



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

HB5868

Introduced 11/28/2006, by Rep. Carolyn H. Krause - Tom Cross - William B. Black

#### SYNOPSIS AS INTRODUCED:

220 ILCS 5/16-111.4 new

Amends the Electric Service Customer Choice and Rate Relief Law of 1997 in the Public Utilities Act. Creates the Illinois Residential Rate Relief Act. Requires an electric utility, based on the number of residential customers, to provide a rate phase-in plan to residential customers for the period subsequent to the mandatory transition period. Provides that unrecovered costs of purchasing power and energy to serve residential customers during the period between January 2, 2007 and December 31, 2009 may be deferred for future recovery. Provides that the deferred amounts shall be recovered over a 3-year period beginning in calendar year 2010 and ending in calendar year 2012 for those customers who are part of the rate phase-in plan. Requires electric utilities, based on the number of residential customers, to contribute money toward energy efficiency programs, the purchase of renewable energy, assistance for senior citizens, and bill assistance to low-income customers. Provides that an electric utilities may not increase the electric rates, defer costs, or charge interest to residential customers that were customers prior to July 1, 2006, of all electric home service. Provides that residential customers of all electric home service shall be eligible for the rate phase-in plans beginning in calendar year 2008. Effective immediately.

LRB094 22106 MJR 60736 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

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 adding  
5 Section 16-111.4 as follows:

6 (220 ILCS 5/16-111.4 new)

7 Sec. 16-111.4. Illinois Residential Rate Relief Act.

8 (a) This Section may be referred to as the Illinois  
9 Residential Rate Relief Act.

10 (b) An electric utility must provide its residential  
11 electricity customers an electric rate phase-in plan for the  
12 period subsequent to the mandatory transition period as  
13 follows:

14 (1) An electric utility serving 2,000,000 or more  
15 residential customers must provide its residential  
16 customers a phase-in plan that limits residential rate  
17 increases for electric services in calendar year 2007 to 7%  
18 of the average rate charged in calendar year 2006; in 2008  
19 to 7% of the average rate charged in calendar year 2006;  
20 and in 2009 to 8% of the average rate charged in calendar  
21 year 2006.

22 (2) An electric utility serving more than 100,000 and  
23 less than 2,000,000 residential customers must provide its  
24 customers a rate phase-in plan that limits residential rate  
25 increases for electric services in calendar year 2007 to  
26 14% of the average rate charged in calendar year 2006; in  
27 2008 to 14% of the average rate charged in calendar year  
28 2006; and in 2009 to 14% of the average rate charged in  
29 calendar year 2006.

30 (c) Unrecovered costs of purchasing power and energy to  
31 serve residential customers during the period January 2, 2007  
32 through December 31, 2009 that otherwise would have been

1 charged shall be deferred for future recovery. Deferred amounts  
2 shall be recovered over a 3-year period beginning in calendar  
3 year 2010 and ending in calendar year 2012 from residential  
4 customers that are part of the rate phase-in plan.

5 (d) Electric utilities that are required to provide a  
6 rate-phase in plan under subsection (b) of this Section must  
7 also make the following contributions:

8 (1) An electric utility serving 2,000,000 or more  
9 residential customers must contribute \$25 million toward  
10 energy efficiency programs and the purchase of renewable  
11 energy, of which \$4 million is to assist senior citizens,  
12 \$3 million in additional bill assistance to customers who  
13 qualify for the State's Low Income Home Energy Assistance  
14 Program, and \$3 million in assistance to those low-income  
15 customers who do not qualify for the State's Low Income  
16 Home Energy Assistance Program.

17 (2) An electric utility serving more than 100,000 and  
18 less than 2,000,000 residential customers must invest \$6  
19 million toward energy efficiency programs and \$9 million in  
20 low-income assistance programs.

21 (e) During calendar year 2007, electric utilities may not  
22 increase the electric rates, defer costs, or charge interest to  
23 residential customers that were customers prior to July 1,  
24 2006, of all electric home service. Residential customers of  
25 all electric home service shall be eligible for the rate  
26 phase-in plans under subsections (b) and (c) of this Section  
27 beginning in calendar year 2008.

28 Section 99. Effective date. This Act takes effect upon  
29 becoming law.