

# HB3038



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

HB3038

by Rep. Theresa Mah

#### SYNOPSIS AS INTRODUCED:

220 ILCS 5/16-118

Amends the Public Utilities Act. Provides that an electric utility with more than 100,000 customers shall not purchase any receivable priced at a higher price than is obtained for consumers through the power procurement process provided under specified provisions of the Act. Provides that only those amounts equal to and less than the price obtained for consumers in the Illinois Power Agency procurement process shall be purchased by an electric utility with more than 100,000 customers and that any costs to the utility associated with this requirement shall be recovered from participating alternative retail electric suppliers. Makes conforming changes. Effective immediately.

LRB100 10219 RJF 20401 b

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Public Utilities Act is amended by changing  
5 Section 16-118 as follows:

6 (220 ILCS 5/16-118)

7 Sec. 16-118. Services provided by electric utilities to  
8 alternative retail electric suppliers.

9 (a) It is in the best interest of Illinois energy consumers  
10 to promote fair and open competition in the provision of  
11 electric power and energy and to prevent anticompetitive  
12 practices in the provision of electric power and energy.  
13 Therefore, to the extent an electric utility provides electric  
14 power and energy or delivery services to alternative retail  
15 electric suppliers and such services are not subject to the  
16 jurisdiction of the Federal Energy Regulatory Commission, and  
17 are not competitive services, they shall be provided through  
18 tariffs that are filed with the Commission, pursuant to Article  
19 IX of this Act. Each electric utility shall permit alternative  
20 retail electric suppliers to interconnect facilities to those  
21 owned by the utility provided they meet established standards  
22 for such interconnection, and may provide standby or other  
23 services to alternative retail electric suppliers. The

1 alternative retail electric supplier shall sign a contract  
2 setting forth the prices, terms and conditions for  
3 interconnection with the electric utility and the prices, terms  
4 and conditions for services provided by the electric utility to  
5 the alternative retail electric supplier in connection with the  
6 delivery by the electric utility of electric power and energy  
7 supplied by the alternative retail electric supplier.

8 (b) An electric utility shall file a tariff pursuant to  
9 Article IX of the Act that would allow alternative retail  
10 electric suppliers or electric utilities other than the  
11 electric utility in whose service area retail customers are  
12 located to issue single bills to the retail customers for both  
13 the services provided by such alternative retail electric  
14 supplier or other electric utility and the delivery services  
15 provided by the electric utility to such customers. The tariff  
16 filed pursuant to this subsection shall (i) require partial  
17 payments made by retail customers to be credited first to the  
18 electric utility's tariffed services, (ii) impose commercially  
19 reasonable terms with respect to credit and collection,  
20 including requests for deposits, (iii) retain the electric  
21 utility's right to disconnect the retail customers, if it does  
22 not receive payment for its tariffed services, in the same  
23 manner that it would be permitted to if it had billed for the  
24 services itself, and (iv) require the alternative retail  
25 electric supplier or other electric utility that elects the  
26 billing option provided by this tariff to include on each bill

1 to retail customers an identification of the electric utility  
2 providing the delivery services and a listing of the charges  
3 applicable to such services. The tariff filed pursuant to this  
4 subsection may also include other just and reasonable terms and  
5 conditions. In addition, an electric utility, an alternative  
6 retail electric supplier or electric utility other than the  
7 electric utility in whose service area the customer is located,  
8 and a customer served by such alternative retail electric  
9 supplier or other electric utility, may enter into an agreement  
10 pursuant to which the alternative retail electric supplier or  
11 other electric utility pays the charges specified in Section  
12 16-108, or other customer-related charges, including taxes and  
13 fees, in lieu of such charges being recovered by the electric  
14 utility directly from the customer.

15 (c) An electric utility with more than 100,000 customers  
16 shall file a tariff pursuant to Article IX of this Act that  
17 provides alternative retail electric suppliers, and electric  
18 utilities other than the electric utility in whose service area  
19 the retail customers are located, with the option to have the  
20 electric utility purchase their receivables for power and  
21 energy service provided to residential retail customers and  
22 non-residential retail customers with a non-coincident peak  
23 demand of less than 400 kilowatts. However, an electric utility  
24 with more than 100,000 customers shall not purchase any  
25 receivable priced at a higher price than is obtained for  
26 consumers through the power procurement process provided under

1 Section 16-111.5 of this Act. Only those amounts equal to and  
2 less than the price obtained for consumers in the Illinois  
3 Power Agency procurement process provided under Section  
4 16-111.5 shall be purchased by an electric utility with more  
5 than 100,000 customers. Any costs to the utility associated  
6 with this requirement shall be recovered from participating  
7 alternative retail electric suppliers. Receivables for power  
8 and energy service of alternative retail electric suppliers or  
9 electric utilities other than the electric utility in whose  
10 service area the retail customers are located shall be  
11 purchased by the electric utility at a just and reasonable  
12 discount rate to be reviewed and approved by the Commission  
13 after notice and hearing. The discount rate shall be based on  
14 the electric utility's historical bad debt and any reasonable  
15 start-up costs and administrative costs associated with the  
16 electric utility's purchase of receivables. The discounted  
17 rate for purchase of receivables shall be included in the  
18 tariff filed pursuant to this subsection (c). The discount rate  
19 filed pursuant to this subsection (c) shall be subject to  
20 periodic Commission review. The electric utility retains the  
21 right to impose the same terms on retail customers with respect  
22 to credit and collection, including requests for deposits, and  
23 retain the electric utility's right to disconnect the retail  
24 customers, if it does not receive payment for its tariffed  
25 services or purchased receivables, in the same manner that it  
26 would be permitted to if the retail customers purchased power

1 and energy from the electric utility. The tariff filed pursuant  
2 to this subsection (c) shall permit the electric utility to  
3 recover from retail customers any uncollected receivables that  
4 may arise as a result of the purchase of receivables under this  
5 subsection (c); however, the uncollected receivables shall not  
6 exceed the price obtained for consumers through the Illinois  
7 Power Agency procurement process provided under Section  
8 16-111.5 of this Act, and may also include other just and  
9 reasonable terms and conditions, and shall provide for the  
10 prudently incurred costs associated with the provision of this  
11 service pursuant to this subsection (c). Nothing in this  
12 subsection (c) permits the double recovery of bad debt expenses  
13 from customers.

14 (d) An electric utility with more than 100,000 customers  
15 shall file a tariff pursuant to Article IX of this Act that  
16 would provide alternative retail electric suppliers or  
17 electric utilities other than the electric utility in whose  
18 service area retail customers are located with the option to  
19 have the electric utility produce and provide single bills to  
20 the retail customers for both the electric power and energy  
21 service provided by the alternative retail electric supplier or  
22 other electric utility and the delivery services provided by  
23 the electric utility to the customers. The tariffs filed  
24 pursuant to this subsection shall require the electric utility  
25 to collect and remit customer payments for electric power and  
26 energy service provided by alternative retail electric

1 suppliers or electric utilities other than the electric utility  
2 in whose service area retail customers are located. The tariff  
3 filed pursuant to this subsection shall require the electric  
4 utility to include on each bill to retail customers an  
5 identification of the alternative retail electric supplier or  
6 other electric utility that elects the billing option. The  
7 tariff filed pursuant to this subsection (d) may also include  
8 other just and reasonable terms and conditions and shall  
9 provide for the recovery of prudently incurred costs associated  
10 with the provision of service pursuant to this subsection (d).  
11 The costs associated with the provision of service pursuant to  
12 this Section shall be subject to periodic Commission review.

13 (e) An electric utility with more than 100,000 customers in  
14 this State shall file a tariff pursuant to Article IX of this  
15 Act that provides alternative retail electric suppliers, and  
16 electric utilities other than the electric utility in whose  
17 service area the retail customers are located, with the option  
18 to have the electric utility purchase 2 billing cycles worth of  
19 uncollectible receivables for power and energy service  
20 provided to residential retail customers and to  
21 non-residential retail customers with a non-coincident peak  
22 demand of less than 400 kilowatts upon returning that customer  
23 to that electric utility for delivery and energy service after  
24 that alternative retail electric supplier, or an electric  
25 utility other than the electric utility in whose service area  
26 the retail customer is located, has made reasonable collection

1 efforts on that account. However, uncollectible receivables  
2 shall not exceed the price obtained for consumers through the  
3 Illinois Power Agency procurement process provided under  
4 Section 16-111.5 of this Act, and uncollectible ~~Uncollectible~~  
5 receivables for power and energy service of alternative retail  
6 electric suppliers, or electric utilities other than the  
7 electric utility in whose service area the retail customers are  
8 located, shall be purchased by the electric utility at a just  
9 and reasonable discount rate to be reviewed and approved by the  
10 Commission, after notice and hearing. The discount rate shall  
11 be based on the electric utility's historical bad debt for  
12 receivables that are outstanding for a similar length of time  
13 and any reasonable start-up costs and administrative costs  
14 associated with the electric utility's purchase of  
15 receivables. The discounted rate for purchase of uncollectible  
16 receivables shall be included in the tariff filed pursuant to  
17 this subsection (e). The electric utility retains the right to  
18 impose the same terms on these retail customers with respect to  
19 credit and collection, including requests for deposits, and  
20 retains the right to disconnect these retail customers, if it  
21 does not receive payment for its tariffed services or purchased  
22 receivables, in the same manner that it would be permitted to  
23 if the retail customers had purchased power and energy from the  
24 electric utility. The tariff filed pursuant to this subsection  
25 (e) shall permit the electric utility to recover from retail  
26 customers any uncollectible ~~uncollectable~~ receivables that may



1 arise as a result of the purchase of uncollectible receivables  
2 under this subsection (e); however, the uncollectible  
3 receivables shall not exceed the price obtained for consumers  
4 through the Illinois Power Agency procurement process provided  
5 under Section 16-111.5 of this Act, and~~7~~ may also include other  
6 just and reasonable terms and conditions, and shall provide for  
7 the prudently incurred costs associated with the provision of  
8 this service pursuant to this subsection (e). Nothing in this  
9 subsection (e) permits the double recovery of utility bad debt  
10 expenses from customers. The electric utility may file a joint  
11 tariff for this subsection (e) and subsection (c) of this  
12 Section.

13 (Source: P.A. 95-700, eff. 11-9-07.)

14 Section 99. Effective date. This Act takes effect upon  
15 becoming law.