

**The Peoples Gas Light and Coke Company**

**RIDER TO SCHEDULE OF RATES FOR GAS SERVICE**

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**Rider SPC  
Special Purpose Charge**

**Applicable to Service Classification Nos. 1, 2, 4 and 8**

**Section A – Applicability and Purpose**

The Special Purpose Charge rider (SPC), expressed on a per customer basis, recovers from customers direct costs (net of any direct offsets) incurred as a result of the COVID-19 pandemic. The Company shall adjust the monthly Customer Charge by the amounts specified on the information sheet.

This Rider is applicable to all customers taking service from the Company under Service Classification (“S.C.”) Nos. 1 (separately for Service Classification No. 1 Heating and Non-Heating), 2, 4, and 8.

**Section B – Definitions**

As used in this rider, the terms below are defined as follows:

**COVID-19 Direct Costs** shall mean the reasonable and prudent direct costs resulting from the Emergency Interim Order entered by the Illinois Commerce Commission in Docket No. 20-0309, obligations to accommodate the Governor’s Emergency Orders to control the spread of the COVID-19 pandemic, and any other reasonable measures taken by the utility in response to the COVID-19 pandemic, incurred beginning March 1, 2020 and ending on December 31, 2021, including, but not limited to:

- one-time costs, such as information technology changes needed to enact the Stipulation executed in Docket No. 20-0309, set up for remote work options (e.g., servers, software, computer equipment) and signage; and
- ongoing costs, such as administration costs associated with programs provided for in the Stipulation executed in Docket No. 20-0309, communications for remote operations, communications with the public, regulatory compliance costs, cleaning supplies and services, PPE, employee benefits and accommodations, contact tracing, and medical testing to the extent not paid by or covered by insurance.

**COVID-19 Direct Offsets** shall mean identifiable credits, payments, or other tangible benefits received by the Company from a federal, state, or local government as a result of the COVID-19 pandemic prior to December 31, 2021 and tied to a COVID-19 Direct Cost, including federal, state, or local tax credits that are directly related to COVID-19 and provided pursuant to enacted COVID-19 relief legislation, and are not a state or federal income tax rate change subject to Rider VITA.

**COVID-19 Foregone Late Fees** shall mean an amount of late payment fees not charged to customers during the period March 18, 2020 to July 26, 2020 and shall not exceed \$17,100,000, which is the foregone late fee amount referred to in the Stipulation executed in Docket No. 20-0309.

**Date Issued:** AUGUST 17, 2020

**Date Effective:** SEPTEMBER 1, 2020

**Asterisk not needed; replacing sheet in its entirety.**

**Issued by Theodore Eidukas, Vice President – Regulatory Affairs  
200 East Randolph Street, Chicago, Illinois 60601**

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**Section B – Definitions (cont'd)**

**COVID-19 Foregone Reconnection Charges** shall mean an amount equal to no more than one reconnection fee per customer who was reconnected to utility service without charge from March 1, 2020 to December 31, 2020. The reconnection fee shall be calculated using the applicable reconnection fee available in the Company's tariff for reconnection during regular working hours for the reconnected customer.

**COVID-19 Bill Payment Assistance Program Amount** shall mean \$12,000,000, which is the amount of funding identified by the Company in Addendum 8 of the Appendix 1 to the Commission's June 18, 2020 Order in Docket No. 20-0309 for the purpose of providing eligible residential customers with relief from high arrearages incurred as a result of financial hardship caused by the COVID-19 pandemic.

**Customer Classification** shall mean S.C. No. 1 Heating, S.C. No. 1 Non-Heating, S.C. No. 2, S.C. No. 4, and S.C. No. 8.

**Effective Period** shall mean the thirty-six month period over which costs are collected from customers.

**Total COVID-19 Costs** shall mean the total of COVID-19 Direct Costs net COVID-19 Direct Offsets, COVID-19 Foregone Late Fees, COVID-19 Foregone Reconnection Charges, and COVID-19 Bill Payment Assistance Program Amount.

**Section C – Determination of Special Purpose Charge (SPC)**

The Special Purpose Charge (SPC) shall be billed over a thirty-six month period. A separate per customer SPC shall be determined for each Customer Classification. The SPC components shall be allocated to each Customer Classification based on the following criteria:

- COVID-19 Direct Costs, net of COVID-19 Direct Offsets – allocated based on each Customer Classification's percentage of forecasted base revenues in accordance with Docket Nos. 14-0224/0225 (cons.): S.C. No. 1 Heating 61.77%, S.C. No. 1 Non-Heating 3.51%, S.C. No. 2 30.10%, S.C. No. 4 4.58%, S.C. No. 8 0.04%.
- COVID-19 Foregone Late Fees – allocated based on each Customer Classification's percentage of late pay charges in accordance with Docket Nos. 14-0224/0225 (cons.): S.C. No. 1 Heating 62.89%, S.C. No. 1 Non-Heating 3.77%, S.C. No. 2 29.27%, S.C. No. 4 4.02%, S.C. No. 8 0.05%.
- COVID-19 Foregone Reconnection Charges – allocated based on each Customer Classification's percentage of late pay charges in accordance with Docket Nos. 14-0224/0225 (cons.): S.C. No. 1 Heating 62.89%, S.C. No. 1 Non-Heating 3.77%, S.C. No. 2 29.27%, S.C. No. 4 4.02%, S.C. No. 8 0.05%.
- COVID-19 Bill Payment Assistance Program Amount – allocated solely to S.C. No. 1 Heating customers.

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**Section C – Determination of Special Purpose Charge (SPC) (cont'd)**

The SPC Charge shall be determined as follows:

$$\text{SPC} = (\text{TCOVID}_C / N \text{ months}) / B_C + (\text{RA}_C / B_C) + (\text{O}_C / B_C)$$

$$\text{TCOVID}_C = (\text{DC} \times \text{BR}) + (\text{LF} \times \text{BR}) + (\text{RF} \times \text{BR}) + (\text{BP} \times \text{A})$$

Where:

SPC = Monthly Charge filed in cents per customer rounded to the nearest 0.01 cent; any fraction of 0.01 cents shall be dropped if less than 0.005 cents or, if 0.005 cents or more, shall be rounded up to the next full 0.01 cents.

TCOVID = Total COVID-19 Costs as described in Section B of this rider.

N = Number of months remaining in the filing period.

C = Customer Classification as described in Section B of this rider.

B = Forecasted number of monthly bills for the effective period for each Customer Classification.

RA = Company-determined reconciliation component as described in Section E of this rider.

O = Commissioner-ordered adjustment as described in Section E of this rider.

DC = Estimated COVID-19 Direct Costs incurred by the Company, net of COVID-19 Direct Offsets.

BR = Ratio of base revenue for the applicable Customer Classification to the total Company base revenues in accordance with Docket Nos. 14-0224/0225 (cons.)

LF = COVID-19 Foregone Late Fees as described in Section B of this rider.

RF = COVID-19 Foregone Reconnection Charges as described in Section B of this rider.

BP = COVID-19 Bill Payment Assistance Program costs as described in Section B of this rider.

A = Allocation factor equal to 100% for S.C. No. 1 Heating; 0% for all other Customer Classifications.

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**Section D – Information Sheet Filings**

The initial SPC shall be filed with the Commission or postmarked on an Information Sheet with supporting data no later than September 20, 2020, effective October 1, 2020. An Information 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 Information Sheet for the same effective date. If the Company determines that it is appropriate to revise the SPC 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 SPC to become effective at the beginning of any monthly billing period. The SPC shall be reviewed on a quarterly basis. If the Company deems a revision to the SPC is necessary during the Effective Period, the Company shall file the revised SPC for each Customer Classification with the Commission on an Information Sheet filed on the 20<sup>th</sup> of the month following the filing of the quarterly report of its COVID-19 Related Costs. The information sheet submission shall be accompanied by workpapers showing the calculation of that SPC and these materials shall be made available upon request to the parties to Docket No. 20-0309.

**Section E – Annual Reconciliation**

After the SPC has been in effect for 36 months, the SPC shall be set to zero until the Commission completes a reconciliation and determines whether reconciliation or prudence and reasonableness adjustments are warranted. On or before December 20, 2023, the Company shall file a petition with testimony and exhibits that support the accuracy and prudence of the Total COVID-19 Costs. The reconciliation will compare (a) the actual Total COVID-19 Costs with the forecasted Total COVID-19 Costs and (b) revenues collected under this rider during the Effective Period with the anticipated amount of revenues that were to be recovered or refunded under this rider. In conjunction with the reconciliation filing, a new Information Sheet may be filed adjusting the then effective SPCs under this rider for the amount to be reconciled. 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 this filing and be made available upon request to the parties to Docket No. 20-0309.

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 year to the extent that the adjustment has not already been reflected through an adjustment to the RA component of the SPC, 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. Interest on the O component shall be applied from December 31, 2023 until the O component is refunded or charged to customers through the SPC.

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