



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB1343

Introduced 2/20/2007, by Rep. Mary E. Flowers

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.675 new
220 ILCS 5/8-207.5 new
220 ILCS 5/9-222.4 new
305 ILCS 20/4.5 new

Amends the Public Utilities Act and the Energy Assistance Act to create the Percentage of Income Payment Plan. Provides for the Department of Healthcare and Family Services to establish a percentage of income payment plan for utility service to operate in conjunction with the energy assistance program. Provides that eligible households shall be required to pay not more than 6% of annual income for gas and electric service. Requires the Commerce Commission to establish a universal service surcharge to be imposed upon gas and electric service provided to consumers in Illinois. Provides for the moneys received under the surcharge to be deposited into the Universal Service Surcharge Fund, a special fund in the State treasury. Provides for moneys in the fund to be used, subject to appropriation, to pay a provider of gas or electricity the amount by which the cost of gas or electricity provided to consumers participating in the Percentage of Income Payment Plan exceeded the amount paid by those participants to the provider for that gas or electricity. Amends the State Finance Act to add the Universal Service Surcharge Fund to the list of special funds.

LRB095 09127 DRJ 29320 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning public utilities.

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

4 Section 5. The State Finance Act is amended by adding
5 Section 5.675 as follows:

6 (30 ILCS 105/5.675 new)

7 Sec. 5.675. The Universal Service Surcharge Fund.

8 Section 10. The Public Utilities Act is amended by adding
9 Sections 8-207.5 and 9-222.4 as follows:

10 (220 ILCS 5/8-207.5 new)

11 Sec. 8-207.5. Percentage of Income Payment Plan.

12 (a) An electric or gas public utility that provides service
13 to consumers in Illinois shall participate in the Percentage of
14 Income Payment Plan established under the Energy Assistance
15 Act.

16 (b) As a part of the percentage of income payment plan, an
17 electric or gas public utility shall establish and implement an
18 arrearage forgiveness program for consumers who are
19 participating in the plan. The arrearage forgiveness program
20 shall provide that one-twelfth of a participant's arrearage
21 shall be forgiven for every 3 months of participation in the

1 plan.

2 (c) Notwithstanding any other provision of this Act, an
3 electric or gas public utility may not disconnect service to
4 any residential customer who is a participant in the Percentage
5 of Income Payment Plan.

6 (220 ILCS 5/9-222.4 new)

7 Sec. 9-222.4. Universal Service Fund Surcharge.

8 (a) The Commission shall establish a surcharge (universal
9 service rider) to be imposed by a public utility upon gas and
10 electricity service provided to consumers in this State. The
11 amount that may be recovered under the universal service rider
12 for a given year shall be limited to the amount by which the
13 cost of gas or electricity provided to consumers participating
14 in the Percentage of Income Payment Plan exceeds the amount
15 paid by those consumers for gas or electricity. The amount of
16 the surcharge shall be adjusted each year to reflect the actual
17 costs incurred during the previous year.

18 (b) Moneys received under the universal service rider shall
19 be paid to the Commission and deposited into the Universal
20 Service Surcharge Fund, a special fund hereby created in the
21 State treasury. Subject to appropriation, the moneys in the
22 Universal Service Surcharge Fund shall be used to pay providers
23 of gas or electricity the amount by which the cost of gas or
24 electricity provided to consumers participating in the
25 Percentage of Income Payment Plan exceeded the amount paid by

1 those consumers to the provider for that gas or electricity.

2 Section 15. The Energy Assistance Act is amended by adding
3 Section 4.5 as follows:

4 (305 ILCS 20/4.5 new)

5 Sec. 4.5. Percentage of Income Payment Plan.

6 (a) In addition to the energy assistance program
7 established under Section 4, the Department shall institute a
8 Percentage of Income Payment Plan to further ensure the
9 availability of heating and electric service to low income
10 citizens. The Department shall implement the plan by rule. The
11 plan shall be consistent with the objectives of this Section.
12 The Department shall ensure that the plan is in operation by
13 November 1, 2008, and may enter into such contracts and other
14 agreements with local agencies as may be necessary for the
15 purpose of administering the plan.

16 (b) The plan shall be coordinated with the energy
17 assistance program. Application for benefits shall be made
18 jointly for both the Percentage of Income Payment Plan and the
19 energy assistance program. An applicant for the Percentage of
20 Income Payment Plan must also apply for the energy assistance
21 program. In determining benefit distribution under the energy
22 assistance program and the Percentage of Income Payment Plan,
23 the Department shall consider utility prices, household size,
24 income, and geographic location. The amounts distributed under

1 the energy assistance program shall not exceed 40% of energy
2 costs for the lowest income level of eligible households nor
3 15% of energy costs for the highest income level of eligible
4 households.

5 (c) In order to be eligible for the Percentage of Income
6 Payment Plan, an applicant must have a household income that is
7 at or below 150% of the federal poverty level. A resident
8 eligible to participate in the plan shall be required to pay no
9 more than 6% of his or her annual income for gas and electric
10 service. A resident whose household income is at or below 50%
11 of the federal poverty level shall be required to pay no more
12 than 3% of his or her annual income for gas and electric
13 service. For purposes of this subsection, a consumer's annual
14 gas and electric costs shall be determined after deducting any
15 amounts the consumer receives under the energy assistance
16 program and all other energy assistance programs.