

**RIDER LGC
LOCAL GOVERNMENT COMPLIANCE ADJUSTMENT**

Applicable to Rate BES, Rate BESH, and Rate RDS

* **APPLICABILITY.**

This rider is applicable to retail customers located within the boundaries of a Local Government Unit that enacts an ordinance or otherwise utilizes its constitutional or statutory powers to compel the Company, directly or indirectly, to perform any combination of the items described in the Overview section of this rider.

* **PURPOSE.**

The purpose of this rider is to allow the Company to recover the costs it incurs to provide the services or install, remove, replace, modify, or maintain the facilities described in the Overview section of this rider.

OVERVIEW.

In the event that a Local Government Unit enacts an ordinance or otherwise utilizes its constitutional or statutory powers to compel the Company, directly or indirectly, to perform any combination of the following:

- a. provide a service in addition to, different from, or instead of a service which the Company would otherwise be required to provide,
- b. install facilities in addition to, different from, or instead of facilities which the Company would otherwise be required to install,
- c. remove existing facilities and replace them with facilities different from facilities which the Company would otherwise be required to provide in such replacement,
- d. remove existing facilities and replace them with facilities at a different time than the Company would otherwise be required to provide such replacement,
- e. modify facilities which the Company would otherwise not be required to modify, or modify facilities in a manner different from the manner in which the Company would otherwise be required to perform the modification,
- f. maintain its facilities in a manner that imposes additional requirements on, or is different from the manner in which the Company would otherwise be required to maintain its facilities,
- g. remove or relocate existing facilities as provided in the River Edge Redevelopment Zone Act (65 ILCS 115/10 – 10.1(c)),

the costs of providing such service, or installing, removing, replacing, modifying or maintaining such facilities are recovered from the Company's retail customers located within the boundaries of such Local Government Unit in accordance with the provisions of the Adjustment Computation and Application section of this rider. As described in such Adjustment Computation and Application section, if the Company recovers amounts in excess of such costs, such excess amounts are credited to such retail customers.

All facilities the Company is compelled to install in accordance with the provisions of this rider are the property of the Company.

For the purposes of this rider, the Company is otherwise required to provide a service, or install, remove, replace, modify, or maintain facilities in a particular manner only if it is obliged to do so (a) under a state or federal statute, (b) under a state or federal regulation, or (c) in accordance with the provisions for providing standard service and facilities in the Company's then current Schedule of Rates filed with the Illinois Commerce Commission (ICC).

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DEFINITIONS.

- * Generally, definitions of terms used in this rider are provided in the Definitions part of the General Terms and Conditions of the Company's Schedule of Rates. The following definitions are for use in this rider.

Costs

Costs mean the expenditures incurred by the Company in undertaking a project that it was directly or indirectly compelled to undertake by the Local Government Unit as described in the Overview section of this rider. Such Costs include the entire amount so recorded on the Company's books of account. Such Costs may be estimated, subject to adjustment to actual Costs as they become available. Costs of qualifying projects under the River Edge Redevelopment Zone Act (65 ILCS 115/10) include labor, material and all indirect costs to engineer, remove, relocate, replace and install facilities, but do not include any environmental remediation costs. For projects qualifying under the River Edge Redevelopment Zone Act, such Costs may be amortized as mutually agreed by the Company and the Local Government Unit for a reasonable period that is shorter than the life of the affected facility or facilities for the purpose of extending the time period over which the Company recovers such Costs in order to mitigate impacts on retail customer bills for electric service. If so amortized, such Costs must include carrying costs at the pre-tax weighted average cost of capital most recently approved by the ICC in an effective final order establishing the Company's ICC jurisdictional delivery service revenue requirement and corresponding delivery service charges. Costs do not include expenditures incurred by the Company that are recovered under Rider NS - Nonstandard Services and Facilities (Rider NS).

Determination Month

Determination Month means the calendar month through which Costs and Revenues are accumulated and balanced in the Local Government Compliance Account. The Determination Month is the month two (2) months prior to the monthly billing period for which the Local Government Compliance Adjustment (LGC) is computed.

Local Government Unit

Local Government Unit means any county, municipality, township, special district, or unit designated as a unit of local government by law and which exercises limited governmental powers or powers in respect to limited governmental subjects.

Revenues

Revenues mean cumulative amounts charged to retail customers located within the boundaries of the Local Government Unit for a project under this rider, less cumulative amounts credited to such retail customers for such project.

ADJUSTMENT COMPUTATION AND APPLICATION.

As applicable, the LGC is applied, in accordance with the provisions of this rider, to kilowatt-hours (kWhs) provided to retail customers during the monthly billing period. The total charge or credit billed in accordance with the provisions of this rider is separately stated on each such retail customer's bill. The LGC is computed in accordance with the following equation:

$$LGC = \frac{A - P}{E} \times \frac{100 \text{ ¢}}{\$1}$$

Where:

LGC = Local Government Compliance Adjustment, in ¢/kWh rounded to the thousandths of a cent, applied to each kWh provided during the monthly billing period to each retail customer located within the boundaries of the Local Government Unit to recover the Costs attributable to such Local Government Unit, with such LGC equal to a charge or credit, as applicable.

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ADJUSTMENT COMPUTATION AND APPLICATION (CONTINUED).

- A = Local Government Compliance Account Amount, in \$, equal to the net balance of the cumulative Costs attributable to the Local Government Unit less Revenues from retail customers located within the boundaries of such Local Government Unit through the end of the Determination Month.
- P = Pending Revenues, in \$, equal to the estimated amount of revenues charged or credited in accordance with the provisions of this rider to retail customers located within the boundaries of the Local Government Unit for the monthly billing period immediately prior to the monthly billing period for which the LGC is computed.
- E = Energy, in kWh, equal to the sum of the kWhs estimated to be provided during the monthly billing period for which the LGC is computed to retail customers located within the boundaries of the Local Government Unit for which the LGC is computed.

* Notwithstanding the previous provisions of this Adjustment Computation and Application section, the Local Government Unit may elect to limit the value of the LGC to equal no more than the expected average LGC for service provided for a project under this rider, as described in items (a) through (f) in the Overview section of this rider, with the determination of such expected average LGC based on a time period that extends for no more than two (2) months beyond the expected completion of the project. A Local Government Unit is allowed to make such election provided the value of such expected average LGC is equal to or greater than 0.001¢/kWh. The expected average LGC may be revised in the event that the costs for service provided for a project under this rider change significantly from those used to determine the original expected average LGC. For a situation in which the Local Government Unit makes such election, it must notify the Company of its election at the time that it notifies the Company to provide such service for such project.

If service provided for a project under this rider, as described in items (a) through (f) in the Overview section of this rider, has been completed for a period of three (3) months and calculation of the LGC results in a charge or credit of less than 0.001¢/kWh for three (3) consecutive monthly billing periods, then the balance in the Local Government Compliance Account is reduced to zero through an adjustment recorded on the Company's books of account, provided that the LGC equaled or exceeded 0.001¢/kWh at least once for the project. Upon such adjustment of the Local Government Compliance Account to zero, any LGC previously determined for such project is not applied for purposes of back billing, bill adjustments, or any other purposes whatsoever.

If service provided for a project under this rider, as described in items (a) through (f) in the Overview section of this rider, has been completed for a period of three (3) months and calculation of the LGC results in a charge or credit of less than 0.001¢/kWh for three (3) consecutive monthly billing periods, but the LGC never equaled or exceeded 0.001¢/kWh for the project, then no further LGCs are computed and applied with respect to such project, and the balance in the Local Government Compliance Account attributable to such project is added to the Local Government Compliance Account for the next project billed under this rider for such Local Government Unit.

MISCELLANEOUS GENERAL PROVISIONS.

The Company's Schedule of Rates, of which this rider is a part, includes General Terms and Conditions and other tariffs. Service hereunder is subject to the General Terms and Conditions and such other tariffs, as applicable.