



Least Cost Power Procurement Committee

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09500HB1510ham001

LRB095 10692 MJR 32280 a

1 AMENDMENT TO HOUSE BILL 1510

2 AMENDMENT NO. _____. Amend House Bill 1510 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Public Utilities Act is amended by adding
5 Section 16-103A as follows:

6 (220 ILCS 5/16-103A new)

7 Sec. 16-103A. Provision of standard electric service after
8 the mandatory transition period.

9 (a) Beginning on the effective date of this amendatory Act
10 of the 95th General Assembly, residential and small commercial
11 customers shall be provided standard electric service.
12 Standard electric service shall consist of an electricity
13 supply service priced according to the policies adopted by this
14 Act.

15 (b) Any residential retail customer or small commercial
16 retail customer that is not otherwise being served by an

1 alternative retail electric supplier shall be automatically
2 provided with standard electric service. Any residential
3 retail or small commercial retail customer served by an
4 alternative retail electric supplier shall have the option to
5 select standard electric service at any time.

6 (c) The terms and conditions for standard electric service
7 shall at a minimum reflect the consumer protection programs and
8 policies governing application for service, deposit rules,
9 billing, credit, and collection practices in Chapter 280 of the
10 Commission's rules.

11 (d) Each electric utility shall plan, procure, and provide
12 standard electric service pursuant to a procurement plan for
13 electric supply approved by the Commission after notice and
14 opportunity for public hearing.

15 (e) The price for standard electric service shall be based
16 on the underlying actual and incremental just and reasonable
17 costs incurred by the electric utility to plan, procure, and
18 provide this service. Standard electric service shall not be
19 structured or priced to stimulate or force the development of a
20 competitive retail market. Rather, this service shall operate
21 as a benchmark or price to compare against which alternative
22 retail electric suppliers may market their services.

23 (f) Standard electric service shall be billed and collected
24 by the electric utility in a bill format that identifies the
25 unbundled price for standard electric service, which format
26 shall be approved by the Commission.

1 (g) Within 30 days of the effective date of this amendatory
2 Act of the 95th General Assembly, the Commission shall require
3 each electric utility to undertake the development of and
4 submit a procurement plan for standard electric service within
5 6 months of the effective date of this amendatory Act of the
6 95th General Assembly. The procurement plan shall reflect a
7 minimum 10-year planning and acquisition period. The
8 procurement plan shall be updated annually. Any Standard
9 Electric Service procurement plan shall comply with the
10 following requirements:

11 (1) The plan shall recommend a portfolio that is most
12 likely to provide the lowest total price with reasonable
13 price stability over the term of the plan so as to avoid
14 unusual, anomalous or excessive prices.

15 (2) The plan shall reflect a diversity of electric
16 supply and cost-effective demand reduction contracts and
17 services to be procured in an overlapping pattern of fixed
18 periods at such times and in such a manner that are likely
19 to produce just, reasonable, and reasonably stable prices
20 over the term of the plan.

21 (3) The electric utility shall systematically evaluate
22 and have the authority to propose short-term and long-term
23 contracts for the procurement of electric supply; own and
24 operate facilities for the generation of electric supply;
25 make investments in demand side resources; and take such
26 other actions as approved by the Commission to diversify

1 the standard offer service portfolio and assure compliance
2 with the statutory goals and objectives for this service.

3 (4) The recommended portfolio shall minimize the
4 reliance on short term or spot market transactions
5 consistent with a reasonable assessment of risk with
6 respect to both price and generation supply availability
7 during the term of the plan.

8 (5) The plan shall contain a mechanism to rely on
9 annual price changes for standard electric service that
10 reflects the actual changes in price of the various
11 components of the entire portfolio and minimize, to the
12 extent reasonable, the need for reconciliation of costs
13 associated with price changes in the entire portfolio on an
14 annual basis.

15 (h) The electric utility may recover the actual and
16 incremental costs incurred to manage the standard electric
17 service portfolio. The electric utility may propose an
18 incentive mechanism that establishes a procurement benchmark
19 or benchmarks that relies upon quantifiable objectives and
20 standards, and that balances risks and rewards for the electric
21 utility in meeting the portfolio management goals and
22 objectives as set forth in the approved procurement plan.

23 (i) To the extent possible, the electric utility shall rely
24 on competitive methods of acquiring the products, contracts,
25 and resources that are identified in its procurement plan for
26 standard electric service. The Commission shall approve any

1 proposed method or methods of competitive acquisition as part
2 of its review of the electric utility's proposed standard offer
3 service procurement plan.

4 (j) Standard electric service shall be available to
5 residential and small commercial customers at any time and
6 without the imposition of an additional fee or charge for
7 switching to the service. However, the Commission may adopt
8 minimum terms of service (not to exceed 12 months) or
9 additional fees for switching to alternative retail electric
10 suppliers if the Commission finds, after notice and opportunity
11 for public hearing and comment, that a significant number of
12 residential or small commercial customers have switched or are
13 likely to switch in the near future to alternative retail
14 electric suppliers or aggregators, thus increasing the risk
15 associated with the provision of standard electric service
16 under stable prices for the remaining customers. Any party that
17 proposes to impose minimum terms of service or switching fees
18 on residential or small commercial customers shall demonstrate
19 that switching activity by such customers has or is likely to
20 result in an increase in total costs for standard electric
21 service for that class of customers that exceeds 1% on an
22 annual basis.

23 (k) For purposes of this Section, "small commercial
24 customer" means a group of non-residential customers that are
25 being served by a public utility under a commercial rate and
26 schedule and that are not required to have a demand meter or

1 reflect demand charges in their rate schedules.

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.".