. For GDS-4 and GDS-6, the DGC is applied on a Maximum Daily Quantity (MDQ) basis. For GDS-5, the DGC is applied on winter demand. The determination of the DGC is set forth in Section F.
- * The Company shall report monthly, in a format designated by the Illinois Commerce Commission ("Commission"), a single CGC, NCGC and DGC, calculated under the provisions of Section F to be applied to service rendered during the Effective Month. The reports required by this Section A must be postmarked by the twentieth day of the Filing Month. A monthly report postmarked after that date but prior to the first day of the Effective Month will be accepted only if it corrects an error or errors from a timely filed report for the same Effective Month. Any other report postmarked after that date will be accepted only if submitted as a special permission request under the provisions of Section 9-201 (a) of the Public Utilities Act (220 ILCS 5/9-201 (a)).

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SECTION B - DEFINITIONS

Base Period

Base Period shall mean the effective month or the remaining months in the Reconciliation Year which includes the Effective Month.

Effective Month

Effective Month shall mean the month following the filing month, during which the Gas Charge(s) will be in effect.

Filing Month

Filing Month shall mean the month in which a Gas Charge(s) is determined by the Company and filed with the Commission.

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* **Gas Used by the Company**

Gas Used by the Company shall include all gas used by the Company except gas utilized in the manufacture of gas through a reforming process, and shall include gas furnished to municipalities or other governmental authorities without reimbursement in compliance with franchise, ordinance or similar requirements.

Reconciliation Year

Reconciliation Year shall mean the 12-month period defined in Section G for which actual gas costs and associated revenues are to be reconciled.

* **System Average Cost of Gas**

System Average Cost of Gas shall mean the weighted average cost per therm of gas estimated to be purchased, withdrawn from storage, and manufactured during the Base Period or Reconciliation Year.

SECTION C - COST BASIS

The Gas Charge(s) shall represent the Company's estimate of recoverable gas costs (as prescribed in Section D) to be incurred during the Base Period, with an adjustment to such costs through use of Adjustment Factors (as prescribed in Sections E, F and G). Any Gas Charge(s) established to recover commodity gas costs (separately or in conjunction with non-commodity gas costs) shall use an estimate of the recoverable costs to be incurred during the Effective Month. Any Gas Charges(s) established to recover only non-commodity gas costs shall use an estimate of the recoverable costs to be incurred during the remaining months of the Reconciliation Year.

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SECTION D - RECOVERABLE GAS COSTS

* Items a - f in this Section are to be determined for the Company.

- a. Costs recoverable through the Gas Charge(s) shall include the following:
 1. Costs of natural gas and any solid, liquid or gaseous hydrocarbons purchased for injection into the gas stream or purchased as feedstock or fuel or the manufacture of gas, or delivered under exchange agreements;
 2. Costs for storage services purchased;
 3. Transportation costs related to such natural gas and any solid, liquid or gaseous hydrocarbons and any storage services; and
 4. Other out-of-pocket direct non-commodity costs related to hydrocarbon procurement, transportation, supply management, or price management, net of any associated proceeds, and Federal Energy Regulatory Commission-approved charges required by pipeline suppliers to access supplies or services described in subsections a.1 through a.3 of this Section D.
- b. Determinations of the Gas Charge(s) shall exclude the estimated cost of gas to be used by the Company, based on the System Average Cost of Gas for the Effective Month.
- c. The cost of gas estimated to be withdrawn from storage during the Base Period shall be included in the Gas Charge(s).

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- *d. Recoverable gas costs shall be offset by the revenues derived from transactions at rates that are not subject to the Gas Charge(s) if any of the associated costs are recoverable gas costs as prescribed by subsection (a) of this Section D. This subsection shall not apply to transactions subject to rates contained in tariffs on file with the Commission, or in contracts entered into pursuant to such tariffs, unless otherwise specifically provided for in the tariff. Taking into account the level of additional recoverable gas costs that must be incurred to engage in a given transaction, the Company shall refrain from entering into any such transaction that would raise the Gas Charge(s).

- e. Revenues from penalty charges or imbalance charges, which the Commission has previously approved to prevent unauthorized actions of Customers, shall offset gas costs.

- f. Revenues from "cash out" schedules, which the Commission has previously approved for transportation Customers' monthly or daily imbalances, shall offset gas costs. Under such schedules, the Company can charge Customers for gas used in excess of the amount contracted for, or can refund to Customers the avoided cost of gas not taken. Refunds by the Company pursuant to any such "cash-out" schedule shall be treated as gas costs recoverable under this Section D.

SECTION E - ADJUSTMENT TO GAS COSTS

- * a. The Adjustment Factor (Factor A) shall be treated as an addition to or an offset against actual gas costs for the Company. This Adjustment Factor shall include the total of the following items:
 - 1. refunds, directly billed pipeline surcharges, unamortized balances of adjustments in effect as of the Company's implementation date, and other separately designated adjustments;
 - 2. the cumulative difference between actual recoverable gas costs and purchased gas adjustment ("PGA") recoveries for months preceding the Filing Month; and

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- 3. the unamortized portion of any Adjustment Factor(s) included in prior determinations of the Gas Charge(s).
- b. If the Company determines the need to amortize the Adjustment Factor over a period longer than the Base Period, this Adjustment Factor shall be amortized over a period not to exceed 12 months. The Company shall, in the monthly filing in which Factor A is first amortized, include an amortization schedule showing the Adjustment Factor amount to be included in the Base Period. The associated carrying charge established by the Commission under 83 Ill. Adm. Code 280.40(g)(1) and in effect when the Adjustment Factor is first amortized shall be applied to each month's unamortized balance and included within Factor A.

SECTION F - DETERMINATION OF GAS CHARGE(S) AND DEMAND GAS CHARGE

- * a. Each month the Company shall determine the Gas Charge(s) for the Company to be placed into effect for service rendered during the Effective Month.
- * b. The Gas Charge (GC) is calculated for the Company by adding the Commodity Gas Charge (CGC) and Non Commodity Gas Charge (NCGC)

Commodity Gas Charge:

CGC = The Commodity Gas Charge in cents per therm rounded to the nearest 0.01 cent; any fraction of 0.01 cent shall be dropped if less than 0.005 cent or, if 0.005 cent or more, shall be rounded up to the next full 0.01 cent.

$$CGC = ((G \pm A \pm O)/T) \times 100$$

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Where:

- G = The sum of the estimated recoverable gas costs associated with the Base Period, as prescribed in Section D. If separate Gas Charges are established, only costs related to the specific Gas Charge shall be included.
- A = An amount representing the total adjustments to gas costs, as prescribed in Section E. If Company has elected to amortize the total adjustments to gas costs, Factor A shall include the amount applicable to the Base Period.
- *O = An amount representing the additional over-or under-recovery for a Reconciliation Year ordered by the Commission to be refunded or collected, including interest charged at the rate established by the Commission under 83 Ill. Adm. Code 280.40(g)(1) from the end of the Reconciliation Year to the order date in the reconciliation proceeding. If the Commission determines it is necessary to amortize the additional over-or under-recovery, additional interest shall be charged in the same manner as that prescribed in Section E.b.
- T = The estimated applicable terms of gas associated with service to be rendered during the Base Period.

The Commodity Gas Charge calculation shall reflect the estimated costs and applicable terms of gas associated with service to be rendered during the Base Period. For purposes of the Commodity Gas Charge the Base Period shall be the Effective Month.

The Commodity Gas Charge calculation shall include all commodity (variable) costs of gas supply and transportation and any other variable cost of gas supply that meet the definition of recoverable gas costs in Section D.

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Non Commodity Gas Charge:

NCGC = The Non Commodity Gas Charge in cents per therm rounded to the nearest 0.01 cent; any fraction of 0.01 cent shall be dropped if less than 0.005 cent or, if 0.005 cent or more, shall be rounded up to the next full 0.01 cent.

$$NCGC = (G \pm A \pm O) / T \times 100$$

Where:

G = The sum of the estimated recoverable gas costs associated with the Base Period, as prescribed in Section D. If separate Gas Charges are established, only costs related to the specific Gas Charge shall be included.

A = An amount representing the total adjustments to gas costs, as prescribed in Section E. If Company has elected to amortize the total adjustments to gas costs, Factor A shall include the amount applicable to the Base Period.

*O = An amount representing the additional over-or under-recovery for a reconciliation year ordered by the Commission to be refunded or collected, including interest charged at the rate established by the Commission under 83 Ill. Adm. Code 280.40(g)(1) from the end of the Reconciliation Year to the order date in the reconciliation proceeding. If the Commission determines it is necessary to amortize the additional over-or under-recovery, additional interest shall be charged in the same manner as that prescribed in Section E.b.

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T = The estimated applicable therms of gas associated with service to be rendered during the Base Period.

The Non Commodity Gas Charge calculation shall reflect the estimated costs and applicable therms of gas associated with service to be rendered during the Base Period. For purposes of the Non Commodity Gas Charge the Base Period shall be the remaining months in the Reconciliation Year which includes the Effective Month.

The Non Commodity Gas Charge calculation shall include all demand or reservation costs paid to gas suppliers and pipelines for gas supplies and transportation capacity, all leased storage costs, and any other fixed costs of gas supply that meet the definition of recoverable gas costs in Section D.

* Revenues associated with the Demand Gas Charge will be applied as a credit in calculating the Non Commodity Gas Charge.

c. Demand Gas Charge:

* The Demand Gas Charge is applicable to all Customers and will be calculated for the Company.

DGC = The Demand Gas Charge in cents per therm rounded to the nearest 0.01 cent; any fraction of 0.01 cent shall be dropped if less than 0.005 cent or, if 0.005 cent or more, shall be rounded up to the next full 0.01 cent.

$$DGC = ((G \pm O)/T) \times 100$$

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Where:

- G = The sum of the estimated recoverable gas costs associated with the Base Period, as prescribed in Section D. If separate Gas Charges are established, only costs related to the specific Gas Charge shall be included.
- O = An amount representing the additional over-or under-recovery for a reconciliation year ordered by the Commission to be refunded or collected, including interest charged at the rate established by the Commission under 83 Ill. Adm. Code 280.40(g)(1) from the end of the Reconciliation Year to the order date in the reconciliation proceeding. If the Commission determines it is necessary to amortize the additional over-or under-recovery, additional interest shall be charged in the same manner as that prescribed in Section E.b.
- *T = The monthly average of the preceding year’s Maximum Daily Quantities (MDQ) multiplied by the remaining months of the Reconciliation Year including the Effective Month.

The Demand Gas Charge calculation shall include all demand or reservation costs paid to gas suppliers and pipelines for gas supplies and transportation capacity, all leased storage costs, and any other fixed costs of gas supply that meet the definition of recoverable gas costs in Section D apportioned to Customers receiving the Demand Gas Charge.

- * Revenues associated with the Demand Gas Charge will be applied as a credit in calculating the Non Commodity Gas Charge.

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SECTION G – ANNUAL RECONCILIATION

- a. In conjunction with a docketed reconciliation proceeding, the Company shall file with the Commission a calendar-year reconciliation statement, which shall be certified by the Company's independent public accountants and verified by an Officer of the Company. This statement shall show the difference between the following:
1. the costs recoverable through the Gas Charge(s) during the Reconciliation Year as adjusted by Factor A and Factor O, and
 2. the revenues arising through the application of the Gas Charge(s) to applicable terms during the Reconciliation Year.
- b. If, after hearing, the Commission finds that the Company has not shown all costs to be prudently incurred or has made errors in its reconciliation statement for such Reconciliation Year, the difference determined by the Commission shall be refunded or recovered, as appropriate, under the Ordered Reconciliation Factor (Factor O), along with any interest or other carrying charge authorized by the Commission.