

**RIDER UF
UNCOLLECTIBLE FACTORS**

* **Applicable to All Tariffs as Appropriate**

APPLICABILITY.

* This rider is applicable to retail customers, Retail Electric Suppliers (RESs), and Metering Service Providers (MSPs) in accordance with applicable tariffs in the Company's Schedule of Rates.

* **PURPOSE.**

The purpose of this rider is to allow the Company to recover applicable uncollectible costs it incurs.

* **BASE UNCOLLECTIBLE COST FACTORS.**

Base uncollectible cost factors (BUFs) approved by the Illinois Commerce Commission (ICC) are applied in accordance with applicable tariffs in the Company's Schedule of Rates. There are two sets of BUFs.

BUFs associated with ICC-jurisdictional delivery service are Delivery Uncollectible Factors (DUFs) and are incorporated into base Customer Charges, Standard Metering Service Charges, and Distribution Facilities Charges, as authorized by the ICC.

BUFs associated with the Company's provision of electric power and energy supply service are each equal to (a) one (1) plus (b) the Supply Uncollectible Factor (SUF) pertaining to the applicable retail customer designation and are applied to Purchased Electricity Charges and PJM Services Charges, as applicable by customer designation, in accordance with the provisions of the Monthly Charges section of Rate BES - Basic Electric Service (Rate BES) for retail customers taking service under Rate BES. Customer Designations are as defined in the 2008 Incremental Distribution Uncollectible Cost Factors section of this rider.

Retail Customer Designation	BUF
R: Residential	1.0120
N: Nonresidential	1.0024
A: All Other	1.0000

The system average BUF associated with the Company's provision of electric power and energy supply service is applied to Capacity Charges, Hourly Energy Charges, PJM Services Charges, and Miscellaneous Procurement Components Charges in accordance with the provisions of the Monthly Charges section of Rate BESH - Basic Electric Service Hourly Pricing (Rate BESH) for retail customers taking service under Rate BESH or Rider PPO - Power Purchase Option (Rider PPO). Such system average BUF is equal to 1.0061.

* **2008 INCREMENTAL DISTRIBUTION UNCOLLECTIBLE COST FACTORS.**

For application beginning with the April 2010 monthly billing period and extending through the December 2010 monthly billing period, three (3) 2008 incremental distribution uncollectible cost factors (IDUF_{R8}, IDUF_{N8}, and IDUF_{A8}) are determined in accordance with the following equation and applied in accordance with applicable tariffs in the Company's Schedule of Rates. IDUF_{R8} is applicable to residential retail customers. IDUF_{N8} is applicable to nonresidential retail customers to which the Watt-Hour Delivery Class, the Small Load Delivery Class, the Medium Load Delivery Class or the Large Load Delivery Class is applicable. IDUF_{A8} is applicable to all other customers.

* (Continued on Sheet No. 267.1)

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**RIDER UF
UNCOLLECTIBLE FACTORS**

(Continued from Sheet No. 267)

* **2008 INCREMENTAL DISTRIBUTION UNCOLLECTIBLE COST FACTORS (CONTINUED).**

$$IDUF_{C8} = 1 + \frac{F904D_{C8} - DUR_{C8}}{EDR_{C10}}$$

Where:

- $IDUF_{C8}$ = 2008 Incremental Distribution Uncollectible Cost Factor, in decimal format, rounded to the ten thousandths, applicable to retail customers for which customer designation C is applicable.
- C = Customer Designation, equal to R for residential retail customers, N for nonresidential retail customers to which the Watt-Hour Delivery Class, the Small Load Delivery Class, the Medium Load Delivery Class or the Large Load Delivery Class is applicable, or A for all other retail customers.
- $F904D_{C8}$ = Distribution Uncollectible Costs, in dollars (\$), equal to the bad debt expense recorded for the year 2008 in Account No. 904 of the Federal Energy Regulatory Commission (FERC) Financial Report FERC Form No. 1: Annual Report of Major Electric Utilities, Licensees and Others issued by the Company (Form 1) related to distribution service provided to retail customers for which customer designation, C, is applicable.
- EDR_{C10} = Expected Distribution Revenues, in \$, equal to the base rate amount expected to be accrued by the Company for the April 2010 through December 2010 monthly billing periods, in accordance with applicable tariffs in the Company's Schedule of Rates for ICC-jurisdictional delivery service provided to retail customers for which customer designation, C, is applicable.
- DUR_{C8} = Delivery Uncollectible Revenue, in \$, equal to the amount associated with the recovery of uncollectible costs accrued through the application of base rate charges for ICC-jurisdictional delivery service and the application of the Energy Efficiency and Demand Response Adjustment (EDA) in accordance with the provisions of Rider EDA - Energy Efficiency and Demand Response Adjustment (Rider EDA) during the year 2008 and associated with retail customers for which customer designation, C, is applicable. Such DUR_{C8} is determined in accordance with the following equation.

$$DUR_{C8} = \sum_{8P} [DUF_{C8P} \times DBRR_{C8P}] + EDAUR_{C8}$$

(Continued on Sheet No. 267.2)

RIDER UF
UNCOLLECTIBLE FACTORS

(Continued from Sheet No. 267.1)

* 2008 INCREMENTAL DISTRIBUTION UNCOLLECTIBLE COST FACTORS (CONTINUED).

Where:

\sum_{8P} = Summation over all periods in the year 2008.

$DBRR_{C8P}$ = Distribution Base Rate Revenues, in \$, equal to the amount accrued during period, P, in the year 2008 in accordance with the application of then effective base rate charges for ICC-jurisdictional delivery service provided to retail customers for which customer designation, C, is applicable.

$EDAUR_{C8}$ = Energy Efficiency and Demand Response Adjustment Uncollectible Revenue, in \$, equal to the amount associated with the recovery of uncollectible costs accrued through the application of the EDA in accordance with the provisions of Rider EDA during the year 2008 and associated with retail customers for which customer designation, C, is applicable.

DUF_{C8P} = Delivery Uncollectible Factor, in decimal format, equal to the uncollectible cost recovery value effective during period, P, in the year 2008 approved by the ICC for incorporation into then effective base rate charges for ICC-jurisdictional delivery service provided to retail customers for which customer designation, C, is applicable. Notwithstanding the previous provisions of this definition, in the event that there is no explicit uncollectible cost recovery value approved by the ICC for retail customers for which customer designation, C, is applicable, then DUF_{C8P} is determined in accordance with the following equation.

$$DUF_{C8P} = \frac{BDU_{C8P}}{ADBRR_{C8P}}$$

Where:

BDU_{C8P} = Base Distribution Uncollectible Costs, in \$, equal to the annual bad debt expense amount approved by the ICC for the Company associated with base rate charges for ICC-jurisdictional delivery service effective during period, P, in the year 2008 and associated with retail customers for which customer designation, C, is applicable.

$ADBRR_{C8P}$ = Annual Distribution Base Rate Revenue, in \$, equal to the annual base rate revenue amount approved by the ICC for the Company associated with base rate charges for ICC-jurisdictional delivery service effective during period, P, in the year 2008 and associated with retail customers for which customer designation, C, is applicable.

(Continued on Sheet No. 267.3)

**RIDER UF
UNCOLLECTIBLE FACTORS**

(Continued from Sheet No. 267.2)

* **2008 INCREMENTAL DISTRIBUTION UNCOLLECTIBLE COST FACTORS (CONTINUED).**

The IDUF_{C8S} determined in accordance with the equation in this 2008 Incremental Distribution Uncollectible Cost Factors section are expected to be applicable beginning with the April 2010 monthly billing period and extending through the December 2010 monthly billing period. However, for a situation in which any or all delivery service charges applicable to retail customers are changed as a result of an order of the ICC, the then current IDUF_{C8S} must be revised, as applicable, by the Company to reflect any such change. The revised IDUF_{C8S} are determined in accordance with the equation in this 2008 Incremental Distribution Uncollectible Cost Factors section by incorporating changes into the determination of the EDR_{C10S}, as applicable. Such revised IDUF_{C8S} are applicable for the period beginning with the effective date of the applicable changes reflective of such order and extending through the end of the December 2010 monthly billing period during which the IDUF_{C8S} replaced by the revised IDUF_{C8S} were scheduled to be applicable.

* **2008 INCREMENTAL SUPPLY UNCOLLECTIBLE COST FACTORS.**

For application beginning with the April 2010 monthly billing period and extending through the December 2010 monthly billing period, three (3) 2008 incremental supply uncollectible cost factors (ISUF_{R8}, ISUF_{N8}, and ISUF_{A8}) are determined in accordance with the following equation and applied in accordance with Rate BES. ISUF_{R8} is applicable to residential retail customers. ISUF_{N8} is applicable to nonresidential retail customers to which the Watt-Hour Delivery Class, the Small Load Delivery Class, the Medium Load Delivery Class or the Large Load Delivery Class is applicable. ISUF_{A8} is applicable to all other customers.

$$ISUF_{C8} = 1 + \frac{F904S_{C8} - SUR_{C8}}{ESR_{C10}}$$

Where:

- ISUF_{C8} = 2008 Incremental Supply Uncollectible Cost Factor, in decimal format, rounded to the ten thousandths, applicable to retail customers for which customer designation C is applicable.
- F904S_{C8} = Supply Uncollectible Costs, in dollars (\$), equal to the bad debt expense recorded for the year 2008 in Account No. 904 of the FERC Form No. 1 related to supply service provided to retail customers for which customer designation, C, is applicable.
- SUR_{C8} = Supply Uncollectible Revenues, in \$, equal to the amount associated with the recovery of uncollectible costs accrued in the year 2008 due to the application of BUFs applied to Purchased Electricity Charges, PJM Services Charges, Capacity Charges, Hourly Energy Charges, and Miscellaneous Procurement Components Charges associated with retail customers, for which customer designation, C, is applicable.
- ESR_{C10} = Expected Supply Revenues, in \$, equal to the amount expected to be accrued by the Company for the April 2010 through December 2010 monthly billing periods, in accordance with applicable tariffs in the Company's Schedule of Rates related to supply service provided to retail customers for which customer designation, C, is applicable.

(Continued on Sheet No. 267.4)

**RIDER UF
UNCOLLECTIBLE FACTORS**

(Continued from Sheet No. 267.3)

* **2008 INCREMENTAL SUPPLY UNCOLLECTIBLE COST FACTORS (CONTINUED).**

For application beginning with the April 2010 monthly billing period and extending through the December 2010 monthly billing period, a system average 2008 incremental supply uncollectible cost factor (ISUF_{SYS8}) is determined in accordance with the following equation and applied in accordance with Rate BESH and Rider PPO, as applicable.

$$ISUF_{SYS8} = 1 + \frac{F904S_8 - SUR_8}{ESR_{10}}$$

Where:

- ISUF_{SYS8} = System Average 2008 Incremental Supply Uncollectible Cost Factor, in decimal format, rounded to the ten thousandths.
- F904S₈ = Supply Uncollectible Costs, in dollars (\$), equal to the bad debt expense recorded for the year 2008 in Account No. 904 of the FERC Form No. 1 related to supply service.
- SUR₈ = Supply Uncollectible Revenues, in \$, equal to the amount associated with the recovery of uncollectible costs accrued in the year 2008 due to the application of BUFs applied to Purchased Electricity Charges, PJM Services Charges, Capacity Charges, Hourly Energy Charges, and Miscellaneous Procurement Components Charges.
- ESR₁₀ = Expected Supply Revenues, in \$, equal to the amount expected to be accrued by the Company for the April 2010 through December 2010 monthly billing periods, in accordance with applicable tariffs in the Company's Schedule of Rates related to supply service.

The ISUF_{C8S} and ISUF_{SYS8} determined in accordance with the equations in this 2008 Incremental Supply Uncollectible Cost Factors section are expected to be applicable beginning with the April 2010 monthly billing period and extending through the December 2010 monthly billing period. However, for a situation in which any or all supply service related charges applicable to retail customers are significantly changed as a result of a filing by the Company of new or revised informational sheets in compliance with tariffs in the Company's Schedule of Rates, the then current ISUF_{C8S} and ISUF_{SYS8} must be revised, as applicable, by the Company to reflect any such change. The revised ISUF_{C8S} and ISUF_{SYS8} are determined in accordance with the equations in this 2008 Incremental Supply Uncollectible Cost Factors section by incorporating changes into the determination of the ESR_{C10S} and ESR₁₀, as applicable. Such revised ISUF_{C8S} and ISUF_{SYS8} are applicable for the period beginning with the monthly billing period following the filing of such revised ISUF_{C8S} and ISUF_{SYS8} in accordance with the Informational Filings section of this rider, and extending through the end of the December 2010 monthly billing period during which the ISUF_{C8S} and ISUF_{SYS8} replaced by the revised ISUF_{C8S} and ISUF_{SYS8} were scheduled to be applicable.

(Continued on Sheet No. 267.5)

**RIDER UF
UNCOLLECTIBLE FACTORS**

(Continued from Sheet No. 267.4)

* **INCREMENTAL DISTRIBUTION UNCOLLECTIBLE COST FACTORS.**

For application beginning with the June 2010 monthly billing period, three (3) incremental distribution uncollectible cost factors (IDUF_R, IDUF_N, and IDUF_A) are determined in accordance with the following equation and applied in accordance with applicable tariffs in the Company's Schedule of Rates. IDUF_R is applicable to residential retail customers. IDUF_N is applicable to nonresidential retail customers to which the Watt-Hour Delivery Class, the Small Load Delivery Class, the Medium Load Delivery Class or the Large Load Delivery Class is applicable. IDUF_A is applicable to all other customers.

$$IDUF_C = 1 + \frac{F904D_{CY} - DUR_{CY} - DBF_C - (DOR_C + DINT_C) \times \left(\frac{EADR_C}{EOMDR_C} \right)}{EADR_C}$$

Where:

- IDUF_C = Incremental Distribution Uncollectible Cost Factor, in decimal format, rounded to the ten thousandths, applicable to retail customers for which customer designation C is applicable, generally for the period beginning with a June monthly billing period and extending through the following May monthly billing period.
- Y = Year that ended December 31 prior to the start of the June monthly billing period during which the IDUF_C becomes applicable.
- F904D_{CY} = Distribution Uncollectible Costs, in dollars (\$), equal to the bad debt expense recorded for year, Y, in Account No. 904 of the FERC Form No. 1 related to distribution service provided to retail customers for which customer designation, C, is applicable.
- EADR_C = Expected Annual Distribution Revenues, in \$, equal to the base rate amount expected to be accrued by the Company for the June monthly billing period in year, Y+1 through the May monthly billing period in year Y+2, in accordance with applicable tariffs in the Company's Schedule of Rates for ICC-jurisdictional delivery service provided to retail customers for which customer designation, C, is applicable.
- DOR_C = Distribution Ordered Reconciliation, in \$, equal to an amount ordered by the ICC that is to be refunded to or collected from retail customers for which customer designation, C, is applicable to correct for errors associated with the computation of previously applied IDUF_Cs, improperly applied IDUF_Cs, unreasonable costs incurred by the Company related to previously applied IDUF_Cs, or imprudent actions taken by the Company associated with costs related to previously applied IDUF_Cs, as applicable, as determined by the ICC during the reconciliation proceeding described in the Annual Reconciliation section of this rider.

(Continued on Sheet No. 267.6)

**RIDER UF
UNCOLLECTIBLE FACTORS**

(Continued from Sheet No. 267.5)

* **INCREMENTAL DISTRIBUTION UNCOLLECTIBLE COST FACTORS (CONTINUED).**

DINT_C = Distribution Ordered Interest, in \$, equal to the interest accrued with respect to the DOR_C determined at the rate established by the ICC in accordance with 83 Illinois Administrative Code Section 280.70(e)(1). Such interest is determined for the period of time beginning on the day following the end of the period for which the DOR_C was determined and extending through the final date that the DOR_C is applied.

EOMDR_C = Expected Ordered Months Distribution Revenues, in \$, equal to the base rate amount expected to be accrued by the Company for the monthly billing periods during which the DOR_C and DINT_C are applicable, in accordance with applicable tariffs in the Company's Schedule of Rates for ICC-jurisdictional delivery service provided to retail customers for which customer designation, C, is applicable.

DUR_{CY} = Delivery Uncollectible Revenue, in \$, equal to the amount associated with the recovery of uncollectible costs accrued through (a) the application of base rate charges for ICC-jurisdictional delivery service, and (b) the application of the EDA in accordance with the provisions of Rider EDA during year, Y, and (c) the application of the Advanced Metering Program (AMP) Adjustment in accordance with the provisions of Rider AMP - Advanced Metering Program (Rider AMP) during year, Y, as such applications are associated with retail customers for which customer designation, C, is applicable. Such DUR_{CY} is determined in accordance with the following equation.

$$DUR_{CY} = \sum_{YP} [DUF_{CYP} \times DBRR_{CYP}] + EDAUR_{CY} + AMPUR_{CY}$$

Where:

\sum_{YP} = Summation over all periods in year, Y.

DBRR_{CYP} = Distribution Base Rate Revenues, in \$, equal to the amount accrued during period, P, in year, Y, in accordance with the application of then effective base rate charges for ICC-jurisdictional delivery service provided to retail customers for which customer designation, C, is applicable.

EDAUR_{CY} = Energy Efficiency and Demand Response Adjustment Uncollectible Revenue, in \$, equal to the amount associated with the recovery of uncollectible costs accrued through the application of the EDA in accordance with the provisions of Rider EDA during year, Y, and associated with retail customers for which customer designation, C, is applicable. For any year, Y, after 2010, EDAUR_{CY} is equal to zero (\$0.00).

(Continued on Sheet No. 267.7)

**RIDER UF
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(Continued from Sheet No. 267.6)

* **INCREMENTAL DISTRIBUTION UNCOLLECTIBLE COST FACTORS (CONTINUED).**

$AMPUR_{CY}$ = Advanced Metering Program Adjustment Uncollectible Revenue, in \$, equal to the amount associated with the recovery of uncollectible costs accrued through the application of the AMP Adjustment in accordance with the provisions of Rider AMP during year, Y, and associated with retail customers for which customer designation, C, is applicable. For any year, Y, other than 2010, $AMPUR_{CY}$ is equal to zero (\$0.00).

DUF_{CYP} = Delivery Uncollectible Factor, in decimal format, equal to the uncollectible cost recovery value effective during period, P, in the year, Y, approved by the ICC for incorporation into then effective base rate charges for ICC-jurisdictional delivery service provided to retail customers for which customer designation, C, is applicable. Notwithstanding the previous provisions of this definition, in the event that there is no explicit uncollectible cost recovery value approved by the ICC for retail customers for which customer designation, C, is applicable, then DUF_{CYP} is determined in accordance with the following equation.

$$DUF_{CYP} = \frac{BDU_{CYP}}{ADBRR_{CYP}}$$

Where:

BDU_{CYP} = Base Distribution Uncollectible Costs, in \$, equal to the annual bad debt expense amount approved by the ICC for the Company associated with base rate charges for ICC-jurisdictional delivery service effective during period, P, in year, Y, and associated with retail customers for which customer designation, C, is applicable.

$ADBRR_{CYP}$ = Annual Distribution Base Rate Revenue, in \$, equal to the annual base rate revenue amount approved by the ICC for the Company associated with base rate charges for ICC-jurisdictional delivery service effective during period, P, in year, Y, and associated with retail customers for which customer designation, C, is applicable.

DBF_C = Distribution Balancing Factor, in \$, equal to zero for $IDUF_C$ s applicable through the May 2011 monthly billing period and thereafter during June, July, and August monthly billing periods, otherwise equal to an amount determined in accordance with the following equation for $IDUF_C$ s applicable beginning with the September monthly billing period in year Y+1 and extending through the May monthly billing period in year Y+2, to retail customers for which customer designation, C, is applicable.

$$DBF_C = \{RUC_D - (F904D_{CY-1} - DUR_{CY-1})\} \times \left\{ \frac{EADR_C}{E9DR_C} \right\}$$

(Continued on Sheet No. 267.8)

**RIDER UF
UNCOLLECTIBLE FACTORS**

(Continued from Sheet No. 267.7)

* **INCREMENTAL DISTRIBUTION UNCOLLECTIBLE COST FACTORS (CONTINUED).**

Where:

RUC_D = Recovered Distribution Uncollectible Costs, in \$, equal to the amount accrued by the Company through the application of then applicable $IDUF_C$ s beginning with the June monthly billing period in year Y and extending through the May monthly billing period in year Y+1 with respect to retail customers for which customer designation, C, is applicable after the removal of amounts for any previously determined DBF_C , DOR_C , and associated $DINT_C$ incorporated into such then applicable $IDUF_C$ s. Notwithstanding the previous provisions of this definition, in determining the DBF_C for the $IDUF_C$ applicable for the September 2011 through May 2012 monthly billing period, the RUC_D is equal to the amount accrued by the Company through the application of then applicable $IDUF_C$ s beginning with the April 2010 monthly billing period and extending through the May 2011 monthly billing period with respect to retail customers for which customer designation, C, is applicable..

$E9DR_C$ = Expected Nine Months Distribution Revenues, in \$, equal to the base rate amount expected to be accrued by the Company for the September monthly billing period in year Y+1 through the May monthly billing period in year Y+2, in accordance with applicable tariffs in the Company's Schedule of Rates for ICC-jurisdictional delivery service provided to retail customers for which customer designation, C, is applicable.

Notwithstanding the previous provisions of the equation to determine DBF_C , in determining the DBF_C for the $IDUF_C$ applicable for the period beginning with the September 2011 monthly billing period and extending through the May 2012 monthly billing period, the following quantity is also subtracted from the RUC_D prior to the application of the expected distribution revenues ratio multiplier.

$$F904D_{CY-2} - DUR_{CY-2}$$

$IDUF_C$ s determined in accordance with the equations in this Incremental Distribution Uncollectible Cost Factors section are generally expected to be applicable beginning with a June monthly billing period and extending through the following May monthly billing period, incorporating nonzero DBF_C s beginning with the September monthly billing period, as applicable.

However, for a situation in which any or all delivery service charges applicable to retail customers are changed as a result of an order of the ICC, the then current $IDUF_C$ s must be revised, as applicable, by the Company to reflect any such change. The revised $IDUF_C$ s are determined in accordance with the equations in this Incremental Distribution Uncollectible Cost Factors section by incorporating changes into the determination of the expected distribution revenues amounts. Such revised $IDUF_C$ s are applicable for the period beginning with the effective date of the applicable changes reflective of such order and extending through the end of the May monthly billing period during which the $IDUF_C$ s replaced by the revised $IDUF_C$ s were scheduled to be applicable.

(Continued on Sheet No. 267.9)

**RIDER UF
UNCOLLECTIBLE FACTORS**

(Continued from Sheet No. 267.8)

* **INCREMENTAL DISTRIBUTION UNCOLLECTIBLE COST FACTORS (CONTINUED).**

Moreover, for a situation in which the ICC, at the conclusion of a reconciliation proceeding described in the Annual Reconciliation section of this rider, orders or changes a DOR_C to be included in the determination of any $IDUF_C$, the Company must determine a revised $IDUF_C$ to incorporate such DOR_C in the equation used to determine such $IDUF_C$. Such revised $IDUF_C$ is applicable for the period beginning with the monthly billing period following the filing of such revised $IDUF_C$ in accordance with the Informational Filings section of this rider, and extending through the end of the May monthly billing period during which the $IDUF_C$ replaced by the revised $IDUF_C$ was scheduled to be applicable.

* **INCREMENTAL SUPPLY UNCOLLECTIBLE COST FACTORS.**

For application beginning with the June 2010 monthly billing period, three (3) incremental supply uncollectible cost factors ($ISUF_R$, $ISUF_N$, and $ISUF_A$) are determined in accordance with the following equation and applied in accordance with Rate BES. $ISUF_R$ is applicable to residential retail customers. $ISUF_N$ is applicable to nonresidential retail customers to which the Watt-Hour Delivery Class, the Small Load Delivery Class, the Medium Load Delivery Class or the Large Load Delivery Class is applicable. $ISUF_A$ is applicable to all other customers.

$$ISUF_C = 1 + \frac{F904S_{CY} - SUR_{CY} - SBF_C - (SOR_C + SINT_C) \times \left(\frac{EASR_C}{EOMSR_C} \right)}{EASR_C}$$

Where:

- $ISUF_C$ = Incremental Supply Uncollectible Cost Factor, in decimal format, rounded to the ten thousandths, applicable to retail customers for which customer designation C is applicable, generally for the period beginning with the June monthly billing period in year Y+1 and extending through the following May monthly billing period.
- $F904S_{CY}$ = Supply Uncollectible Costs, in dollars (\$), equal to the bad debt expense recorded for year Y in Account No. 904 of the FERC Form No. 1 related to supply service provided to retail customers for which customer designation, C, is applicable.
- SUR_{CY} = Supply Uncollectible Revenues, in \$, equal to the amount associated with the recovery of uncollectible costs accrued in year, Y, due to the application of BUFs applied to Purchased Electricity Charges, PJM Services Charges, Capacity Charges, Hourly Energy Charges, and Miscellaneous Procurement Components Charges associated with retail customers, for which customer designation, C, is applicable.
- $EASR_C$ = Expected Annual Supply Revenues, in \$, equal to the amount expected to be accrued by the Company for the June monthly billing period in year Y+1 through the May monthly billing period in year Y+2, in accordance with applicable tariffs in the Company's Schedule of Rates related to supply service provided to retail customers for which customer designation, C, is applicable.

(Continued on Sheet No. 267.10)

**RIDER UF
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(Continued from Sheet No. 267.9)

* **INCREMENTAL SUPPLY UNCOLLECTIBLE COST FACTORS (CONTINUED).**

SOR_C = Supply Ordered Reconciliation, in \$, equal to an amount ordered by the ICC that is to be refunded to or collected from retail customers for which customer designation, C, is applicable to correct for errors associated with the computation of previously applied $ISUF_{CS}$, improperly applied $ISUF_{CS}$, unreasonable costs incurred by the Company related to previously applied $ISUF_{CS}$, or imprudent actions taken by the Company associated with costs related to previously applied $ISUF_{CS}$, as applicable, as determined by the ICC during the reconciliation proceeding described in the Annual Reconciliation section of this rider.

$SINT_C$ = Supply Ordered Interest, in \$, equal to the interest accrued with respect to the SOR_C determined at the rate established by the ICC in accordance with 83 Illinois Administrative Code Section 280.70(e)(1). Such interest is determined for the period of time beginning on the day following the end of the period for which the SOR_C was determined and extending through the final date that the SOR_C is applied.

$EOMSR_C$ = Expected Ordered Months Supply Revenues, in \$, equal to the amount expected to be accrued by the Company for the monthly billing periods during which the SOR_C and $SINT_C$ are applicable, in accordance with applicable tariffs in the Company's Schedule of Rates related to supply service provided to retail customers for which customer designation, C, is applicable.

SBF_C = Supply Balancing Factor, in \$, equal to zero for $ISUF_{CS}$ applicable through the May 2011 monthly billing period and thereafter during June, July, and August monthly billing periods, otherwise equal to an amount determined in accordance with the following equation for $ISUF_{CS}$ applicable beginning with the September monthly billing period in year Y+1 and extending through the following May monthly billing period, to retail customers for which customer designation, C, is applicable.

$$SBF_C = \{RUC_S - (F904S_{CY-1} - SUR_{CY-1})\} \times \left\{ \frac{EASR_C}{E9SR_C} \right\}$$

(Continued on Sheet No. 267.11)

**RIDER UF
UNCOLLECTIBLE FACTORS**

(Continued from Sheet No. 267.10)

* **INCREMENTAL SUPPLY UNCOLLECTIBLE COST FACTORS (CONTINUED).**

Where:

RUC_S = Recovered Supply Uncollectible Costs, in \$, equal to the amount accrued by the Company through the application of then applicable $ISUF_{CS}$ and $ISUF_{SYS}$ beginning with the June monthly billing period in year Y and extending through the May monthly billing period in year Y+1 with respect to retail customers for which customer designation, C, is applicable after the removal of amounts for any previously determined SBF_C , SOR_C , and associated $SINT_C$ incorporated into such then applicable $ISUF_{CS}$. Notwithstanding the previous provisions of this definition, in determining the SBF_C for the $ISUF_C$ applicable for the September 2011 through May 2012 monthly billing period, the RUC_S is equal to the amount accrued by the Company through the application of then applicable $ISUF_{CS}$ and $ISUF_{SYS}$ beginning with the April 2010 monthly billing period and extending through the May 2011 monthly billing period with respect to retail customers for which customer designation, C, is applicable.

$E9SR_C$ = Expected Nine Months Supply Revenues, in \$, equal to the amount expected to be accrued by the Company for the September monthly billing period in year Y+1 through the May monthly billing period in year Y+2, in accordance with applicable tariffs in the Company's Schedule of Rates related to supply service provided to retail customers for which customer designation, C, is applicable.

Notwithstanding the previous provisions of the equation to determine SBF_C , in determining the SBF_C for the $ISUF_C$ applicable for the period beginning with the September 2011 monthly billing period and extending through the May 2012 monthly billing period, the following quantity is also subtracted from the RUC_S prior to the application of the expected supply revenues ratio multiplier.

$$F904S_{CY-2} - SUR_{CY-2}$$

For application beginning with the June 2010 monthly billing period, a system average incremental supply uncollectible cost factor ($ISUF_{SYS}$) is determined in accordance with the following equation and applied in accordance with Rate BESH and Rider PPO, as applicable.

$$ISUF_{SYS} = 1 + \frac{\sum_C \left[F904S_{CY} - SUR_{CY} - SBF_C - (SOR_C + SINT_C) \times \left(\frac{EASR_C}{EOMSR_C} \right) \right]}{\sum_C EASR_C}$$

$ISUF_{CS}$ and $ISUF_{SYS}$ determined in accordance with the equations in this Incremental Supply Uncollectible Cost Factors section are generally expected to be applicable beginning with a June monthly billing period and extending through the following May monthly billing period, incorporating nonzero SBF_C s beginning with the September monthly billing period, as applicable.

(Continued on Sheet No. 267.12)

**RIDER UF
UNCOLLECTIBLE FACTORS**

(Continued from Sheet No. 267.11)

* **INCREMENTAL SUPPLY UNCOLLECTIBLE COST FACTORS (CONTINUED).**

However, for a situation in which any or all supply service related charges applicable to retail customers are significantly changed as a result of a filing by the Company of new or revised informational sheets in compliance with tariffs in the Company's Schedule of Rates, the then current $ISUF_{CS}$ and $ISUF_{SYS}$ must be revised, as applicable, by the Company to reflect any such change. The revised $ISUF_{CS}$ and $ISUF_{SYS}$ are determined in accordance with the equations in this Incremental Supply Uncollectible Cost Factors section by incorporating changes into the determination of the expected supply revenues amounts. Such revised $ISUF_{CS}$ and $ISUF_{SYS}$ are applicable for the period beginning with the monthly billing period following the filing of such revised $ISUF_{CS}$ and $ISUF_{SYS}$ in accordance with the Informational Filings section of this rider, and extending through the end of the May monthly billing period during which the $ISUF_{CS}$ and $ISUF_{SYS}$ replaced by the revised $ISUF_{CS}$ and $ISUF_{SYS}$ were scheduled to be applicable.

Moreover, for a situation in which the ICC, at the conclusion of a reconciliation proceeding described in the Annual Reconciliation section of this rider, orders or changes a SOR_C to be included in the determination of any $ISUF_C$, the Company must determine a revised $ISUF_C$ to incorporate such SOR_C in the equation used to determine such $ISUF_C$. Such revised $ISUF_C$ is applicable for the period beginning with the monthly billing period following the filing of such revised $ISUF_C$ in accordance with the Informational Filings section of this rider, and extending through the end of the May monthly billing period during which the $ISUF_C$ replaced by the revised $ISUF_C$ was scheduled to be applicable.

* **INFORMATIONAL FILINGS.**

The initial values of the $IDUF_{C8S}$ determined in accordance with the provisions of the 2008 Incremental Distribution Uncollectible Cost Factors section of this rider must be submitted by the Company to the ICC in an informational filing no later than March 20, 2010. Any informational filing of such initial values of the $IDUF_{C8S}$ after March 20, 2010, but prior to the start of the April 2010 monthly billing cycle, is acceptable only if such informational filing corrects an error or errors from timely filed initial values of the $IDUF_{C8S}$, as applicable. Any other such informational filing made after March 20, 2010, is acceptable only if such informational filing is made in accordance with the special permission request provisions of Section 9-201(a) of the Public Utilities Act (Act).

The initial values of the $ISUF_{C8S}$ and $ISUF_{SYS8}$ determined in accordance with the provisions of the 2008 Incremental Supply Uncollectible Cost Factors section of this rider must be submitted by the Company to the ICC in an informational filing no later than March 20, 2010. Any informational filing of such initial values of the $ISUF_{C8S}$ and $ISUF_{SYS8}$ after March 20, 2010, but prior to the start of the April 2010 monthly billing cycle, is acceptable only if such informational filing corrects an error or errors from timely filed initial values of the $ISUF_{C8S}$ and $ISUF_{SYS8}$, as applicable. Any other such informational filing made after March 20, 2010, is acceptable only if such informational filing is made in accordance with the special permission request provisions of Section 9-201(a) of the Act.

(Continued on Sheet No. 267.13)

**RIDER UF
UNCOLLECTIBLE FACTORS**

(Continued from Sheet No. 267.12)

* **INFORMATIONAL FILINGS (CONTINUED).**

The values of the IDUF_{CS} determined in accordance with the provisions of the Incremental Distribution Uncollectible Cost Factors section of this rider for application beginning with a June monthly billing period must be submitted by the Company to the ICC in an informational filing no later than the twentieth day of May preceding the start of the June monthly billing cycle. Any informational filing of such values of the IDUF_{CS} after such twentieth day of May, but prior to the start of the June monthly billing cycle, is acceptable only if such informational filing corrects an error or errors from timely filed values of the IDUF_{CS}, as applicable. Any other such informational filing made after such twentieth day of May, is acceptable only if such informational filing is made in accordance with the special permission request provisions of Section 9-201(a) of the Act.

The values of the IDUF_{CS} determined in accordance with the provisions of the Incremental Distribution Uncollectible Cost Factors section of this rider that incorporate nonzero DBF_{CS} for application beginning with a September monthly billing period must be submitted by the Company to the ICC in an informational filing no later than the twentieth day of August preceding the start of the September monthly billing cycle. Any informational filing of such values of the IDUF_{CS} after such twentieth day of August, but prior to the start of the September monthly billing cycle, is acceptable only if such informational filing corrects an error or errors from timely filed values of the IDUF_{CS}, as applicable. Any other such informational filing made after such twentieth day of August, is acceptable only if such informational filing is made in accordance with the special permission request provisions of Section 9-201(a) of the Act.

The values of the ISUF_{CS} and ISUF_{SYS} determined in accordance with the provisions of the Incremental Supply Uncollectible Cost Factors section of this rider for application beginning with a June monthly billing period must be submitted by the Company to the ICC in an informational filing no later than the twentieth day of May preceding the start of the June monthly billing cycle. Any informational filing of such values of the ISUF_{CS} and ISUF_{SYS} after such twentieth day of May, but prior to the start of the June monthly billing cycle, is acceptable only if such informational filing corrects an error or errors from timely filed values of the ISUF_{CS} and ISUF_{SYS}, as applicable. Any other such informational filing made after such twentieth day of May, is acceptable only if such informational filing is made in accordance with the special permission request provisions of Section 9-201(a) of the Act.

The values of the ISUF_{CS} and ISUF_{SYS} determined in accordance with the provisions of the Incremental Supply Uncollectible Cost Factors section of this rider that incorporate nonzero SBF_{CS} for application beginning with a September monthly billing period must be submitted by the Company to the ICC in an informational filing no later than the twentieth day of August preceding the start of the September monthly billing cycle. Any informational filing of such values of the ISUF_{CS} and ISUF_{SYS} after such twentieth day of August, but prior to the start of the September monthly billing cycle, is acceptable only if such informational filing corrects an error or errors from timely filed values of the ISUF_{CS} and ISUF_{SYS}, as applicable. Any other such informational filing made after such twentieth day of August, is acceptable only if such informational filing is made in accordance with the special permission request provisions of Section 9-201(a) of the Act.

(Continued on Sheet No. 267.14)

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Post Office Box 805379
Chicago, Illinois 60680-5379

**RIDER UF
UNCOLLECTIBLE FACTORS**

(Continued from Sheet No. 267.13)

* **INFORMATIONAL FILINGS (CONTINUED).**

Notwithstanding the previous provisions of this Informational Filings section, for a situation in which any or all delivery service charges applicable to retail customers are changed as a result of an order of the ICC and the then current IDUF_Cs are revised in accordance with such order, such revised IDUF_Cs must be submitted by the Company to the ICC in an informational filing made concurrently with the Company's filing made in compliance with such order. Any informational filing of such revised IDUF_Cs after the date of the filing made in compliance with such order, but prior to the date on which such revised IDUF_Cs are scheduled to become effective, is acceptable only if such informational filing corrects an error or errors from timely filed revised IDUF_Cs. Any other such informational filing made after the date of the filing made in compliance with such order is acceptable only if such informational filing is made in accordance with the special permission request provisions of Section 9-201(a) of the Act.

Notwithstanding the previous provisions of this Informational Filings section, for a situation in which any or all supply service related charges applicable to retail customers are significantly changed as a result of a filing by the Company of new or revised informational sheets in compliance with tariffs in the Company's Schedule of Rates and the then current ISUF_Cs and ISUF_{SYS} are revised, such revised ISUF_Cs and ISUF_{SYS} must be submitted by the Company to the ICC in an informational filing no later than the twentieth day of the month prior to the start of the monthly billing cycle during which such revised ISUF_Cs and ISUF_{SYS} become applicable. Any informational filing of such revised ISUF_Cs and ISUF_{SYS} after such twentieth day, but prior to the start of the monthly billing cycle during which such revised ISUF_Cs and ISUF_{SYS} are scheduled to become effective is acceptable only if such filing corrects an error or errors from timely filed revised ISUF_Cs and ISUF_{SYS}, as applicable. Any other such filing after such twentieth day is acceptable only if such filing is made in accordance with the special permission request provisions of Section 9-201(a) of the Act.

Notwithstanding the previous provisions of this Informational Filings section, for a situation in which the ICC, at the conclusion of a reconciliation proceeding described in the Annual Reconciliation section of this rider, orders or changes a DOR_C or SOR_C to be included in the determination of a IDUF_C or ISUF_C, respectively, the resultant revised IDUF_C or ISUF_C must be submitted by the Company to the ICC in an informational filing no later than the twentieth day of the month prior to the start of the monthly billing cycle during which such revised IDUF_C or ISUF_C becomes applicable. Any informational filing of such revised IDUF_C or ISUF_C after the twentieth day of a month, but prior to the start of the monthly billing period during which such revised IDUF_C or ISUF_C is scheduled to become effective is acceptable only if such filing corrects an error or errors from a timely filed revised IDUF_C or ISUF_C, as applicable. Any other such filing after such twentieth day is acceptable only if such filing is made in accordance with the special permission request provisions of Section 9-201(a) of the Act.

Any informational filing submitted by the Company to the ICC as described in this Informational Filings section must be accompanied by supporting work papers and documentation.

(Continued on Sheet No. 267.15)

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**RIDER UF
UNCOLLECTIBLE FACTORS**

(Continued from Sheet No. 267.14)

* **ANNUAL AUDIT.**

Before August 31, 2011, the Company must complete an internal audit of the Company's uncollectible costs incurred during years 2008 and 2009 and its recovery of such costs beginning with the April 2010 monthly billing period extending through the May 2011 monthly billing period. In each year, X, thereafter, before August 31 of such year, X, the Company must complete an internal audit of the Company's uncollectible costs incurred during calendar year X-2 and its recovery of such costs during the period beginning with the June monthly billing period in year X-1 and extending through the May monthly billing period in year X.

Such internal audit must examine (a) costs recovered pursuant to this rider to verify that such costs are recovered only pursuant to this rider and to confirm that any such costs are not also being recovered inappropriately through charges imposed under other tariffs; (b) IDUF_{CS} and ISUF_{CS} determined pursuant to this rider that are included in retail customers' bills for electric service to verify that such IDUF_{CS} and ISUF_{CS} are properly calculated in accordance with the provisions of this rider; (c) retail customers' bills to verify that IDUF_{CS} and ISUF_{CS} determined pursuant to this rider that are included in retail customers' bills for electric service are properly applied to such bills during proper monthly billing periods; (d) revenues or credits accrued from the application of this rider to verify that such revenues or credits are correctly stated and recorded for accounting purposes; (e) costs recovered pursuant to this rider to verify that such costs are properly identified, recorded, and reflected in computations made pursuant to this rider; (f) applicable uncollectible expenses, as reported in the FERC Form 1 to verify that such uncollectible expenses are identified, recorded and properly reflected in calculations and reconciliations made in accordance with the provisions of this rider; and (g) bad debt expenses associated with receivables purchased by the Company in accordance with the provisions of Section 16-118 of the Act to verify that such bad debt expenses are not recovered through the application of this rider. The scope of the internal audit is not required to be limited to the examinations identified in this paragraph.

* **ANNUAL RECONCILIATION.**

On or before August 31, 2011, the Company must file a petition with the ICC to initiate a review of the reconciliation of the Company's uncollectible costs incurred during years 2008 and 2009 and its recovery of such costs beginning with the April 2010 monthly billing period extending through the May 2011 monthly billing period. In each year, X, thereafter, on or before August 31, the Company must file a petition with the ICC to initiate a review of the reconciliation of the Company's uncollectible costs incurred during calendar year X-2 and its recovery of such costs during the period beginning with the June monthly billing period in year X-1 and extending through the May monthly billing period in year X. In order to allow the ICC to complete its review, the Company is required to provide a report with such petition addressing the operation of this rider. In such report, the Company must include (a) schedules with detailed work papers showing the determination of any IDUF_{CS}, ISUF_{CS}, and ISUF_{SYS} that were applied for the period under review; and (b) the results of the internal audit described in the Annual Audit section of this rider. Copies of such report must also be provided by the Company to the Manager of the Staff's Accounting Department and the Director of the Staff's Financial Analysis Division. Such report must be verified by an officer of the Company.

(Continued on Sheet No. 267.16)

**RIDER UF
UNCOLLECTIBLE FACTORS**

(Continued from Sheet No. 267.15)

* **ANNUAL RECONCILIATION (CONTINUED).**

At the conclusion of the reconciliation review initiated in 2011, the ICC may identify DOR_Cs or SOR_Cs that the Company must incorporate into the determination of IDUF_Cs or ISUF_Cs, respectively, in order to (a) correct for errors in IDUF_Cs or ISUF_Cs applied during the April 2010 through May 2011 monthly billing periods, (b) correct for IDUF_Cs or ISUF_Cs that were improperly applied during such April 2010 through May 2011 monthly billing periods, or (c) make adjustments for unreasonable uncollectible costs incurred by the Company during 2008 or 2009, or (d) make adjustments for imprudent actions taken by the Company with respect to such uncollectible costs. After any such DOR_C or SOR_C is identified by the ICC, the Company must revise its IDUF_Cs, ISUF_Cs, or ISUF_{SYS}s, as applicable, to incorporate such DOR_C or SOR_C.

At the conclusion of any subsequent reconciliation review initiated in year X, the ICC may identify DOR_Cs or SOR_Cs that the Company must incorporate into the determination of IDUF_Cs or ISUF_Cs, respectively, in order to (a) correct for errors in IDUF_Cs or ISUF_Cs applied beginning with the June monthly billing period in year X-1 and extending through the May monthly billing period in year X, (b) correct for IDUF_Cs or ISUF_Cs that were improperly applied during such June through May monthly billing periods, or (c) make adjustments for unreasonable uncollectible costs incurred by the Company during the calendar year X-2, or (d) make adjustments for imprudent actions taken by the Company with respect to such uncollectible costs. After any such DOR_C or SOR_C is identified by the ICC, the Company must revise its IDUF_Cs, ISUF_Cs, or ISUF_{SYS}s, as applicable, to incorporate such DOR_C or SOR_C.

MISCELLANEOUS GENERAL PROVISIONS.

- * For any given calendar year, the sum of the F904D_{CYS} and F904S_{CYS} must be equal to or less than the amount listed in Account No. 904 of the FERC Form No. 1 for such calendar year. Such F904D_{CYS} and F904S_{CYS} may not include bad debt expenses associated with receivables purchased by the Company in accordance with the provisions of Section 16-118 of the Act.
- * Notwithstanding any other provision of this rider, each IDUF_C must be greater than or equal to zero (0), each ISUF_C must be greater than or equal to zero (0), and each ISUF_{SYS} must be greater than or equal to zero (0).

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.