

RECEIVED
Jul 05 2023
SRM #23-020 WRM #23-024
CHIEF CLERK'S OFFICE
ILLINOIS COMMERCE COMMISSION

Prairie Path Water Company
(Name of Company)

SCHEDULE OF RATES

FOR

SEWER SERVICE

Applying to the following Territories:

Harbor Ridge Subdivision, Antioch and Lake Villa Townships, Lake County, Illinois
Camelot Subdivision, near Joliet, Troy Township, Will County, Illinois
Cedar Bluff Estates Subdivision in Peoria County, Illinois
The Windings of Ferson Creek Subdivision, Campton Township, Kane County, Illinois
*Forestview Subdivision, Congerville, Woodford County
All Galena Territory Utilities, Inc. Service Areas
Lake of the Wood Estates Subdivision, Peoria County, Illinois
Near City of Freeport, in Stephenson County, Illinois Northern Hills II Subdivision
Rockvale Subdivision in the City of Oregon, Illinois in Ogle County
Westlake Village Subdivision in Winnebago County, Illinois

Issued July 05 2023 Effective July 23 2023
Month Day Year Month Day Year

Issued By Justin Kersey President
Name of Officer Title

500 West Monroe, Suite 3600, Chicago, IL

**Applies To: _____ Prairie Path Water Company*
(Name of City)**

6"	1,236.67*
8"	1,978.08*
10"	2,843.05*
12"	5,314.39*

Residential Unmetered \$ 65.83*

*1Low-Income Rates are available on an opt-in basis for customers whose income falls below the federal poverty line, as defined at <https://aspe.hhs.gov/poverty-guidelines>. Proof of income must be provided upon application and every 12 months after. Application can be completed through the Company's 3rd party income verifier.

Commercial (> 1,000 gallons)	
5/8", 3/4", & 1"	\$ 243.66*
1.5"	446.93*
2"	690.84*
3"	1,259.98*
4"	2,073.04*
6"	4,105.68*
8"	6,544.85*
10"	9,390.55*
12"	17,521.11*



Commercial (1,000 gallons or less – Low Use)	
5/8", 3/4", & 1"	\$ 204.25*
1.5"	407.51*
2"	651.43*
3"	1,220.57*
4"	2,033.62*
6"	4,066.27*
8"	6,505.44*
10"	9,351.13*
12"	17,481.70*

Commercial Unmetered \$ 214.30*

Charges for sewer service will be billed on a monthly basis.

NEW CUSTOMER CHARGE

A charge of \$25.00 will be applied to customers initiating service in new or existing homes or commercial establishments.

NSF CHECK CHARGE

A charge of \$25.00 will be applied to customers whose check is returned by the bank due to non-sufficient funds (one charge per check each time it is returned).

LATE PAYMENT CHARGE

An additional charge amounting to one and one-half percent (1½%) per month will be added to all bills for service under the foregoing schedule not paid within twenty-one (21) days of the date of the bill.

(* indicates change)

Issued December 10 2021 Effective December 17 2021
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Issued By Steve Lubertozi President
Name of Officer Title

500 W. Monroe, Suite 3600, Chicago, Illinois 60661-3779
Address of Officer

**Applies To: Prairie Path Water Company
(Name of City)**

SEWER SERVICE - FORESTVIEW DIVISION

RATES AND CHARGES FOR THE FORESTVIEW DIVISION

All rates and charges included as a part thereof and are subject to the Rules, Regulations and Conditions of Service ILL.C.C. No. 2.

<u>CUSTOMER CHARGE</u>	<u>MONTHLY RATE</u>
Monthly Base Charge	\$39.00



FILED IN COMPLIANCE WITH THE ORDER OF THE ILLINOIS COMMERCE COMMISSION IN DOCKET NO. 22-0385

Issued July 05 2023 Effective July 23 2023
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Issued By Justin Kersey President
Name of Officer Title

500 W. Monroe, Suite 3600, Chicago, Illinois 60661
Address of Officer

Applies To : Prairie Path Water Company*
(Name of City)

SEWER SERVICE

AFTER HOURS CALL-OUT CHARGES

If for any reason the customer requests services, or services are the result of the customer's negligence or willful act, and the services rendered by the Company occur after normal business operating hours, the Company has the right to bill for this call-out service at the minimum charge of one hundred six dollars (\$106.00), which is equivalent to two hours at the current labor rate of fifty-three dollars (\$53.00) per hour. For all time accumulated above the two hour minimum, a charge of fifty-three dollars (\$53.00) per hour will be assessed.

REDISTRIBUTION

If, at the request of, and for the convenience of the owner of a premises containing more than one dwelling unit, water is furnished to said premises through a single meter for the purpose of redistribution to the several dwelling units served through such single meter, the customer charge shall be multiplied by the number of dwelling units served. The product thereof shall be the Customer Charge for such premises. "Redistribution" as used herein, is limited strictly to the practice indicated above, and shall not mean resale of water by any customers.

SEWER CONNECTION FEE

All Applications for sewer service connections must be made on a form provided by the Company. Acceptance of any such application shall constitute a contract between the Owner or Tenant, as the case may be, and the Company. A contribution of \$250 per P.E is payable with respect to all applications for sewer service where building sewer service connections are applied for and such contribution must accompany any such application, subject to refund if the application is not approved. All contributions received by the Company pursuant to this Rule will be identified on the books of the Company as such and will be used only for the purpose of paying for the costs of additional sewage treatment facilities.

ANNUAL GROSS REVENUE TAX

Section 9-222 of "The Public Utilities Act" as amended authorizes a utility to recover from its Customers its liabilities to the State of Illinois for Public Utility Annual Gross Revenue Tax imposed by Section 2-202 of "The Public Utilities Act" as amended. Pursuant to Section 9-222, the Company shall charge an additional Charge for the Public Utility Annual Gross Revenue Tax equal to 0.1% of all billings under this rate schedule except for (a) this Additional Charge for Public Utility Gross Revenue Tax, (b) the Additional Charge for any Municipal Utility Tax, and (c) any other billings and billing items excluded from the base of the Public Utility Annual Gross Revenue Tax.

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SEWER SERVICE

Pursuant to Section 220 ILCS 5/8-306(i):

Any customer receiving both water and wastewater service from the company may request use of a combination of meters for the purpose of measuring the amount of water that reaches the waste water collection system and the amount of water that does not reach the waste water collection system. Installation of the combination of meters must be consistent with the standards as stated in the company's rules, regulations and conditions of service.

The total amount of water delivered to the customer will be measured by a meter installed by the company. At the option of the customer, the company will install a separate meter (irrigation meter) for purposes of measuring water that is piped to areas that does not reach the wastewater collection system.

Billing for water service will be based on the consumption as measured by the water meter.

Billing for sanitary sewer service will be based on either of the following configuration of meters.

A. The company will install, at customer's request, a separate service line and meter (irrigation meter) to supply water which will not reach the wastewater system. Thus, by this method of metering, the customer is not billed for the water consumption volume not entering the waste water collection system,

Or

B. The company will install, at customer's request, a combination of meters, on a single service line, that includes a separate meter downstream from the water meter. The water consumption as measured by the irrigation meter will be deducted from the water consumption as measured by the water meter. This water consumption difference represents the volume of water entering the wastewater system and upon which the volumetric portion of the wastewater bill will be calculated. Thus, by this method of metering and calculation, the customer is not billed for the water consumption volume not entering the wastewater collection system.

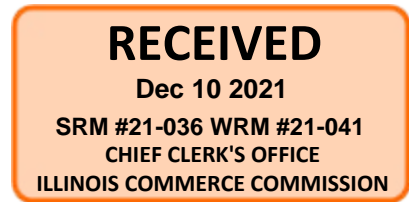
The water service connection and meter associated with the water consumption not entering the wastewater collection system shall be established as a separate water service account and billed the applicable water service charge and water usage charge.



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Per the Commission's final Order in Docket 21-0198, this tariff sheet is cancelled effective December 17, 2021.

(*indicates changes)

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Per the Commission's final Order in Docket 21-0198, this tariff sheet is cancelled effective December 17, 2021.

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Applies To : Prairie Path Water Company*
(Name of City)

ILLINOIS COMMERCE COMMISSION INTERIM ORDER RE PUBLIC HEALTH EMERGENCY
DECLARED ON MARCH 9, 2020 (COVID 19)

Pursuant to the Emergency Interim Order of the Illinois Commerce Commission in Docket No. 20-0309, dated March 18, 2020, the assessment of late fees or penalties for non-payment and all disconnections for non-payment are suspended from March 10, 2020, through and including May 1, 2020, or until the Governor of Illinois announces the end of the COVID-19 state of emergency if the state of emergency continues past May 1, 2020. These provisions apply to all residential, industrial, and commercial customers within Prairie Path’s service territory during the period that they are in effect.

Notwithstanding any other provisions of Prairie Path’s rules, regulations, and conditions of service currently on file with the Illinois Commerce Commission, these tariffs are intended to address the current state of emergency in the State of Illinois and are hereby in effect retroactively from March 10, 2020 through May 1, 2020, or until the Governor of Illinois announces the end of the COVID-19 state of emergency.

Customers who were disconnected for non-payment on or after March 10, 2020 will be reconnected at no charge, at their election, and collection of any outstanding balances and late fees will be suspended for those customers through and including May 1, 2020, or until the Governor of Illinois announces the end of the COVID-19 state of emergency if the state of emergency continues past May 1, 2020.



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Applies to: Prairie Path Water Company*
 (All Territories)

SPECIAL PURPOSE RIDER – COVID-19 RIDER COV

**Applicable to All Residential and Non-Residential Service Classifications,
 exclusive of Customers on a Competitive Service Tariff**

This Special Purpose Rider – COVID-19 (COV), expressed as an amount per customer invoice for water utility service, is used to recover from customers certain costs incurred as a result of the COVID-19 pandemic. The Company shall determine quarterly adjustments beginning with the effective date of this tariff. The adjustments, as outlined in Section B, shall be filed with the Commission, no later than the 20th day of the month preceding the effective day of the adjustment.

Section A - Definitions

As used in this rider, the terms below are defined to mean:

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 Company 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 Stipulations approved in Docket No. 20-0309, set up for remote work options (e.g., servers, software, computer equipment) and signage; and
- ongoing incremental costs, such as administration costs associated with programs provided for in the Stipulations approved 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 credits, payments, or other 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 directly related to a COVID-19 Direct Cost, including federal, state, or local tax credits or benefits that are directly related to COVID-19 or provided pursuant to enacted COVID-19 relief legislation, and are not a federal, state, or local income tax rate change subject to Rider VIT, if applicable.

COVID-19 Foregone Late Fees shall mean the amount of late payment fees not charged to customers during the period March 18, 2020 to June 30, 2021 and shall not exceed the difference between the actual late payment fees collected by the Company in the calendar or fiscal year including the period beginning March 1, 2020 and ending June 30, 2021 and the authorized annual level of late payment fees included in “other revenues” in the Company’s last rate case, \$22,609.

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 pursuant to the Emergency Interim Order in Docket No. 20-0309 from March 1, 2020 to July 20, 2021. 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.

(* indicates change)



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WASTEWATER SERVICE

QUALIFYING INFRASTRUCTURE PLANT SURCHARGE

Applicable to All Residential and Non-Residential Service Classifications.

The purpose of the Qualifying Infrastructure Plant (QIP) Surcharge is to recover a return on, and depreciation expense related to, the Company’s investment in QIP as described in Section E. The QIP Surcharge is authorized by Section 9-220.2 of the Public Utilities Act [220 ILCS 5/9-220.2] and Part 656 of the Illinois Commerce Commission’s rules [83 Ill. Adm. Code, Part 656].

Section A – Definitions

Unless otherwise defined, the terms used in this tariff have the same meaning as in 83 Ill. Adm. Code, Part 656.

Section B – Application

- a) The QIP surcharge shall be applied to sewer bills of customers for the Company’s sewer systems in the division where qualifying infrastructure plant is installed by the Company having an effective QIP surcharge rider and information sheet in effect and on file with the Illinois Commerce Commission (“Commission”).
- b) The purpose of the QIP surcharge is to recover a return on and depreciation expense related to the Company’s investment in QIP as described in 83 Ill. Adm. Code 656.40.
- c) Each QIP surcharge percentage shall be determined in accordance with 83 Ill. Adm. Code 656.60.

Section C – Pretax Rate of Return

The pre-tax return is calculated using the weighted cost of debt and weighted cost of equity determined in the Company’s last rate case for the rate zone. The weighted cost of equity is multiplied by the gross revenue conversion factor (GRCF). The product is then added to the weighted cost of debt to obtain the pre-tax return. The pre-tax return is calculated using the following formula:

$$GRCF = \frac{1}{(1 - (PPTRIT + SIT)) \times (1 - FIT)}$$

$$PTR = ((WCCE + WCPE) \times GRCF) + WCLTD + WCSTD$$

Where:

GRCF = Gross Revenue Conversion Factor.

PPTRIT = Illinois Personal Property Tax Replacement Income Tax rate in effect at the time of the initial, annual or quarterly filing.

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WASTEWATER SERVICE

QUALIFYING INFRASTRUCTURE PLANT SURCHARGE

Applicable to All Residential and Non-Residential Service Classifications.

SIT = Illinois State income tax rate in effect at the time of the initial, annual or quarterly filing.

FIT = Federal income tax rate in effect at the time of the initial, annual or quarterly filing.

PTR = Pre-tax return.

WCCE = Weighted cost of common equity from the Company's last rate case for the rate zone.

WCPE = Weighted cost of preferred equity from the Company's last rate case for the rate zone.

WCLTD = Weighted cost of long term debt from the Company's last rate case for the rate zone.

WCSTD = Weighted cost of short term debt from the Company's last rate case for the rate zone.

Section D – Determination of Surcharge

In calculating the QIP surcharge percentage, the Company may choose either annual prospective operation or quarterly historical operation based on QIP investment data for a prior three-month period. Annual prospective operation may be selected only if the Company's immediately preceding rate case for the rate zone utilized a future test year as defined in 83 Ill. Adm. Code 287 and the Company submits the information required by 83 Ill. Adm. Code 656.70(d)(7).

1) Annual Prospective Operation

If the Company chooses annual prospective operation, it will determine the QIP surcharge as follows:

$$S\% = \frac{((\text{NetQIP} + \text{AdjNetQIP}) \times \text{PTR}) + (\text{Net Dep} + \text{AdjNetDep}) + (\text{R} \times 1.33) + ((\text{O} + \text{INT}) \times \text{Om})}{100\%}$$

PAR

Where:

S% = QIP surcharge percentage.

NetQIP = The average forecasted cost of the investment in QIP for the rate zone for the operation year less forecasted accumulated depreciation and accumulated deferred income taxes (ADIT) in QIP for the rate zone for the operation year. The average forecasted cost of QIP, net of depreciation and any ADIT liabilities (net of deferred tax assets) resulting from the QIP, shall be computed by using an average of 13 end-of-month balances of QIP, less accumulated depreciation and ADIT for the period

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WASTEWATER SERVICE

QUALIFYING INFRASTRUCTURE PLANT SURCHARGE

Applicable to All Residential and Non-Residential Service Classifications.

from December 31 of the year preceding the operation year through December 31 of the operation year.

AdjNetQIP = The actual amount of NetQIP as of the end of the QIP forecast period used in the Company's last rate case for the rate zone less the amount of NetQIP the Commission approved to be added to the Company's rate base as of the end of the QIP forecast period.

PTR = Pre-tax return as described in Section C.

Net Dep = Net depreciation expenses related to the average investment in QIP for the rate zone for the operation year. Depreciation expenses shall be calculated by multiplying the average forecasted cost of the investment in QIP by plant account, net of retirements, by the approved depreciation rates for the respective accounts in which the specific items included in the average QIP investment are recorded. The average forecasted cost of the investment in QIP by plant account, net of retirements, shall be computed by using an average of 13 end-of-the-month balances of QIP by plant account and retirements for the period from December 31 of the year preceding the operation year through December 31 of the operation year.

AdjNetDep = The actual amount of NetDep applicable to the QIP forecast period used in the Company's last rate case for the rate zone less the amount of NetDep that the Commission approved for the QIP forecast period used in the Company's last rate case for the rate zone.

R = Utility-determined reconciliation component (R component) calculated for the reconciliation year under the reconciliation feature as described in Section 656.80(d). The reconciliation component shall be collected over nine months from April through December.

O = The Commission-ordered adjustment component (O component).

INT = The calculated interest attributable to the O component. This interest shall be calculated as described in 83 Ill. Adm. Code 656.80(i).

Om = The Commission-ordered O component multiplier. Om is a timing factor applied to the O component and the INT to allow for the collection of the O component and the INT over the remainder of the operation year. For example, if the O component and the INT were included in the QIP surcharge percentage on January 1, the Om would be 1.00. Similarly, if the O component and the INT were included in the QIP surcharge percentage on April 1, the Om would be 1.33.

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WASTEWATER SERVICE

QUALIFYING INFRASTRUCTURE PLANT SURCHARGE

Applicable to All Residential and Non-Residential Service Classifications.

PAR = The projected total sewer QIP base rate revenues, as applicable, for the rate zone for the period from January 1 through December 31. The projected revenue shall not include the exclusions listed in 83 Ill. Adm. Code 656.30(a).

Following the final order in each rate case, and before the Effective Month that will initiate the inclusion of AdjNetQIP and AdjNetDep, the Company shall file a public document in the rate case that provides the calculation of AdjNetQIP and AdjNetDep, including each component used to determine AdjNetQIP and AdjNetDep.

2) Quarterly Historical Operation

If the Company chooses quarterly historical operation, it will determine the QIP surcharge as follows:

$$S\% = \frac{(((NetQIP + AdjNetQIP) \times PTR \times .25) + (NetDep + AdjNetDep) + (R \times .33) + ((O + INT) / PQR) \times Om)}{PQR} \times 100\%$$

Where:

S% = QIP surcharge percentage.

NetQIP = Original cost of QIP less accumulated depreciation and any accumulated deferred income tax (ADIT) liabilities net of deferred tax assets resulting from the QIP for the rate zone. NetQIP shall be the level of investment in QIP existing at the end of the calendar month in which an investment sheet is filed, net of depreciation and any ADIT liabilities (net of deferred tax assets) resulting from the QIP.

AdjNetQIP = The actual amount of NetQIP as of the end of the QIP forecast period used in the Company's last rate case for the rate zone less the amount of NetQIP the Commission approved to be added to the Company's rate base as of the end of the QIP forecast period.

PTR = Pre-tax return as described in Section C.

NetDep = Net quarterly depreciation expense applicable to NetQIP less the quarterly depreciation applicable to the plant being retired.

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Applicable to All Residential and Non-Residential Service Classifications.

AdjNetDep = The actual amount of NetDep applicable to the QIP forecast period used in the Company's last rate case for the rate zone less the amount of NetDep that the Commission approved for the QIP forecast period used in the Company's last rate case for the rate zone.

R = Utility-determined reconciliation component calculated for the reconciliation year under the reconciliation feature as described in Section 656.80(d). The reconciliation component shall be collected over nine months from April through December. No reconciliation component amount shall be included for the January through March quarter.

O = Commission-ordered adjustment component.

INT = The calculated interest attributable to the O component. This interest shall be calculated as described in 83 Ill. Adm. Code 656.80(i).

Om = The Commission-ordered O component multiplier. Om is a timing factor applied to the O component and the INT to allow for the collection of the O component and the INT over the remainder of the operation year. For example, if the O component and the INT were included in the QIP surcharge percentage on January 1, the Om would be 0.25. Similarly, if the O component and the INT were included in the QIP surcharge percentage on April 1, the Om would be .33.

PQR = Projected quarterly sewer QIP base rate revenues, as applicable, for the rate zone during the calendar quarter when the QIP surcharge percentage shall be in effect. The projected quarterly revenue shall not include the exclusions listed in 83 Ill. Adm. Code 656.30(a).

Following the final order in each rate case, and before the Effective Month that will initiate the inclusion of AdjNetQIP and AdjNetDep, the Company shall file a public document in the rate case that provides the calculation of AdjNetQIP and AdjNetDep, including each component used to determine AdjNetQIP and AdjNetDep.

Section E- Annual Reconciliation

- a) On or before March 15 of each year, if the Company had a QIP surcharge in effect for all or part of the immediately preceding calendar year, it shall submit to the Commission an annual reconciliation regarding the results for the previous reconciliation year. The annual reconciliation shall include testimony and schedules that support the accuracy and the prudence of the qualifying infrastructure investment for the reconciliation year, and shall be verified by an officer of the Company. The schedules included with the annual reconciliation shall reflect all carry forward adjustments from prior QIP surcharge reconciliation Orders, and the testimony shall address how adjustments ordered in prior

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QIP surcharge reconciliations are reflected in the current reconciliation. As required by 83 Ill. Adm. 656.80, the annual reconciliation shall include a calculation of the R component necessary to adjust revenue collected under the QIP surcharge rider in effect for the rate zone during the reconciliation year to an amount equivalent to the actual level of prudently-incurred QIP cost for the reconciliation year. In the event that the earnings report filed under 83 Ill. Adm. Code 656.80 for the rate zone shows that the Company's actual rate of return has exceeded the level authorized in the Company's last sewer general rate proceeding for the rate zone, as applicable, then the R component shall include the credit required by (c) and (d) below. Any adjustment made through the R component shall be in effect for nine months commencing on the April 1 immediately following submittal of the annual reconciliation.

- b) With the annual reconciliation, the Company shall file a petition seeking initiation of the annual reconciliation hearings required by Section 9-220.2 of the Public Utilities Act. After the hearing, the Commission shall determine the amount of the adjustment, if any, that should be made (through the O component) to the level of revenue collected by operation of the QIP surcharge rider during the reconciliation year, so that the amount of such revenue is equal to the actual level of prudently-incurred QIP cost for the reconciliation year (to the extent that such adjustment has not already been reflected through an adjustment made by USI to the R component of the QIP surcharge percentage).
- c) In the annual reconciliation, the Company shall include, for each rate zone in which a QIP surcharge has been in effect, data showing operating income and rate base for the reconciliation year, the data being developed in accordance with 83 Ill. Adm. Code 656.80(f)(4). If, for any such rate zone, the actual rate of return on rate base for the reconciliation year exceeds the overall rate of return allowed in the Company's last sewer general rate proceeding for the rate zone, revenues collected under the QIP surcharge rider shall be reflected as a credit through the R component of the QIP surcharge to the extent that such revenues contributed to the realization of a rate of return above the last approved level. A credit value for the R component will result in a reduction of the QIP surcharge percentage. To the extent, if any, that a required adjustment for a reconciliation year has not been already made by the Company (through the R component), the Commission shall require (through the O component) that such an adjustment be made after the annual reconciliation hearing.
- d) The Company shall calculate the R component using the following formula:

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$$R = ((\text{ActNetQIP} + \text{AdjNetQIP}) \times \text{PTR}) + (\text{ActNetDep} + \text{AdjNetDep}) - \text{QIPRev} + \text{Rpy} + \text{Opy} - \text{EEA}$$

Where:

- R = Utility-determined reconciliation component.
- ActNetQIP = The average actual cost of the investment in QIP for the rate zone for the reconciliation year less actual accumulated depreciation and any accumulated deferred income tax (ADIT) liabilities net of deferred tax assets resulting from the QIP for the rate zone for the reconciliation year. The average actual cost of QIP, net of depreciation and ADIT, shall be computed by using an average of 13 end-of-month balances of QIP less accumulated depreciation and associated ADIT for the period from December 31 of the year preceding the reconciliation year through December 31 of the reconciliation year. (If the Company elects the quarterly historical QIP surcharge operation, the amount of the ActNetQIP shall be limited by the provisions of 83 Ill. Adm. Code 656.70(c).)
- AdjNetQIP = AdjNetQIP as defined in Section 656.60. The effective date of the AdjNetQIP will be as disclosed in the document required following a rate case as described in 83 Ill. Adm. Code 656.60.
- PTR = Pre-tax return as described in 83 Ill. Adm. Code 656.50(a)(1).
- ActNetDep = Actual net depreciation expense related to the average investment in QIP for the rate zone for the reconciliation year. Depreciation expense shall be calculated by multiplying the actual investment in QIP by plant account, net of retirements, by the approved depreciation rates for the respective accounts in which the specific items included in the average QIP investment are recorded. (If the Company elects quarterly historical operation, the amount of the ActNetDep shall be limited by the provisions of 83 Ill. Adm. Code 656.70(c).)



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Month Day Year Month Day Year

Issued By Steven M. Lubertozi President
Name of Officer Title of Officer

500 W. Monroe, Suite 3600, Chicago, Illinois 60661-3779
Address of Officer

WASTEWATER SERVICE

QUALIFYING INFRASTRUCTURE PLANT SURCHARGE

Applicable to All Residential and Non-Residential Service Classifications.



- AdjNetDep = AdjNetDep as defined in Section 83 Ill. Adm. Code 656.60. The effective date of the AdjNetDep will be as disclosed in the document required following a rate case as described in Section 656.60.
- QIPRev = Actual QIP revenues collected during the reconciliation year through the QIP surcharge.
- Rpy = The R component from the previous reconciliation year.
- Opy = The sum of the O component and the calculated interest attributable to the O component, or the sum of any O components and the calculated interest attributable to the O components included in the calculation of the QIP surcharge percentage during the reconciliation year.
- EEA = Excess earnings amount calculated in accordance with 83 Ill. Adm. Code 656.80(a), (c), and (f)(4). There will only be an EEA when the Company's actual rate of return for the reconciliation year exceeds the overall rate of return authorized by the Commission in the Company's last sewer general rate proceeding for the rate zone.

- e) Any adjustment made by Order of the Commission under 83 Ill. Adm. Code 656.80(b) or (c) shall be included in the O component and be in effect for either 12 months or 9 months, beginning on the next January 1 (if 12 months) or April 1 (if 9 months) following the Order of the Commission, or such other period as the Commission may direct in the Order requiring that an adjustment be made.
- f) The first reconciliation year shall begin on the effective date of the first QIP surcharge information sheet and end on December 31 of the calendar year in which the first information sheet became effective. Each subsequent reconciliation year shall end on December 31.
- g) Amounts either collected or refunded through the O component shall accrue interest at the rate established by the Commission under 83 Ill. Adm. Code 280.40(g)(1). Interest on the O component shall be applied from the end of the reconciliation year until the O component is refunded or charged to ratepayers through the QIP surcharge.

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Applies to: Prairie Path Water Company*
(All Territories)

BAD DEBT EXPENSE RIDER

**Applicable to All Residential and Non-Residential Service Classifications,
exclusive of Customers on a Competitive Service Tariff**

The purpose of this Rider is to recover or credit the amount by which the Company’s actual annual bad debt expense in a fiscal year ending in February exceeds or is less than the bad debt amount included in the Company’s rates in effect for the reporting year. Any over-or-under recoveries of the Company’s actual bad debt expense amounts for a reporting year, as determined in accordance with this Rider, shall be presented as a separate line item on the customer bills for each respective rate class. Costs subject to this Rider are those costs that are classified as Bad Debt Expense in Account 770. Such adjustments will be the incremental difference between the amount of Bad Debt expense in Account 770 and the Bad Debt expense included in base rates and as allocated by customer class in the Cost of Service study for that case.

The Bad Debt Expense Rider shall be a fixed amount per customer monthly bill.

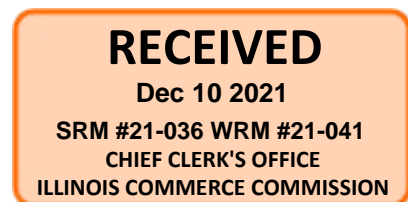
Effective Period shall mean the 46-month period over which over-or-under recoveries are collected from customers. The effective period shall be further split into three 12-month periods and one 10-month period for billing purposes.

Section A – Determination of Incremental Bad Debt Adjustment Factors

a) A separate Bad Debt charge or credit shall be calculated for each customer classification. The Bad Debt expense will be allocated to each customer classification based on the following criteria:

Allocated based on each customer classification’s percentage based on each customer class Cost of Service study in accordance with Docket No. 17-1106: Residential: 87.63%, Commercial: 12.37%.

(* indicates change)



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**BAD DEBT EXPENSE RIDER
 (CONTINUED)**

**Applicable to All Residential and Non-Residential Service Classifications,
 exclusive of Customers on a Competitive Service Tariff**

Section B – Determination of Adjustment

b) The Bad Debt Rider shall be determined as follows:

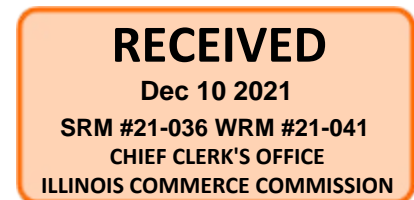
$$\frac{(\text{Bad Debt Expense in Dollars} - \text{Authorized Bad Debt Expense}) * \text{Customer Class Allocation \%} + \text{Commission Order Adjustment} + \text{Reconciliation Adjustment}}{\text{Customer Class Count} * \text{Months Rider will be Effective}}$$

$$\text{BD Charge} = \frac{(((\text{BDE}-\text{ABD}) * \text{CA} + ((\text{OA} * (1 + \text{INT})) + \text{RA})))}{\text{CC} * \text{X}}$$

Where:

- BD Charge represents the Bad Debt Charge, rounded to the nearest cent. The Bad Debt Charge will be reviewed on an annual basis.
- X represents the number of months in the effective period.
- BDE represents the bad debt expense recorded in Account 770 during the measurement period during each of the four measurement periods ending February 2021, 2022, and 2023 and December 2023, respectively.
- ABD represents Authorized Bad Debt Expense for the Company in accordance with the Company’s last completed rate case; as allocated by customer class in the Cost of Service study for that case.
- CA represents the customer class allocation in the Customer service study.
- CC represents the estimated number of monthly customers to whom the charge will apply.
- OA represents the Commission Ordered adjustment.
- RA represents the reconciliation adjustment.
- INT represents the interest rate established by the Commission under 83 Ill. Adm. Code 280 and in effect when each adjustment under this section is calculated, adjusted for the number of months in the Effective Period.

(* indicates change)



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**BAD DEBT EXPENSE RIDER
(CONTINUED)**

**Applicable to All Residential and Non-Residential Service Classifications,
exclusive of Customers on a Competitive Service Tariff**

Section C – Information Sheet

The initial information sheet filing specifying charges hereunder, shall recover or credit the appropriate amount for the 46-month effective period; with the applicable measurement periods ending February 2021, 2022, and 2023 and December 2023. Such charges or credits for the first three periods shall be filed with the Commission on or before March 20 of each year with the adjustment effective beginning April 1st of each measurement period, respectively and the charges or credits for the fourth period shall be filed with the Commission on or before January 20 of the final year with the adjustment effective beginning February 1. The filings shall include a statement showing the determination of such charges or credits under Section B, such determination to be accompanied by data in explanation thereof. If the Company determines during the Effective Period that it is appropriate to revise the Incremental Bad Debt Adjustment Factors to better match revenues recovered under this rider with the actual Bad Debt Expense as defined in this Rider, the Company may, from time to time, calculate revised Incremental Bad Debt Adjustment Factors for each rate class to become effective as of the beginning of any monthly billing period during the Effective Period. Such filing with the Commission shall be made by the 20th of any month with the adjustment effective the first day of the subsequent month.

Section D – Reconciliation of the Effective Period

On or before June 1st of each year following the completion of a 12-month measurement period, or on or before February 1 of the year following the completion of the final 10-month period, the Company shall file a petition with the Commission seeking initiation of an annual reconciliation process. The petition shall include a reconciliation that will compare 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, along with testimony and schedules that support the accuracy of the reconciliation. Supporting documentation or 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 of the reconciliation. In conjunction with the reconciliation filing, a new Information Sheet may be filed adjusting the then effective charges or credits under this Rider for the amount to be reconciled.

Section E – Terms and Conditions

Subject to Terms and Conditions of Service and Riders to Schedule of Rates for Water and Wastewater Services, as are applicable.

Section F – Customer Bills

The Bad Debt expense rider shall be presented as fixed amount as a separate line item on the customer’s monthly bill.

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