



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
HB1242

Introduced 2/9/2005, by Rep. Monique D. Davis

SYNOPSIS AS INTRODUCED:

220 ILCS 5/16-101A

Amends the Public Utilities Act. Makes a technical change in a Section concerning legislative findings.

LRB094 10358 RCE 40628 b

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 16-101A as follows:

6 (220 ILCS 5/16-101A)

7 Sec. 16-101A. Legislative findings.

8 (a) The ~~The~~ citizens and businesses of the State of
9 Illinois have been well-served by a comprehensive electrical
10 utility system which has provided safe, reliable, and
11 affordable service. The electrical utility system in the State
12 of Illinois has historically been subject to State and federal
13 regulation, aimed at assuring the citizens and businesses of
14 the State of safe, reliable, and affordable service, while at
15 the same time assuring the utility system of a return on its
16 investment.

17 (b) Competitive forces are affecting the market for
18 electricity as a result of recent federal regulatory and
19 statutory changes and the activities of other states.
20 Competition in the electric services market may create
21 opportunities for new products and services for customers and
22 lower costs for users of electricity. Long-standing regulatory
23 relationships need to be altered to accommodate the competition
24 that could fundamentally alter the structure of the electric
25 services market.

26 (c) With the advent of increasing competition in this
27 industry, the State has a continued interest in assuring that
28 the safety, reliability, and affordability of electrical power
29 is not sacrificed to competitive pressures, and to that end,
30 intends to implement safeguards to assure that the industry
31 continues to operate the electrical system in a manner that
32 will serve the public's interest. Under the existing regulatory

1 framework, the industry has been encouraged to undertake
2 certain investments in its physical plant and personnel to
3 enhance its efficient operation, the cost of which it has been
4 permitted to pass on to consumers. The State has an interest in
5 providing the existing utilities a reasonable opportunity to
6 obtain a return on certain investments on which they depended
7 in undertaking those commitments in the first instance while,
8 at the same time, not permitting new entrants into the industry
9 to take unreasonable advantage of the investments made by the
10 formerly regulated industry.

11 (d) A competitive wholesale and retail market must benefit
12 all Illinois citizens. The Illinois Commerce Commission should
13 act to promote the development of an effectively competitive
14 electricity market that operates efficiently and is equitable
15 to all consumers. Consumer protections must be in place to
16 ensure that all customers continue to receive safe, reliable,
17 affordable, and environmentally safe electric service.

18 (e) All consumers must benefit in an equitable and timely
19 fashion from the lower costs for electricity that result from
20 retail and wholesale competition and receive sufficient
21 information to make informed choices among suppliers and
22 services. The use of renewable resources and energy efficiency
23 resources should be encouraged in competitive markets.

24 (Source: P.A. 90-561, eff. 12-16-97.)