



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB3720

Introduced 2/25/2009, by Rep. Renée Kosel

SYNOPSIS AS INTRODUCED:

220 ILCS 5/8-306

Amends the Public Utilities Act. Provides that a water utility official or his or her designee must notify (i) the local fire officials of any hydrant that it finds necessary to take out of service for water main-related work due to emergency repairs or scheduled maintenance, whenever such maintenance work and hydrant out of service condition is expected to last more than 8 hours or if the main will be unattended at any time during the outage and (ii) the dispatcher or designated fire official of any hydrant reported to be inoperable or expected to operate with a rate of water flow less than a normal rate expected for the hydrant as soon as practical, but in no event more than 2 hours, after receiving the notice from an employee, contractor, police department, or other government official, and, under normal conditions, must have the hydrant restored to service within 48 hours. Provides a fine of \$100 per day for failure to make the notification or repairs, which shall be paid to the fire department or fire protection district. Allows for enforcement by the fire department or fire protection district. Effective immediately.

LRB096 04096 MJR 14135 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 8-306 as follows:

6 (220 ILCS 5/8-306)

7 Sec. 8-306. Special provisions relating to water and sewer
8 utilities.

9 (a) No later than 120 days after the effective date of this
10 amendatory Act of the 94th General Assembly, the Commission
11 shall prepare, make available to customers upon request, and
12 post on its Internet web site information concerning the
13 service obligations of water and sewer utilities and remedies
14 that a customer may pursue for a violation of the customer's
15 rights. The information shall specifically address the rights
16 of a customer of a water or sewer utility in the following
17 situations:

18 (1) The customer's water meter is replaced.

19 (2) The customer's bill increases by more than 50%
20 within one billing period.

21 (3) The customer's water service is terminated.

22 (4) The customer wishes to complain after receiving a
23 termination of service notice.

1 (5) The customer is unable to make payment on a billing
2 statement.

3 (6) A rate is filed, including without limitation a
4 surcharge or annual reconciliation filing, that will
5 increase the amount billed to the customer.

6 (7) The customer is billed for services provided prior
7 to the date covered by the billing statement.

8 (8) The customer is due to receive a credit.

9 Each billing statement issued by a water or sewer utility
10 shall include an Internet web site address where the customer
11 can view the information required under this subsection (a) and
12 a telephone number that the customer may call to request a copy
13 of the information.

14 (b) A water or sewer utility may discontinue service only
15 after it has mailed or delivered by other means a written
16 notice of discontinuance substantially in the form of Appendix
17 A of 83 Ill. Adm. Code 280. The notice must include the
18 Internet web site address where the customer can view the
19 information required under subsection (a) and a telephone
20 number that the customer may call to request a copy of the
21 information. Any notice required to be delivered or mailed to a
22 customer prior to discontinuance of service shall be delivered
23 or mailed separately from any bill. Service shall not be
24 discontinued until at least 5 days after delivery or 8 days
25 after the mailing of this notice. Service shall not be
26 discontinued and shall be restored if discontinued for the

1 reason which is the subject of a dispute or complaint during
2 the pendency of informal or formal complaint procedures of the
3 Illinois Commerce Commission under 83 Ill. Adm. Code 280.160 or
4 280.170, where the customer has complied with those rules.
5 Service shall not be discontinued and shall be restored if
6 discontinued where a customer has established a deferred
7 payment agreement pursuant to 83 Ill. Adm. Code 280.110 and has
8 not defaulted on such agreement. Residential customers who are
9 indebted to a utility for past due utility service shall have
10 the opportunity to make arrangements with the utility to retire
11 the debt by periodic payments, referred to as a deferred
12 payment agreement, unless this customer has failed to make
13 payment under such a plan during the past 12 months. The terms
14 and conditions of a reasonable deferred payment agreement shall
15 be determined by the utility after consideration of the
16 following factors, based upon information available from
17 current utility records or provided by the customer or
18 applicant:

- 19 (1) size of the past due account;
- 20 (2) customer or applicant's ability to pay;
- 21 (3) customer or applicant's payment history;
- 22 (4) reason for the outstanding indebtedness; and
- 23 (5) any other relevant factors relating to the
24 circumstances of the customer or applicant's service.

25 A residential customer shall pay a maximum of one-fourth of the
26 amount past due and owing at the time of entering into the

1 deferred payment agreement, and the water or sewer utility
2 shall allow a minimum of 2 months from the date of the
3 agreement and a maximum of 12 months for payment to be made
4 under a deferred payment agreement. Late payment charges may be
5 assessed against the amount owing that is the subject of a
6 deferred payment agreement.

7 (c) A water or sewer utility shall provide notice as
8 required by subsection (a) of Section 9-201 after the filing of
9 each information sheet under a purchased water surcharge,
10 purchased sewage treatment surcharge, or qualifying
11 infrastructure plant surcharge. The utility also shall post
12 notice of the filing in accordance with the requirements of 83
13 Ill. Adm. Code 255. Unless filed as part of a general rate
14 increase, notice of the filing of a purchased water surcharge
15 rider, purchased sewage treatment surcharge rider, or
16 qualifying infrastructure plant surcharge rider also shall be
17 given in the manner required by this subsection (c) for the
18 filing of information sheets.

19 (d) Commission rules pertaining to formal and informal
20 complaints against public utilities shall apply with full and
21 equal force to water and sewer utilities and their customers,
22 including provisions of 83 Ill. Adm. Code 280.170, and the
23 Commission shall respond to each complaint by providing the
24 consumer with a copy of the utility's response to the complaint
25 and a copy of the Commission's review of the complaint and its
26 findings. The Commission shall also provide the consumer with

1 all available options for recourse.

2 (e) Any refund shown on the billing statement of a customer
3 of a water or sewer utility must be itemized and must state if
4 the refund is an adjustment or credit.

5 (f) Water service for building construction purposes. At
6 the request of any municipality or township within the service
7 area of a public utility that provides water service to
8 customers within the municipality or township, a public utility
9 must (1) require all water service used for building
10 construction purposes to be measured by meter and subject to
11 approved rates and charges for metered water service and (2)
12 prohibit the unauthorized use of water taken from hydrants or
13 service lines installed at construction sites.

14 (g) Water meters.

15 (1) Periodic testing. Unless otherwise approved by the
16 Commission, each service water meter shall be periodically
17 inspected and tested in accordance with the schedule
18 specified in 83 Ill. Adm. Code 600.340, or more frequently
19 as the results may warrant, to insure that the meter
20 accuracy is maintained within the limits set out in 83 Ill.
21 Adm. Code 600.310.

22 (2) Meter tests requested by customer.

23 (A) Each utility furnishing metered water service
24 shall, without charge, test the accuracy of any meter
25 upon request by the customer served by such meter,
26 provided that the meter in question has not been tested

1 by the utility or by the Commission within 2 years
2 previous to such request. The customer or his or her
3 representatives shall have the privilege of witnessing
4 the test at the option of the customer. A written
5 report, giving the results of the test, shall be made
6 to the customer.

7 (B) When a meter that has been in service less than
8 2 years since its last test is found to be accurate
9 within the limits specified in 83 Ill. Adm. Code
10 600.310, the customer shall pay a fee to the utility
11 not to exceed the amounts specified in 83 Ill. Adm.
12 Code 600.350(b). Fees for testing meters not included
13 in this Section or so located that the cost will be out
14 of proportion to the fee specified will be determined
15 by the Commission upon receipt of a complete
16 description of the case.

17 (3) Commission referee tests. Upon written application
18 to the Commission by any customer, a test will be made of
19 the customer's meter by a representative of the Commission.
20 For such a test, a fee as provided for in subsection (g) (2)
21 shall accompany the application. If the meter is found to
22 be registering more than 1.5% fast on the average when
23 tested as prescribed in 83 Ill. Adm. Code 600.310, the
24 utility shall refund to the customer the amount of the fee.
25 The utility shall in no way disturb the meter after a
26 customer has made an application for a referee test until

1 authority to do so is given by the Commission or the
2 customer in writing.

3 (h) Water and sewer utilities; low usage. Each public
4 utility that provides water and sewer service must establish a
5 unit sewer rate, subject to review by the Commission, that
6 applies only to those customers who use less than 1,000 gallons
7 of water in any billing period.

8 (i) Water and sewer utilities; separate meters. Each public
9 utility that provides water and sewer service must offer
10 separate rates for water and sewer service to any commercial or
11 residential customer who uses separate meters to measure each
12 of those services. In order for the separate rate to apply, a
13 combination of meters must be used to measure the amount of
14 water that reaches the sewer system and the amount of water
15 that does not reach the sewer system.

16 (j) Each water or sewer public utility must disclose on
17 each billing statement any amount billed that is for service
18 provided prior to the date covered by the billing statement.
19 The disclosure must include the dates for which the prior
20 service is being billed. Each billing statement that includes
21 an amount billed for service provided prior to the date covered
22 by the billing statement must disclose the dates for which that
23 amount is billed and must include a copy of the document
24 created under subsection (a) and a statement of current
25 Commission rules concerning unbilled or misbilled service.

26 (k) When the customer is due a refund resulting from

1 payment of an overcharge, the utility shall credit the customer
2 in the amount of overpayment with interest from the date of
3 overpayment by the customer. The rate for interest shall be at
4 the appropriate rate determined by the Commission under 83 Ill.
5 Adm. Code 280.70.

6 (l) Water and sewer public utilities; subcontractors. The
7 Commission shall adopt rules for water and sewer public
8 utilities to provide notice to the customers of the proper kind
9 of identification that a subcontractor must present to the
10 customer, to prohibit a subcontractor from soliciting or
11 receiving payment of any kind for any service provided by the
12 water or sewer public utility or the subcontractor, and to
13 establish sanctions for violations.

14 (m) Water and sewer public utilities; unaccounted-for
15 water. By December 31, 2006, each water public utility shall
16 file tariffs with the Commission to establish the maximum
17 percentage of unaccounted-for water that would be considered in
18 the determination of any rates or surcharges. The rates or
19 surcharges approved for a water public utility shall not
20 include charges for unaccounted-for water in excess of this
21 maximum percentage without well-documented support and
22 justification for the Commission to consider in any request to
23 recover charges in excess of the tariffed maximum percentage.

24 (n) Rate increases; public forums. When any public utility
25 providing water or sewer service proposes a general rate
26 increase, in addition to other notice requirements, the water

1 or sewer public utility must notify its customers of their
2 right to request a public forum. A customer or group of
3 customers must make written request to the Commission for a
4 public forum and must also provide written notification of the
5 request to the customer's municipal or, for unincorporated
6 areas, township government. The Commission, at its discretion,
7 may schedule the public forum. If it is determined that public
8 forums are required for multiple municipalities or townships,
9 the Commission shall schedule these public forums, in locations
10 within approximately 45 minutes drive time of the
11 municipalities or townships for which the public forums have
12 been scheduled. The public utility must provide advance notice
13 of 30 days for each public forum to the governing bodies of
14 those units of local government affected by the increase. The
15 day of each public forum shall be selected so as to encourage
16 the greatest public participation. Each public forum will begin
17 at 7:00 p.m. Reports and comments made during or as a result of
18 each public forum must be made available to the hearing
19 officials and reviewed when drafting a recommended or tentative
20 decision, finding or order pursuant to Section 10-111 of this
21 Act.

22 (o) A water utility official or his or her designee must
23 notify the local fire officials of any hydrant that it finds
24 necessary to take out of service for water main-related work
25 due to emergency repairs or scheduled maintenance, whenever
26 such maintenance work and hydrant out of service condition is

1 expected to last more than 8 hours or if the main will be
2 unattended at any time during the outage. Such notification
3 shall be made at least 24 hours prior to the outage in the case
4 of scheduled maintenance and as soon as practical in the case
5 of emergency repairs. Notice must be provided to a pre-arranged
6 phone number or in such other manner as may be established by
7 agreement between the water utility management and the
8 respective local fire officials. In circumstances where notice
9 is given in accordance with this subsection (o), notice that
10 the hydrant is restored to service must be given as soon as
11 practical, but in no event more than 2 hours after work on the
12 main is complete.

13 New hydrants installed in association with the
14 installation of water mains must be wrapped in plastic or
15 otherwise marked as agreed with the local fire officials as an
16 immediate indicator that such hydrants are not available for
17 service. The plastic wrapping or other marking must be removed
18 from new hydrants when they are placed in service.

19 A water utility official or his or her designee must notify
20 the dispatcher or designated fire official of any hydrant
21 reported to be inoperable or expected to operate with a rate of
22 water flow less than a normal rate expected for the hydrant as
23 soon as practical, but in no event more than 2 hours, after
24 receiving the notice from an employee, contractor, police
25 department, or other government official, and, under normal
26 conditions, must have the hydrant restored to service within 48

1 hours. When adverse weather or other conditions prohibit
2 restoration in 48 hours the water utility must so notify the
3 designated fire official. As soon as practical, but in no event
4 more than 2 hours, after receiving confirmation from work crews
5 that the inoperable hydrant has been restored to service or
6 that the hydrant is expected to operate with an available rate
7 of water flow consistent with a normal rate of water flow
8 expected for the hydrant, the official or his or her designee
9 must so notify the fire officials. The method of notice for
10 each instance of notice must be established by agreement
11 between the water utility and the respective local fire
12 officials. A water utility that fails to provide notice or
13 repair as stipulated in the subsection (o), notwithstanding
14 any other provisions of the Public Utility Act, shall be fined
15 \$100 per day to be paid to the fire department or fire
16 protection district in which the violation occurred. The fire
17 department or fire protection district may enforce this
18 subsection (o).

19 (Source: P.A. 94-950, eff. 6-27-06.)

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