



Rep. Lawrence Walsh, Jr.

Filed: 4/20/2021

10200HB1472ham002

LRB102 03488 SPS 25607 a

1 AMENDMENT TO HOUSE BILL 1472

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 1472, AS AMENDED,  
3 by replacing everything after the enacting clause with the  
4 following:

5 "Section 5. The Illinois Administrative Procedure Act is  
6 amended by adding Section 5-45.8 as follows:

7 (5 ILCS 100/5-45.8 new)

8 Sec. 5-45.8. Emergency rulemaking; Public Utilities Act.  
9 To provide for the expeditious and timely implementation of  
10 changes made to the Public Utilities Act by this amendatory  
11 Act of the 102nd General Assembly, emergency rules  
12 implementing the changes made to the Public Utilities Act by  
13 this amendatory Act of the 102nd General Assembly may be  
14 adopted in accordance with Section 5-45 by the Illinois  
15 Commerce Commission. The adoption of emergency rules  
16 authorized by Section 5-45 and this Section is deemed to be

1 necessary for the public interest, safety, and welfare.

2 This Section is repealed on January 1, 2026.

3 Section 10. The Public Utilities Act is amended by adding  
4 Sections 4-701, 4-702, 9-228, and 16-131 as follows:

5 (220 ILCS 5/4-701 new)

6 Sec. 4-701. Electric Utility Independent Monitor.

7 (a) It is the policy of this State to ensure public  
8 utilities adhere to the highest standards of ethical conduct.  
9 Recent events have demonstrated that at least one public  
10 utility in this State has not adhered to the standards of  
11 conduct expected by the State, and as such, has breached the  
12 public trust. The General Assembly finds this offensive  
13 conduct warrants a response that ensures transparency and  
14 ethical standards are adhered to. The General Assembly  
15 therefore declares its intent to impose heightened scrutiny  
16 and rigorous standards to increase transparency and ensure  
17 ethics compliance. Further, it is the intent of the General  
18 Assembly to remediate public utility wrongdoing and penalize  
19 impropriety.

20 (b) This Section applies to electric public utilities  
21 servicing more than 3,000,000 retail customers in the State for  
22 the duration of any deferred prosecution agreement, pending  
23 criminal charges, ongoing criminal investigation, and term of  
24 criminal penalties against the public utility or any of its

1 officers or former officers.

2 (c) Within 60 days after the effective date of this  
3 amendatory Act of the 102nd General Assembly, the Commission  
4 shall begin the process of creating the position of Electric  
5 Utility Independent Monitor. The responsibilities of the  
6 Electric Utility Independent Monitor shall include the  
7 following:

8 (1) developing and publishing annual ethics audits of  
9 electric public utilities serving more than 3,000,000  
10 retail customers in the State;

11 (2) hiring additional staff or contract entities as  
12 necessary to fulfill the obligations of this Section;

13 (3) developing a public reporting system to record  
14 each and every communication, including who was present,  
15 the subject matter discussed, materials provided or  
16 discussed, whether the meeting was in-person, via video,  
17 or telephonic, and the date and time of the communication,  
18 between a representative, employee, officer, or executive  
19 of an electric public utility and a Commissioner,  
20 representative, employee, or staff of the Commission;

21 (4) overseeing an electric public utility's compliance  
22 with the standards described by statute, rule, or court  
23 order regarding standards of ethical conduct;

24 (5) working in coordination with an electric public  
25 utility's highest officer responsible for compliance and  
26 ethics, such as a Chief Compliance and Ethics Officer, to

1 ensure the utility complies with ethics standards provided  
2 by law, rule, and any other applicable authority, through  
3 investigation, enforcement, reporting, and disciplinary  
4 activities, including fines;

5 (6) documenting violations of statutes, rules, court  
6 order, internal controls, Commission orders, or other  
7 applicable authority regarding ethics and transparency and  
8 ensure appropriate internal disciplinary actions are taken  
9 and the violation is reported to the Commission when  
10 appropriate;

11 (7) filing reports with the Commission of each and  
12 every event where an electric public utility has not taken  
13 disciplinary action for a violation of statutes, rules,  
14 court order, internal controls, Commission orders, or  
15 other applicable authority regarding ethics and  
16 transparency, or where the public utility does not take a  
17 disciplinary action that aligns with the recommendation of  
18 the Electric Utility Independent Monitor;

19 (8) recommending to the Commission that it adopt new  
20 internal controls, policies, practices, or procedures to  
21 apply to an electric public utility to ensure compliance  
22 with statute, rule, court order, or other applicable  
23 authority;

24 (9) publishing an annual ethics audit for an electric  
25 public utility subject to this Section describing the  
26 electric public utility's internal controls, policies,

1 practices, and procedures to comply with statutes, rules,  
2 court orders, or other applicable authority; this report  
3 should also include a record of any disciplinary actions  
4 taken related to unethical conduct as well as any  
5 recommendations the Electric Utility Independent Monitor  
6 has made and the public utility's response;

7 (10) detailing deficiencies in a report to the  
8 Commission and the General Assembly that shall include a  
9 recommendation for Commission action if the Electric  
10 Utility Independent Monitor finds that an electric public  
11 utility has not complied with standards set forth by law,  
12 rules, or by other applicable authority; and

13 (11) monitoring, auditing, and subpoenaing all records  
14 necessary for the Electric Utility Independent Monitor to  
15 meet the responsibilities described in this Section and  
16 related rules, including, but not limited to, contracts  
17 with third party entities, accounting records,  
18 communication with public officials or their staff,  
19 lobbying activities, expenses on lobbyists and  
20 consultants, legal expenses, and internal compliance  
21 policies.

22 (d) An electric public utility subject to this Section  
23 shall remit amounts necessary for the Commission to pay the  
24 wages, overhead, travel expenses, and other costs of the  
25 Electric Utility Independent Monitor and staff as determined  
26 by the Commission.

1       (e) An electric public utility's cost of compliance with  
2 this Section is not a cost of service and shall not be  
3 recoverable in rates.

4       (f) Where an electric public utility is the subject of a  
5 federal or State criminal investigation or where the  
6 Commission initiates an investigation of an ethics violation,  
7 the utility's costs related to such investigation are not a  
8 cost of service and shall not be recoverable in rates.

9       (g) The Commission shall have the authority to retain an  
10 independent third party to serve as the Electric Utility  
11 Independent Monitor pursuant to this Section.

12       (h) The Commission shall have the authority to create  
13 rules and emergency rules where applicable to implement this  
14 Section.

15       (220 ILCS 5/4-702 new)

16       Sec. 4-702. Electric utility audit.

17       (a) Within 30 days after the effective date of this  
18 amendatory Act of the 102nd General Assembly, the Commission  
19 may begin the process of contracting with a third party or  
20 hiring additional personnel as needed to conduct an audit  
21 pursuant to this Section.

22       (b) The Commission shall conduct an audit of all electric  
23 systems investments made by a participating utility, other  
24 than a combination utility. This audit shall include a review  
25 of:

1           (1) system upgrade costs and intended benefits;

2           (2) whether the investment was part of the  
3 participating utility's investment obligations under  
4 subsection (b) of Section 16-108.5 of this Act;

5           (3) benefits to ratepayers;

6           (4) efficiencies gained as a result of investments  
7 made by the participating utility;

8           (5) steps taken to minimize costs to consumers; and

9           (6) any other information the Commission determines is  
10 necessary to analyze the costs and benefits of these smart  
11 grid electric systems upgrades.

12           (c) The Commission must prepare and file a final report  
13 with the General Assembly analyzing the costs and benefits of  
14 the smart meter program and other smart grid electric systems  
15 upgrades no later than 2 years after the effective date of this  
16 amendatory Act of the 102nd General Assembly.

17           (d) The Commission is authorized to monitor, audit, and  
18 subpoena all records necessary to meet responsibilities  
19 described in this Section.

20           (e) An electric public utility subject to this Section  
21 shall remit amounts necessary for the Commission to pay the  
22 wages, contract costs, overhead, travel expenses, and other  
23 costs incurred to meet the responsibilities of this Section.  
24 The electric public utility's cost of compliance with this  
25 Section is not a cost of service shall not be recoverable in  
26 rates.

1 (220 ILCS 5/9-228 new)

2 Sec. 9-228. Limits on public utility expenses. The  
3 Commission shall not consider any of the following as an  
4 expense of any public utility company, including any  
5 allocation of those costs to the public utility from an  
6 affiliate or corporate parent for the purpose of determining  
7 any rate or charge, any amount expended for:

8 (1) the pension or other post-employment benefits for  
9 an employee convicted of committing a criminal act in the  
10 course of his or her work with the utility;

11 (2) any severance or post-employment costs for an  
12 employee convicted of committing a criminal act in the  
13 course of his or her work with the utility; and

14 (3) criminal penalties, fines, fees, and costs related  
15 to criminal charges, criminal investigations, or deferred  
16 prosecution agreements.

17 (220 ILCS 5/16-131 new)

18 Sec. 16-131. Criminal penalty electric utility rebate.

19 (a) It is the policy of this State that ethical and  
20 criminal misconduct by electric utilities harms ratepayers by  
21 destroying public trust. The General Assembly finds it  
22 necessary to remediate harm caused by electric utilities by  
23 requiring that criminal penalties, or an amount equal to the  
24 criminal penalty paid by an electric utility, be rebated to



1 ratepayers as restitution for the breach of public trust.

2 (b) Electric utilities shall rebate to ratepayers an  
3 amount equal to the total amount of penalties or fines paid to  
4 the State or federal government in the preceding 12 months as a  
5 result of a criminal investigation, criminal charge, or  
6 deferred prosecution agreement beginning in the year  
7 subsequent to the remittance of the penalty or fine. This  
8 rebate shall be amortized in the rates over a period of 3  
9 years.

10 (c) The rebate amount is not a cost of service and shall  
11 not be recoverable through rates.

12 (d) The utility must file a rebate rider tariff with the  
13 Commission and any bill adjustment resulting from such rebate  
14 rider shall appear as a separate line item on the customer's  
15 bill.

16 (e) An electric utility must submit all information  
17 regarding criminal fines, fees, and penalties annually to the  
18 Commission.

19 (f) The Commission shall have emergency rulemaking  
20 authority to implement this Section.

21 Section 99. Effective date. This Act takes effect upon  
22 becoming law."