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RIDER CCA
CLEAN COAL ADJUSTMENT

Applicable to Rates BES, BESH, and RDS

APPLICABILITY.

This rider is applicable to all retail customers.

PURPOSE.

The purposes of this rider are to (a) implement Subsections 1-75(d)(3)(D)(viii) and 1-75(d)(6) of the Illinois Power Agency (IPA) Act that provide for the Company to fully recover the costs it incurs in connection with the Unit Contingent Power Purchase Agreement between the Company and FutureGen Industrial Alliance, Inc. (Agreement), which was approved by the Illinois Commerce Commission (ICC) in its Order dated June 26, 2013, in Docket No. 13-0034, (b) comply with the ICC's Order in Docket No. 12-0544 dated December 19, 2012, Amending Order in Docket No. 12-0544 dated January 29, 2013, and such Order in Docket No. 13-0034, (c) effectuate the finding in such Order in Docket No. 13-0034 which directed the Company to file a tariff to provide the Company with full recovery of such costs, and (d) recover such costs through the application of a competitively neutral adjustment that is not a delivery service charge in accordance with such Amending Order in Docket No. 12-0544.

DEFINITIONS.

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.

DETERMINATION OF THE CLEAN COAL ADJUSTMENT.

The CCA is determined each month in accordance with the following equation:

$$CCA = \frac{CCC + BA + OA}{U} \times \frac{100¢}{\$1}$$

Where:

CCA = Clean Coal Adjustment, in cents per kilowatt-hour (¢/kWh) rounded to the thousandths of a cent.

CCC = Clean Coal Costs, in dollars (\$), equal to the sum of the expenditures the Company expects to accrue in connection with the Agreement during the month corresponding to the monthly billing period during which the CCA is applicable. In addition to the amounts expected to be paid for electricity, such expenditures may include but are not limited to amortized costs associated with modification to the Company's billing systems to provide for the calculation or application of CCAs, applicable administrative and general costs associated with the Company's obligations in connection with the Agreement, legal and consultative fees associated with the implementation and administration of the Agreement, and costs of working capital used to satisfy the Company's obligations under the Agreement. Such costs of working capital expected to be incurred by the Company during the June 1 through following May 31 period must be based upon the methodology used to determine such costs approved by the ICC in its Order in the most recent rate or Rate DSPP – Delivery Service Pricing and Performance (Rate DSPP) annual update case, or as otherwise provided by law. Such methodology is applied using a cost of capital equal to that established by the ICC in its Order in such most recent case, or as otherwise provided by law, as applicable. All other data, including applicable leads and lags associated with the Agreement are determined annually.

U = Usage, in kWh, equal to the electricity forecasted to be delivered to retail customers during the monthly billing period.

(Continued on Sheet No. 238)

Filed with the Illinois Commerce Commission on
YYYY YY, YYYY. Filed pursuant to the
Illinois Commerce Commission Order dated
XXXX XX, XXXX in Docket No. 14-XXXX.
Asterisk (*) indicates change.

Date Effective: ZZZZ ZZ, ZZZZ
Issued by A. R. Pramaggiore, President and CEO
Post Office Box 805379
Chicago, Illinois 60680-5379

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**RIDER CCA
CLEAN COAL ADJUSTMENT**

(Continued from Sheet No. 237)

DETERMINATION OF THE CLEAN COAL ADJUSTMENT (CONTINUED).

OA = Ordered Amount, in \$, equal to any adjustment (a) directed by the ICC or (b) determined by the Company that is to be refunded to or collected from retail customers to correct for errors associated with the computation of a previously applied CCA. Such amount includes interest at the rate established by the ICC in accordance with 83 Illinois Administrative Code Section 280.70(e)(1). Such interest is calculated for the period of time beginning on the first day of the monthly billing period during which the incorrect CCA was applied and extending through the start of the monthly billing period during which the OA is included in the determination of the CCA. OA may be amortized over multiple monthly billing periods.

BA = Balancing Amount, in \$, equal to an amount determined in accordance with the following equation:

$$BA = (ACCC_{rm} + BA_{rmb} + OA_{rmb} - CCCR_{rmb}) \times (1 + i)$$

Where:

rm = The most recent calendar month ending at least forty (40) calendar days prior to the start of the monthly billing period during which the CCA is applicable.

rmb = The monthly billing period corresponding to the rm.

ACCC_{rm} = Actual Clean Coal Costs, in \$, equal to the expenditures the Company accrued in connection with the Agreement during the rm. In addition to the amounts paid for electricity, such expenditures may include but are not limited to amortized costs associated with modification to the Company's billing systems to provide for the calculation or application of CCAs, applicable administrative and general costs associated with the Company's obligations in connection with the Agreement, legal and consultative fees associated with the implementation and administration of the Agreement, and costs of working capital used to satisfy the Company's obligations under the Agreement. Such costs of working capital must be determined based upon the methodology and cost of capital as described in the definition of CCC in this Determination of the Clean Coal Adjustment section.

BA_{rmb} = Prior Balancing Amount, in \$, equal to the BA used to determine the CCA applicable during the rmb

OA_{rmb} = Prior Ordered Amount, in \$, equal to the OA used to determine the CCA applicable during the rmb

CCCR_{rmb} = Clean Coal Cost Recoveries, in \$, equal to the revenues billed due to the application of the CCA during the rmb,

i = The applicable interest rate established by the ICC in accordance with 83 Illinois Administrative Code Section 280.70(e)(1).

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**RIDER CCA
CLEAN COAL ADJUSTMENT**

(Continued from Sheet No. 238)

APPLICATION OF THE CLEAN COAL ADJUSTMENT.

The CCA is applicable to each kWh delivered to each retail customer during the monthly billing period following the filing of such CCA for informational purposes as described in the Informational Filings section of this rider.

INFORMATIONAL FILINGS.

Each month after the CCA is determined in accordance with the provisions of the Determination of the Clean Coal Adjustment section of this rider, the Company must file such CCA with the ICC for informational purposes on or before the twentieth day of such month. Any subsequent submission of a CCA after such twentieth day but prior to the start of the monthly billing period during which such CCA is to be applicable is acceptable only if such submission corrects an error or errors from a timely submitted CCA for such monthly billing period. Any other submission of such CCA after such twentieth day is acceptable only if such submission is made in accordance with the special permission request provisions of Section 9-201(a) of the Public Utilities Act (Act). Each time the Company files a CCA with the ICC for informational purposes, such filing must be accompanied by work papers supporting the determination of such CCA, as applicable.

AUDIT, REPORTING, AND RECONCILIATION REQUIREMENTS.

The Company must conduct an audit of its costs and the recoveries of such costs for each twelve (12) month period beginning June 1 and extending through the following May 31 during which period the Company paid for electricity produced by FutureGen Industrial Alliance, Inc. in accordance with the Agreement. Such audit must be conducted within the five (5) months after the end of such period and must examine (a) costs recovered pursuant to this rider to verify that such costs have been recovered only pursuant to this rider, as applicable, and to confirm that any such costs are not also being recovered inappropriately through charges under other tariffs, and (b) CCAs determined pursuant to this rider to verify that such CCAs were properly computed, stated, and remitted. The Company must prepare a report that summarizes the results of such audit. Such report must be submitted to the ICC in an informational filing, with copies of such report provided to the Manager of the ICC Staff's Accounting Department, the Director of the ICC Staff's Financial Analysis Division, and the Director of the ICC Staff's Office of Retail Market Development no later than the November 1 of the calendar year in which such audit is conducted. Such report must be verified by an officer of the Company.

In addition, the Company must request that the ICC initiate a clean coal adjustment reconciliation proceeding within ninety (90) calendar days after the Company submits to the ICC the report described in this Audit, Reporting, and Reconciliation Requirements section. At the conclusion of such proceeding, the ICC determines the amount and timing of an OA, if any, to include in the determination of subsequent CCAs determined in accordance with the provisions of the Determination of the Clean Coal Adjustment section of this rider in order to correct for errors in CCAs applied during the June 1 through May 31 period addressed in the proceeding. Any such OA is determined to the extent that any such error has not been already reflected in an applicable BA or OA determined by the Company. After any such OA is determined by the ICC, the Company must reflect such OA in the determination of CCAs in accordance with an order entered by the ICC that provides the terms under which the OA is to be reflected in the determination of CCAs.

MISCELLANEOUS GENERAL PROVISIONS.

Revenue associated with the application of the CCA must be recorded separately by the Company.

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.

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