
RIDER LICA – LOW-INCOME CREDIT ADJUSTMENT

APPLICABILITY

Rider LICA - Low Income Credit Adjustment (Rider LICA), is applicable to all Customers taking gas service from the Company, except Rate GDS-7. The Low-Income Credit is applicable to eligible Low-Income Qualified Customers.

PURPOSE

The purpose of Rider LICA is to implement a Low-Income Credit 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 credits the Company will apply to Low-Income Qualified Customers' bills as a result of the Low-Income Credit. This Rider will be listed as a separate line item on the Customer bill as the "Low Income Credit 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 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. The initial Effective Period shall be the period beginning with the October 2024 Billing Period and extending through the May 2025 Billing Period.

Low-Income Credit (LIC)

Low-Income Credit means the credit or discount to a Customer's bill as specified in the Low-Income Credit section of this Rider.

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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 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 any tier of this Rider or the Company receives the self-certification from a Customer for Tier 5. Qualification as 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 Low-Income Credits are being compared to LICA Revenues during an annual reconciliation. The initial Reconciliation Period shall be the period beginning with the October 2024 Billing Period and extending through the May 2025 Billing Period.

Total Gas Bill

Total Gas Bill means the gas service bill charges included in the Delivery, Supply, and Tax/Other sections of the Customer bill associated with current Billing Period charges, but excludes all prior balances, other payment plans, and late payment charges.

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DETERMINATION OF LOW-INCOME CREDIT ADJUSTMENT

Beginning with the initial Effective Period, the Low-Income Credit Adjustment (LICA) for all applicable Billing Periods shall be determined in accordance with the following formulas:

$$\text{LICA} = (\text{EC} + \text{ARA}) / (\text{R} + 10 * \text{C} + 375 * \text{I})$$

Where:

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

EC = Estimated total amount of Low-Income Credits 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:

$$((\text{AC} - \text{AR}) + \text{RA} + \text{RA}_F - \text{RA}_P) + \text{O} * (1 + i)$$

Where:

AC = Actual Low-Income Credits dispersed, in dollars (\$), for the prior Effective Period.

AR = Actual Revenues from applying LICA 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 2025 or forecasted RA through May 2025 for a rate to be effective June 2025.

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

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- 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.
- R = Number of Residential Accounts forecasted to be billed by the Company in each month of the Effective Period.
- C = Number of Accounts for Non-Residential gas service taking less than 4,000,000 Therms of gas during the previous calendar year forecasted to be billed by the Company in each month of the Effective Period.
- I = Number of Accounts for Non-Residential gas service taking 4,000,000 Therms or more of gas during the previous calendar year forecasted to be billed by the Company in each month of the Effective Period.

The Low-Income Credit Adjustment (LICA) shall be assessed as follows:

- (1) 1 x LICA per month on each Account for Residential gas service.
- (2) 10 x LICA per month on each Account for Non-Residential gas service taking less than 4,000,000 Therms per year of gas during the previous calendar year.
- (3) 375 x LICA per month on each Account for Non-Residential gas service taking 4,000,000 Therms or more of gas during the previous calendar year.

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LOW-INCOME CREDIT

In accordance with the Commission's December 15, 2022 Low-Income Discount Rate Study Report conducted pursuant to Section 5/9-241 of the Public Utilities Act (Act), the Company shall offer a Low-Income Credit (LIC) to all LIQC. The credit will be equal to a percentage of their Total Gas Bill dependent on the tier the LIQC qualifies for with tier qualification being based upon the Customer's household income as a percentage of the FPL, as provided in the table below.

Tier 1, 2, 3, and 4 eligibility will be determined by the LIHEAP administrator. Tier 5 may be determined by the LIHEAP administrator or can be self-certified by the Customer to the Company via an online application [www.ameren.com], by phone with a customer service representative, or by mail.

When the Company is notified by the LIHEAP administrator that the LIQC's household income falls within a tier shown below or when a Customer self-certifies for Tier 5, the LIQC will receive the appropriate credit on their monthly billing statement no later than the Billing Period after the Company is notified and has a reasonable time to place on the Customer bill. The Low-Income Credit shall be presented as a separate line item on the Customer bill as the "Low-Income Credit."

	LIQC Household Income	Credit equal to % of LIQC's Total Gas Bill
Tier 1:	0-50% FPL	75%
Tier 2:	>50-100% FPL	55%
Tier 3:	>100-150% FPL	25%
Tier 4:	>150-200% FPL	10%
Tier 5:	Up to 300% FPL	5%

Credits and self-certification shall begin with the initial Effective Period.

Tier 5 Audit

The Company shall periodically, but at least every 12 months, through a sampling of 5% or 200 (whichever is greater) of the LIQCs enrolled for Tier 5 discounts, verify that Customers continue to be eligible by meeting income thresholds necessary to receive a Tier 5 discount credit. Customer incomes in such sampling should be verified based upon examination of income tax returns, pay stubs, examination of proof of participation in another state or federal program that demonstrates income, or any other means that provides documented proof of the Customer's income. Such sampling is for information purposes only and Customers should not be removed from eligibility for a discount upon failure to provide proof of eligibility.

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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 LICA 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 tariff through the following May 31st. The reconciliation will compare the LICA revenues collected or refunded under this Rider during the Effective Period with the actual Low-Income Credit 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 LICA, 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).

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Annual Reporting Requirements

No later than August 31st of each year beginning with the first calendar year in which a LICA 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 in each Tier for each month of the preceding Effective Period by zip code;
- 2) The billed usage in each Tier for each month of the preceding Effective Period by zip code;
- 3) Itemized list of administrative costs incurred to implement and operate this Low-Income Credit Adjustment for each Effective Period since approval of the program;
- 4) Description of educational and outreach materials (plus copies of those materials where applicable);
- 5) Data on processing time for Tier 5 eligibility from initial request to approval under each of the options available to Customers requesting Tier 5 credit (online, by phone, or by mail);
- 6) Detailed description of the sampling technique used to verify eligibility of Tier 5 discounts/credits using the 5% threshold specified in the tariff and results of the review/audit including, but not limited to, the number of Customers within the 5% of Customers sampled that were unable to meet the income requirement or the income verification requirement.

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Additional Reporting Requirements

The Company shall track the following information to the extent possible and present a report to the Commission no later than August 31st of each year beginning with the first calendar year in which a LICA was in effect during the May Billing Period.

- 1) The dollar amount of uncollectibles costs that have been reduced on an annual basis subsequent to the implementation of Rider LICA;
- 2) The dollar amount of credit and collections costs, and any other Company costs that have been reduced on an annual basis subsequent to the implementation of Rider LICA;
- 3) The aggregated Tier 1 (0%-50% FPL) and Tier 2 (51%-100% FPL) Customer billing and arrearage data from the two years prior to Rider LICA implementation to assess how Rider LICA impacts the Customer and utility system benefit analysis (prioritizing past data from only Tier 1 and Tier 2 now, but eventually tracking this information for all tiers as the discount program matures);
- 4) How Ameren Illinois Company has marketed the availability of Rider LICA to populations who might qualify for the discount; and
- 5) What improvements can be made in those marketing efforts to reach more eligible Customers.

Annual Audit Report

Annually, subsequent to the completion of an Effective Period and determination of the ARA component and the Determination of The Low-Income Credit 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 LICAs are properly billed to Customers and the LICs are properly applied to LIQCs; 2) credits recovered through Rider LICA are properly reflected in the calculation of the LICA; 3) credits recovered through Rider LICA are recorded in the appropriate accounts; 4) accounting controls are effectively preventing the double recovery of credits through Rider LICA; and 5) credits recovered through the LICA 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.

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INFORMATIONAL SHEET FILINGS

The LICA 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 only 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 tariff and will be effective beginning with the next Billing Period.

If the Company determines that it is appropriate to revise the LICA to better match revenues or credits expected to be incurred, the Company may, from time to time, calculate a revised LICA 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 LICA taking effect.