



Prairie Path Water Company*
(Name of Company)
SCHEDULE OF RATES
FOR
WATER SERVICE

Applying to the following Territories:

- Apple Canyon Lake Subdivision in Thompson Township, Jo Daviess County, Illinois
- Camelot Subdivision, near Joliet, Troy Township, Will County, Illinois
- Cedar Subdivision including Hickory Knolls, Lawndale Meadows, Paradise Acres, Windcrest Acres and Breezy Oaks Subdivision in the City of Galesburg, Illinois in Knox County
- Charmar Subdivision, Warren Township in Lake County, Illinois
- Cherry Hill Subdivision, New Lenox Township, Will County, Illinois
- Clarendon Hills Subdivision, Downers Grove Township, DuPage County, Illinois
- Del-Mar Subdivision in Lake County, Illinois
- The Windings of Ferson Creek Subdivision, Campton Township, Kane County, Illinois
- All Galena Territory Utilities, Inc. Service Areas
- Coventry Creek, Coventry Hills, and Holiday Acres Subdivisions, southeast of Rockford, Cherry Valley Township, Winnebago County, Illinois
- Harbor Ridge Subdivision, Antioch and Lake Villa Townships, Lake County, Illinois
- Holiday Hills Subdivision, Holiday Hills, Nunda Township, McHenry County, Illinois
- Lake Killarney Subdivision, Algonquin Township, McHenry County, Illinois
- Lake Holiday Subdivision, southwest of Somonauk, Northville Township, La Salle County, Illinois
- Lake Marian in the Woods Subdivision, Carpentersville, Dundee Township, Kane County, Illinois
- Lake Wildwood Subdivision in Hopewell and Roberts Townships, Marshall 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
- Valentine Subdivision in Lake County, Illinois
- Walk-Up Woods Subdivision in the unincorporated area near Crystal Lake, McHenry County, Illinois
- Westlake Village Subdivision in Winnebago County, Illinois
- Whispering Hills, Lake Dawnwood, Pistakee Highlands, Pistakee Hills, Pistakee Terrace, Prairie View Estates, Springlake, and Sunnyside Estates Subdivisions near Fox Lake, Country Oaks Subdivision of Johnsburg, McHenry Township, McHenry County; Round Hill Subdivision near Fox Lake, Grant Township, Lake County, Illinois
- Wildwood Subdivision, Rockford Township, Winnebago County, Illinois

(* indicates change)

Issued	<u>December</u>	<u>10</u>	<u>2021</u>	Effective	<u>December</u>	<u>17</u>	<u>2021</u>
	Month	Day	Year		Month	Day	Year
Issued by	<u>Steve Lubertozi</u>			<u>President</u>			
	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)

WATER SERVICE

RATES AND CHARGES

All rates and charges included as a part thereof and are subject to the Rules, Regulations and Conditions of Service ILL.C.C. No. 1.

CUSTOMER CHARGE FOR RESIDENTIAL AND COMMERCIAL*

MONTHLY RATE

5/8" Base Charge	\$ 14.76*
3/4" Base Charge	14.76*
1" Base Charge	14.76*
1.5" Base Charge	29.53*
2" Base Charge	47.24*
3" Base Charge	88.58*
4" Base Charge	147.63*
6" Base Charge	295.26*
8" Base Charge	472.42*
10" Base Charge	679.10*
12" Base Charge	1,269.62*
Residential Low-Income Charge*	5.456 per 1,000 gallons*
Residential Regular Charge*	17.696 per 1,000 gallons*
Commercial Charge*	20.616 Per 1,000 gallons*

Charges for water usage will be billed monthly.*

*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. Usage up to the residential class average of 3,414 gallons is eligible for the low-income rate; usage above this level will be charged at the regular residential rate.



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Issued December 10 2021 Effective December 17 2021
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WATER SERVICE -ROCKVALE DIVISION

RATES AND CHARGES FOR THE ROCKVALE 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. 1.

CUSTOMER CHARGE FOR RESIDENTIAL AND COMMERCIAL

MONTHLY RATE

5/8" Base Charge	\$ 7.00
3/4" Base Charge	7.00
1" Base Charge	10.00
2" Base Charge	12.00
3" Base Charge	14.00
4" Base Charge	16.00
6" Base Charge	18.00

Residential and Commercial Usage Charge \$2.74 per 1,000 gallons

FILED IN COMPLIANCE WITH THE ORDER OF THE ILLINOIS COMMERCE COMMISSION IN DOCKET NO. 20-0894



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Name of Officer Title

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

WATER SERVICE -CEDAR DIVISION

RATES AND CHARGES FOR THE CEDAR 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. 1.

CUSTOMER CHARGE FOR RESIDENTIAL AND COMMERCIAL

MONTHLY RATE

5/8" Base Charge	\$ 10.00
3/4" Base Charge	10.00
1" Base Charge	10.00
2" Base Charge	10.00
3" Base Charge	10.00
4" Base Charge	10.00
6" Base Charge	10.00

Residential and Commercial Usage Charge \$5.47 per 1,000 gallons

FILED IN COMPLIANCE WITH THE ORDER OF THE ILLINOIS COMMERCE COMMISSION IN DOCKET NO. 20-0895



Issued Month December Day 10 Year 2021 Effective Month December Day 17 Year 2021

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(Name of City)

WATER SERVICE

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 or because the drawer does not have an account (one charge per check each time it is returned).

RECONNECTION CHARGE

If water service is discontinued by the utility for any reason as outlined in section 17 of Rules, Regulations and Conditions of Service, the customer will be assessed a charge of thirty-seven dollars and fifty cents (\$37.50), which will be paid by the customer before the water service will be restored. If water service is discontinued at the customer's request due to seasonal residence and during normal business operating hours, the customer will be assessed a charge of thirty-seven dollars and fifty cents (\$37.50), which will be added to the customer's next water bill. Customers who request to be reconnected within nine (9) months of disconnection will be assessed an appropriate base facilities charge for the service period they were disconnected. This charge will be paid by the customer before water service will again be restored.

OUTSIDE METER READERS

A charge of \$40.00 will be assessed for the installation of outside meter readers when requested by the customer.

METER TESTING FEE

Upon the written request of any customer, the meter serving said customer shall be tested by the Company without charge, provided the meter in question has not been tested by the Company or by the Commission within two (2) years previous to such request. If the customer so desires, he or his representatives shall have the privilege of witnessing the test. A written report, giving the results of the test, shall be made to the customer. When a meter, which has been in service less than two (2) years since its last test, is found to be accurate within the limits specified in the Commission's rules, the customer shall pay a fee to the Company not to exceed seven dollars and fifty cents (\$7.50).

REMOTE METER READING DEVICE

At the request of the customer, the Company will install a remote meter reading device upon payment by the customer of the Company's actual cost of the device and installation.

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 Apple Canyon Utility 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.

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)

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500 W. Monroe, Suite 3600, Chicago, Illinois 60661-3779
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RECEIVED

Dec 10 2021

SRM #21-036 WRM #21-041
CHIEF CLERK'S OFFICE
ILLINOIS COMMERCE COMMISSION

Prairie Path Water Company*

ILL.C.C. _____ No. 3

Fourth Revised Sheet No. 3

Canceling Third Revised Sheet No. 3

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

WATER SERVICE

BUILDING OR CONSTRUCTION DEPOSIT

Water for building or construction purposes will be furnished by meter measurement, only after suitable deposit has been made. The minimum deposit being ten dollars (\$10.00); the amount to be determined by the Company, depending upon the size of the construction work completed; and all water for building or construction purposes, as set forth in the permit, must pass through one and the same meter.

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.

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.

Service Territory Specific Taxes

VILLAGE OF WILLOWBROOK GROSS RECEIPTS TAX

An additional charge equal to 5.15% of the customer's total charges will be added to every bill to cover the Gross Receipts Tax imposed by The Village of Willowbrook.

MUNICIPAL UTILITY TAX ADDITION

Pursuant to the provisions of Section 9-221 of the Illinois Public Utilities Act, as amended, authorizing certain additional charges for service rendered in municipalities imposing the tax authorized by Section 8-11-2 of the Illinois Municipal Code, as amended, the Company will add the percentage shown below to billings for water service rendered in connection therewith the corporate limits of such municipality (except items of such billings resulting from transactions not subject to such tax). The effective date for such billings will coincide with the date upon which the gross receipts from such billings become subject to tax, which date has been shown below opposite the name of the particular municipality.

<u>Name of Municipality</u>	<u>Percentage Additions to Billings</u>	<u>Effective Date</u>
Holiday Hills	5.15	March 1, 1999

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(Name of City)

WATER SERVICE

METER CHANGE FEE

When the Company receives a request from a customer to change a meter size the Company will advise the customer of the following:

- 1) That according to the Illinois Plumbing Code an average two and a half (2 ½) bathroom home will typically require a one (1) inch meter, and
- 2) There are additional costs to change a meter which could include alterations or modifications to existing piping and plumbing. These costs are the customer's responsibility.

If the customer still wants to move forward with the meter size change the customer must submit a written request to change a meter size. Then the Company will inspect the customer's premises, with the customer present, and make a determination of the appropriate meter size based upon the load values assigned to fixtures set forth in the Illinois Plumbing Code, 77 Ill. Admin. Code Section 890, Appendix A Plumbing Material, Equipment, Use Restrictions and Applicable Standards, Table M, Load Values Assigned to Fixtures. The Company will compare the customer's load values to Section 890, Appendix A Plumbing Material, Equipment, Use Restrictions and Applicable Standards, Table N, Water Supply Fixture Units, and provide the results to the customer.

The Company has the right to bill for this inspection and determination service at the minimum charge of fifty-three dollars (\$53.00), which is equivalent to one hour at the current labor rate of fifty-three dollars (\$53.00) per hour.

If this inspection and determination supports the customer's request for a change in meter size, the customer shall be responsible for the cost to alter or modify piping and plumbing at the meter and are responsible for the cost of installation of the new meter, which will be recorded as a contribution in aid of construction. The Company will be responsible for the cost of the new meter, which will be recorded as Utility Plant in Service with no offsetting entry to contribution in aid of construction.

The removal of the old meter must be done contemporaneously with the installation of the new meter, and the Company will inspect the new meter installation process.

The Company has the right to bill for this meter installation inspection service at the minimum charge of fifty-three dollars (\$53.00), which is equivalent to one hour at the current labor rate of fifty-three dollars (\$53.00) per hour.



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(Name of City)

WATER SERVICE

UNACCOUNTED-FOR WATER

The maximum percentage of unaccounted-for water considered in the determination of any rates or surcharges shall not exceed 20% for Apple Canyon and Galena and 15% for each of the other service territories. Rates or surcharges approved in the future shall not include charges for unaccounted-for water in excess of this maximum percentage without well-documented support and justification for the Commission to consider in any request to recover charges in excess of this maximum percentage.



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500 W. Monroe, Suite 3600, Chicago, Illinois 60661-3779
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Applies To : Lake Marian, Del-Mar and Charmar Subdivisions
(Name of City)

WATER SERVICE

PURCHASED WATER SURCHARGE

The Commission’s final order in Docket 14-0741 provided for elimination of this surcharge and in lieu thereof provided for recovery of purchased water costs through the base rates. Within 90 days of the effective date of this cancellation, the Company shall file a petition for final reconciliation in accordance with the Commission’s direction in Docket 14-0741. The final reconciliation shall refund or collect the reconciled amounts of purchased water costs and revenues resulting from the application of the surcharge from January 1, 2015 through the date of its cancellation as determined by the Commission in that reconciliation proceeding.

This Rider shall remain in effect until all reconciled amounts and any resulting ordered adjustments from Commission Orders for the final reconciliation and any other reconciliations for which a final order has not been entered as of the order date in Docket No. 14-0741 have been refunded to or collected from ratepayers.

The Company shall file a report with the Commission with a copy to the Commission’s Manager of Accounting that sets forth the final disposition of the over/under recovery resulting from the Commission’s order on the final reconciliation within 60-days of the final refund or collection that is included on customers’ bill.



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(Name of City)

**WATER SERVICE
VOLUME BALANCING ADJUSTMENT RIDER VBA
Application to All Residential and Non-Residential Service Classifications.**

The Volume Balancing Adjustment (VBA) expressed on a cents per 100 gallons basis stabilizes the revenue requirement approved by the Commission in the Company's most recent rate proceeding. An adjustment shall be calculated for every calendar year beginning with the effective date of this tariff.

The Company shall determine annual adjustments under this rider. The adjustments, as outlined in Section B, shall be filed with the Commission, no later than March 20 of each year, and shall be in effect for the nine-month period commencing the following April 1.

Section A - Definitions

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

Actual Volumetric Revenue (AVR) shall mean the actual dollar amount of volumetric revenues billed to customers for the identified Service Classifications, excluding revenues arising from adjustments under this rider and any other rider, which were billed for the applicable Fiscal Year.

Actual Water Sales (AWS) shall mean the actual sales for customers for the identified Service Classifications in 100 gallons in the Fiscal Year.

Effective Period shall mean the period for which the adjustments in Section B are to be billed to customers, and shall be the nine-month period after the Filing Month.

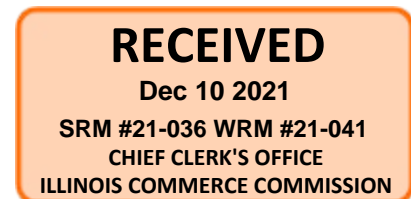
Factor G (G) shall mean the number of 100 gallons delivered to customers by the Company, including the number of 100 gallons for the applicable period.

Filing Month shall mean the month in which an adjustment is determined by the Company and submitted to the Commission.

Fiscal Year shall mean the Fiscal Year of the Company that ended as of the most recent December 31.

Previous Amortization Period shall mean the nine-month reconciliation amortization period that ended as of the most recent Fiscal Year.

Rate Case Volumetric Revenue (RVR) shall mean the dollar amount of volumetric revenues reflected in the revenue requirements approved by the Commission for the applicable Service Classification in the Company's most recent general rate case. In a month or year in which new rates come into effect, the RVR shall be prorated based upon the number of days in the month or year under the old rates and the number of days in the month or year under the new rates. If the dollar amount of volumetric revenues is expected to change as a result of the



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 (Name of City)

WATER SERVICE
VOLUME BALANCING ADJUSTMENT RIDER VBA (CONTINUED)
Application to All Residential and Non-Residential Service Classifications.

Commission's approval of one or more water system acquisitions by the Company, then the RVR will be adjusted to reflect the additional volumetric revenue as determined in the acquisition case. In a month or year in which the Commission approves a water acquisition by the Company, the RVR shall be prorated based upon the number of days in the month or year that do not reflect the volumetric revenues billed to customers in the acquired system(s) and the number of days in the month or year that do reflect the volumetric revenues billed to customers in the acquired system(s).

Rate Case Water Sales (RWS) shall mean the forecasted sales for customers for the identified Service Classifications in 100 gallons. In a month or year in which new rates come into effect, the RWS shall be prorated based upon the number of days in the month or year under the old rates and the number of days in the month or year under the new rates. If the sales amount is expected to change as a result of the Commission's approval of one or more water system acquisitions by the Company, then the RWS will be adjusted to reflect the additional sales as determined in the acquisition case. In a month or year in which the Commission approves a water acquisition by the Company, the RWS shall be prorated based upon the number of days in the month or year that do not reflect the sales in the acquired system(s) and the number of days in the month or year that do reflect the sales in the acquired system(s).

Unit Production Cost (UPC) shall mean the authorized amount of production costs (power, chemical, water waste disposal) divided by the RWS to determine a cost per 100 gallons in the Test Year.

Upcoming Amortization Period shall mean the nine-month reconciliation amortization period commencing on April 1 following the Fiscal Year.

Section B - Determination of Adjustment

There shall be separate per 100 gallon adjustments determined annually for each applicable Rate Zone and such adjustments shall be determined with two separate components, as follows:

$$\frac{RVR - AVR - [UPC \times (RWS - AWS)]}{G} + \frac{(RA + O) \times (1 + i)}{G}$$

RVR	Rate case Volumetric Revenues
AVR	Actual Volumetric Revenues
UPC	Unit Production Costs (rate case) per hundred gals.
RWS	Rate case Water Sales (100 Gallons)
AWS	Actual Water Sales (100 Gallons)



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Issued by Steve Lubertozzi President
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500 W. Monroe, Suite 3600, Chicago, Illinois 60661-3779
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Applies To : Prairie Path Water Company*
 (Name of City)

WATER SERVICE
VOLUME BALANCING ADJUSTMENT RIDER VBA (CONTINUED)
Application to All Residential and Non-Residential Service Classifications.

G 100 Gallons for the effective 9-month period
 O Order adjustments from Commission
 RA Dollar amount due from reconciliation + or - i
 interest ('83 Ill. Adm. Code 280)

The adjustment components above shall be summed together for billing purposes. If either component of the adjustments computes to \$0.0001 per 100 gallons or more, any fraction of \$0.0001 in the computed per 100 Gallons adjustment amount shall be dropped if less than \$0.00005 or, if \$0.00005 or more, shall be rounded up to the next full \$0.0001.

Section C - Reports and Reconciliations

The Company shall file with the Commission on or before March 20 of each year, an information sheet that specifies the annual adjustments to be effective under this rider. The Company shall file any corrections from a timely filed information sheet on or before March 31. Any filing after that date will be accepted only if submitted as a special permission request under the provisions of Section 9-201 (a) of the Public Utilities Act [220 ILCS 5/9-201 (a)]. The Company shall include with its filing a report which shows a determination of the RA to be applicable for the Upcoming Amortization Period. The Company shall also submit a report which provides the Company's rate of return with and without the effect of Rider VBA. At this same time, the Company shall also file a petition with the Commission seeking initiation of an annual reconciliation to determine the accuracy of the statement. If the Commission finds, after hearing, that the actual revenue booked by operation of Rider VBA does not deduct the actual level of prudently incurred production costs for the Reconciliation Year, to the extent that the adjustment has not already been reflected through an adjustment to the RA component of the Rider VBA reconciliation, the Commission may by order require that the rider be adjusted through the O component in the Rider VBA reconciliation formula in Section B of this rider over succeeding Effective Months. The reconciling amount from such proceeding (Factor O) shall be recovered in the manner determined by the Commission in the annual reconciliation proceeding.

Section D - Terms and Conditions

Subject to Terms and Conditions of Service and Riders to Schedule of Rates for Water and Wastewater Services which are applicable to this rider.

Section E-Audit

The Company shall annually conduct an internal audit of the revenue requirements recovered or refunded pursuant to this rider. The internal audit shall determine if: (1) the actual amount of revenues that exceed or fall short of any approved Rate Case Volumetric Revenue (RVR)

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**WATER SERVICE
VOLUME BALANCING ADJUSTMENT RIDER VBA (CONTINUED)
Application to All Residential and Non-Residential Service Classifications.**

collected are correctly reflected in the calculations; 2) the actual amount of sales that exceed or fall short of any approved Rate Case Water forecasted Sales (RWS) are correctly reflected in the calculations; 3) the revenues are not collected through other approved tariffs; 4) Rider VBA adjustments are being properly billed to customers; and 5) Rider VBA revenues are recorded in the appropriate accounts; and 6) internal controls are effectively preventing the double recovery of costs through the VBA and other approved tariffs. The above list of determinations does not limit the scope of the audit. The Company shall submit the audit report to the AccountingMgr@icc.illinois.gov, no later than May 31 of each year. Such report shall be verified by an officer of the Company.

Section F- Compliance Filing

The Company shall submit as a public document, in any rate case compliance filing or as a compliance filing following the Commission's approval of one or more water system acquisitions by the Company, the Rider VBA RVR, RWS and UPC for each applicable Rate Zone customers as applicable, as adjusted to reflect additional revenue, sales and production costs from any approved water system acquisitions.



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WATER SERVICE

PUBLIC UTILITY FUND DEFICIT SUPPLEMENTAL CUSTOMER CHARGE



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)



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

Issued _____ Effective _____
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500 W. Monroe, Suite 3600, Chicago, Illinois 60661-3779
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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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Applies to: Prairie Path Water Company*
(All Territories)

**SPECIAL PURPOSE RIDER – COVID-19 RIDER COV
(CONTINUED)**

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

Section A - Definitions – continued

COVID-19 Bill Payment Assistance Program Amounts shall mean the total amount of funding for the COVID-19 Bill Payment Assistance Program, as described in the Company’s addenda to the applicable June 18, 2020 Stipulation and in the March 18, 2021 Stipulation approved in Docket No. 20-0309 for the purpose of providing eligible residential customers with relief from high arrearages incurred as a result of financial hardship caused by the COVID-19 pandemic.

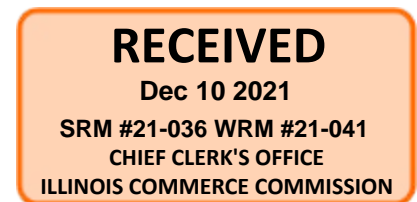
Effective Period shall mean the 24-month period over which costs are collected from customers.

Section B – Determination of Adjustment

a) The Company shall determine the COV Charge to be placed into effect for services rendered or estimated to be rendered during the effective period. A separate COV Charge shall be calculated for each customer classification. The COV Charge components will be allocated to each customer classification based on the following criteria:

- COVID-19 Related Direct Costs, net of COVID-19 Direct Offsets – allocated based on each customer classification’s percentage of forecasted base water revenues in accordance with Docket No. 17-1106: Residential 94.47%, Commercial 5.53%.
- COVID-19 Foregone Late Fees – allocated based on each customer classification’s percentage of late fee revenues in accordance with Docket No. 17-1106: Residential 98.00%, Commercial 2.00%.
- COVID-19 Foregone Reconnection Fees – allocated based on each customer classification’s percentage of reconnection fee revenues in accordance with Docket No. 17-1106: Residential 99.40%, Commercial 0.60%.
- COVID-19 Bill Payment Assistance Program Amount – allocated solely to residential customers.

(* indicates change)



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

SPECIAL PURPOSE RIDER – COVID-19 COV
(CONTINUED)

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

Section B - Determination of Adjustment – continued

a) The COV Charge shall be determined as follows:

$$\text{COV Charge} = (\text{Total COVID-19 Costs by Customer Class} / X) / B$$

$$\text{Total COVID-19 Costs by Customer Class} = \\ (C + LF + RF) * P + ((A - Y) * F) + RA + (OA * (1 + INT))$$

Where:

COV Charge represents the COVID-19 Charge, rounded to the nearest cent.

The COV Charge will be reviewed on a quarterly basis.

X – represents the number of months remaining in the effective period.

B – represents the estimated number of monthly customers to whom the charge will apply.

C – represents the estimated COVID-19 Direct Costs incurred by the Company, net of COVID-19 Direct Offsets

P – represents the ratio of base rate water revenue for the applicable customer classification to the total Company base rate water revenue in accordance with Docket No. 17-1106.

LF – represents the estimated COVID-19 Foregone Late Fees.

RF – represents the estimated COVID-19 Reconnection Charges.

A – represents the estimated COVID-19 Bill Payment Assistance Program Amounts.

F – represents the allocation factor to 100% for the Residential customer classification and 0% for the Commercial customer classification.

Y – represents amounts previously billed to customers.

RA – represents the dollar amount due the Company (+RA) or the customers (-RA) arising from adjustments under this rider that were under-billed or over-billed during the 24-month reconciliation Effective Period.

OA – represents the Commission-ordered adjustment component from the 24-month Effective Period.

INT – represents the calculated interest attributable to the OA component. This interest shall be calculated at the rate established by the Commission for deposits under 83 Illinois Administrative Code Part 280. Interest on the OA component shall be applied from the end of the 24-month Effective Period until the OA component is refunded or charged to customers through the COV.



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Prairie Path Water Company*

ILL.C.C. No. 3
First Revised Sheet No. 16
Canceling Original Sheet No. 16

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

**SPECIAL PURPOSE RIDER – COVID-19 COV
(CONTINUED)**

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

Section C – Information Sheet

No later than thirty (30) days after the close of each quarter, the Company will file a report of its COVID-19 Related Costs as required by paragraph 18 of Appendix 1 to the Commission’s June 18, 2020 Order in Docket No. 20-0309. Thereafter, the COV Charge shall be reviewed on a quarterly basis by the 20th of the month following the filing of each quarterly report of COVID-19 Related Costs in Docket 20-0309.

If the Company deems a revision to the COV Charge necessary, the Company shall file the COV Charge with the Commission on an Information Sheet filed on the 20th of the month following the end of a quarter, with the first information sheet being filed September 20th, 2020, effective October 1, 2020. The information sheet submission shall be accompanied by workpapers showing the calculation of that COV Charge and these materials shall be made available upon request to the parties to Docket No. 20-0309. If the Company determines during the Effective Period that it is appropriate to revise the COV Charge as defined in this Rider, the Company may, from time to time, calculate a revised COV Charge for each rate class.

Section D – Reconciliation of the Effective Period

After the COV Charge has been in effect for 24 months, the COV Charge shall be set to zero until the Commission completes a reconciliation review and determines whether reconciliation or prudence and reasonableness adjustments are warranted. On or before December 20, 2022, the Company shall file a petition with the Chief Clerk to initiate the reconciliation process. The petition and filed testimony and exhibits and filed testimony and exhibits shall include a reconciliation that will compare actual revenues collected under this Rider during the Effective Period with the amount of revenues that were to be recovered or refunded under this Rider. 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 made available upon request to the parties to Docket No. 20-0309. 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.

If, after hearing, the Commission finds that the Company has not shown all costs to be reasonable and prudently incurred or has made errors in its reconciliation statement for such reconciliation period, the difference determined by the Commission shall be refunded or recovered, in the same manner that the charge was initially collected, with interest at the interest rate established by the Commission under 83 Ill. Adm. Code 280.40(g)(1) shall be applied from December 31, 2022 through the date of refund/collection.

Miscellaneous

The charges and revenues under this rider will not be considered Base Rate Revenues as defined in Rider QIP – Qualifying Infrastructure Plant, and other Riders as applicable.

(* indicates change)

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Address of Officer



WATER 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 water bills of customers for the Company’s water 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:

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

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

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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WATER 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:

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

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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WATER 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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Prairie Path Water Company*



ILL. C. C. No. 3
First Revised Sheet No. 20
Canceling Original Sheet No. 20

WATER SERVICE

QUALIFYING INFRASTRUCTURE PLANT SURCHARGE

Applicable to All Residential and Non-Residential Service Classifications.

PAR = The projected total water 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:

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

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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Prairie Path Water Company*

ILL. C. C. No. 3

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WATER SERVICE

QUALIFYING INFRASTRUCTURE PLANT SURCHARGE

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 water 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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WATER SERVICE

QUALIFYING INFRASTRUCTURE PLANT SURCHARGE

Applicable to All Residential and Non-Residential Service Classifications.

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 water 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 water 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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WATER SERVICE

QUALIFYING INFRASTRUCTURE PLANT SURCHARGE

Applicable to All Residential and Non-Residential Service Classifications.

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

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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WATER 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 water 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 670. Such adjustments will be the incremental difference between the amount of Bad Debt expense in Account 670 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: 96.37%, Commercial: 3.63%.



Issued	<u>December</u>	<u>10</u>	<u>2021</u>	Effective	<u>December</u>	<u>17</u>	<u>2021</u>
	Month	Day	Year		Month	Day	Year
Issued by	<u>Steve Lubertozi</u>			<u>President</u>			
	Name of Officer			Title			
<u>500 W. Monroe, Suite 3600, Chicago, Illinois 60661-3779</u>							
Address of Officer							

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

**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

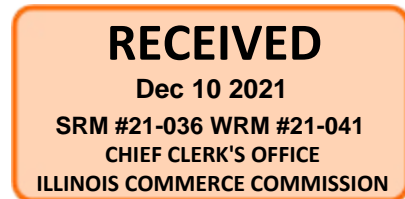
b) The Bad Debt Rider shall be determined as follows:

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

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

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 670 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.



Issued	<u>December 10 2021</u> Month Day Year	Effective	<u>December 17 2021</u> Month Day Year
Issued by	<u>Steve Lubertozzi</u> Name of Officer		<u>President</u> Title

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

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

**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

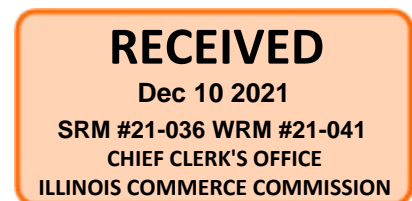
On or before June 1st of each year following the completion of a 12-month measurement period, or on or before February 1 of the year following the completion of the final 10-month period, the Company shall file a petition with the Commission seeking initiation of an annual reconciliation process. The 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.



Issued	December 10 2021 Month Day Year		Effective December 17 2021 Month Day Year	
Issued by	Steve Lubertozzi Name of Officer		President Title	
	500 W. Monroe, Suite 3600, Chicago, Illinois 60661-3779 Address of Officer			