
RIDER TPTFA – Third-Party Transaction Fee Adjustment

APPLICABILITY

Rider TPTFA - Third-Party Transaction Fee Adjustment (Rider TPTFA), is applicable to all Customers taking service from the Company, except Rate GDS-7 Customers. For the purpose of this Rider, the following two Customer Classifications shall be applicable:

1. Residential - Rate GDS-1
2. Non-Residential - Rate GDS-2, Rate GDS-3, Rate GDS-4, Rate GDS-5, and Rate GDS-6

PURPOSE

Public Act 102-0662 (Act) prohibits natural gas utilities from assessing any convenience fee, surcharge, or other fee to any Customer who elects to pay for service using a credit card, as defined by Section 8-201.9 of the Act, that the utility would not assess to the Customer if the Customer paid by other available methods. Accordingly, the purpose of Rider TPTFA is to recover Third-Party Transaction Fee Costs (defined below) incurred by the Company on and after the effective date of this tariff and continuing through the period until the effective date of the tariffs filed in compliance with the Commission order in the Company's next general rate proceeding. The Company shall adjust the monthly Customer Charge on Customer bills by the amount specified on the Informational Sheet.

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 Gas 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, during which the TPTFA shall be in effect. The initial Effective Period shall be the period beginning with the Billing Period identified in the initial Informational Sheet and extending through the following May Billing Period. Notwithstanding the above, the Effective Period that includes the reconciliation of the final Reconciliation Period (the time period up to the effective date of tariffs filed in compliance with the Commission order in the Company's next general rate proceeding) may be less than twelve Billing Periods.

Reporting Period

Reporting Period means the period for which the estimated Third-Party Transaction Fee Costs will be based. The initial Reporting Period will be from the effective date of this tariff through the following May 31. Subsequent Reporting Periods will be June 1 through May 31 following the initial Reporting Period.

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Notwithstanding the above, the last Reporting Period may be a period less than one year beginning June 1 and ending on the day immediately prior to the effective date of tariffs filed in compliance with the Commission Order in the Company's next general rate proceeding.

Third-Party Transaction Fee Costs will no longer be recovered through this Rider on and after the effective date of tariffs filed in compliance with the Commission order in the Company's next general rate proceeding. However, any final reconciliations that may be required to recover actual costs, or to refund any over-collections of Third-Party Transaction Fee Costs incurred from the effective date of this tariff through the day immediately prior to the effective date of tariffs filed in compliance with the Commission Order in the Company's next general rate proceeding, shall be permitted to collect from or refund to Customers through the TPTFA.

Reconciliation Period

Reconciliation Period means the period for which actual Third-Party Transaction Fee Costs are being compared to TPTFA Revenues during an annual reconciliation.

Third-Party Transaction Fee Costs

Third-Party Transaction Fee Costs means fees and expenses related to Customer payments processed through a third-party by debit card, credit card, or other method covered by Public Act 102-0662 and may include convenience fees, surcharges, other fees, costs incurred by the Company to process payments or costs associated with implementing the changes to the third-party payment process.

DETERMINATION OF THIRD-PARTY TRANSACTION FEE ADJUSTMENT

The Third-Party Transaction Fee Adjustment (TPTFA) shall be determined by the Company for Third-Party Transaction Fee Costs incurred or estimated to be incurred during the Reporting Period. A separate per Customer TPTFA shall be determined for each of the two Customer Classifications defined in Applicability Section above. The amount of the Third-Party Transaction Fee Adjustment (TPTFA), if any, applicable to each Effective Period shall be determined using the following formula, for each of the two Customer Classifications:

$$TPTFA_c = (EC_c / B_c) + (ARA_c / B_c)$$

Where:

TPTFA = Monthly Charge filed in dollars per customer rounded to two decimals.

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EC = Estimated Third-Party Transaction Fee Costs for the Reporting Period.

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

$$((AC - AR) + RA) + O \times (1 + i)$$

Where:

AC = Actual Third-Party Transaction Fee Costs, in dollars (\$), for the prior Reporting Period.

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

RA = The dollar amount owed to the Company (+RA) or Retail Customers (-RA) arising from adjustments under this Rider that were under-billed or over-billed in prior periods.

O = Commission-ordered adjustment 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.

B = Sum of the forecasted number of Billing Periods for the Effective Period for each Customer Classification.

C = Customer Classification

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ANNUAL REVIEW AND RECONCILIATION

Annual Reconciliation

No later than August 31st of each year beginning with the first calendar year in which a TPTFA 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 be filed on or before August 31, 2022 and cover the period from the effective date of this tariff to May 31, 2022. The reconciliation will compare the revenues collected or refunded under this rider during the Effective Period with the actual Third-Party Transaction Fee Costs incurred by the Company during the Reporting Period and any over or under collection from previous 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. In the Reconciliation Period that includes the effective date of tariffs filed in compliance with the Commission order in the Company's next general rate proceeding, such reconciliation amount may be applicable for one or more months, as required.

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 TPTFA, 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) from the end of the Effective Period until the O component amount is charged or refunded to customers.

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Annual Audit Report

Annually, subsequent to the completion of a Reporting Period and determination of the ARA component of the Determination of Third-Party Transaction Fee Adjustment section of this Rider, the Company must conduct an audit of its costs and recoveries from operating this Rider. The audit shall determine if 1) the TPTFAs are properly billed to Retail Customers; 2) costs recovered through the TPTFA Rider are properly reflected in the calculation of the TPTFA; 3) costs recovered through the TPTFA Rider are recorded in the appropriate accounts; 4) accounting controls are effectively preventing the double recovery of costs through Rider TPTFA; and 5) costs recovered through the TPTFA 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 October 31 following the completion of a Reporting Period. Such report must be verified by an officer of the Company.

INFORMATION SHEET FILINGS

The TPTFA 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 affected 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. The initial Informational Sheet shall be filed no later than the 20th of the month following the effective date of this tariff, and effective beginning with the next Billing Period. An Informational Sheet with supporting data filed after that date, but prior to the effective date, shall be accepted only if it corrects an error or errors from a timely filed Informational Sheet for the same effective date. If the Company determines that it is appropriate to revise the TPTFA to better match revenues or expected revenue with costs incurred or expected to be incurred, the Company may, from time to time, calculate a revised TPTFA 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 TPTFA taking effect.