

Regulatory and Environmental Rider (RER)

APPLICABILITY: The Regulatory and Environmental Rider Schedule RER shall be applicable to the Department's Retail Rate Schedules.

PURPOSE OF RIDER: The Regulatory and Environmental Rider is to compensate the Department for annual expenditures for the Department to comply with regulatory and environmental regulations that are not otherwise recovered through the Department's Retail Rate Schedules. The calculation of the Regulatory and Environmental Compliance Rider shall be determined prior to the beginning of the Department's fiscal year and applied to customer bills beginning July 1st as a monthly charge per customer for the fiscal year.

TERMS OF SERVICE: Service rendered under this schedule is subject to the Department's standard rules and regulations.

RER DETERMINATION: The RER will be calculated from the following formula:

$$A = \frac{B + C}{D}$$

Where:

A = Regulatory and Environmental Compliance Rider Rate, expressed as dollar per customer per month rounded to the nearest two (2) decimal places.

B = Regulatory and environmental compliance costs projected for the fiscal year that are to be recovered through this Schedule RER. Regulatory and environmental costs to be recovered include all Department expenditures for operating, capital improvements, investments and related debt service principal and interest payments that are paid or payable to parties, other than Department's employees, which are associated with the Department's compliance with environmental and regulatory mandates that are not included or recovered through the Department's Retail Rate Schedules. Regulatory and environmental costs shall be credited to reflect proceeds received from insurance carriers or other entities for amounts that represent reimbursement of costs associated with regulatory or environmental expenditures.

C = Reconciliation adjustment for any prior over/under collection from prior periods.

D = The annual number of the Department's retail customer billings, excluding borderline customers.