



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

SB1397

Introduced 2/11/2009, by Sen. James F. Clayborne, Jr.

#### SYNOPSIS AS INTRODUCED:

220 ILCS 5/16-118

Amends the Electric Service Customer Choice and Rate Relief Law of 1997 in the Public Utilities Act. Provides that an electric utility with more than 100,000 customers in the State shall file a tariff pursuant to specified provisions that provides alternative retail electric suppliers, and electric utilities other than the electric utility in whose service area the retail customers are located, with the option to have the electric utility purchase 2 billing cycles worth of uncollectible receivables for power and energy service provided to residential retail customers and to non-residential retail customers (instead of non-residential retail customers with a non-coincident peak demand of less than 400 kilowatts) upon returning that customer to that electric utility for delivery and energy service after that alternative retail electric supplier, or an electric utility other than the electric utility in whose service area the retail customer is located, has made reasonable collection efforts on that account. Makes a technical correction. Effective immediately.

LRB096 09008 MJR 19147 b

1 AN ACT concerning utilities.

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 16-118 as follows:

6 (220 ILCS 5/16-118)

7 Sec. 16-118. Services provided by electric utilities to  
8 alternative retail electric suppliers.

9 (a) It is in the best interest of Illinois energy consumers  
10 to promote fair and open competition in the provision of  
11 electric power and energy and to prevent anticompetitive  
12 practices in the provision of electric power and energy.  
13 Therefore, to the extent an electric utility provides electric  
14 power and energy or delivery services to alternative retail  
15 electric suppliers and such services are not subject to the  
16 jurisdiction of the Federal Energy Regulatory Commission, and  
17 are not competitive services, they shall be provided through  
18 tariffs that are filed with the Commission, pursuant to Article  
19 IX of this Act. Each electric utility shall permit alternative  
20 retail electric suppliers to interconnect facilities to those  
21 owned by the utility provided they meet established standards  
22 for such interconnection, and may provide standby or other  
23 services to alternative retail electric suppliers. The

1 alternative retail electric supplier shall sign a contract  
2 setting forth the prices, terms and conditions for  
3 interconnection with the electric utility and the prices, terms  
4 and conditions for services provided by the electric utility to  
5 the alternative retail electric supplier in connection with the  
6 delivery by the electric utility of electric power and energy  
7 supplied by the alternative retail electric supplier.

8 (b) An electric utility shall file a tariff pursuant to  
9 Article IX of the Act that would allow alternative retail  
10 electric suppliers or electric utilities other than the  
11 electric utility in whose service area retail customers are  
12 located to issue single bills to the retail customers for both  
13 the services provided by such alternative retail electric  
14 supplier or other electric utility and the delivery services  
15 provided by the electric utility to such customers. The tariff  
16 filed pursuant to this subsection shall (i) require partial  
17 payments made by retail customers to be credited first to the  
18 electric utility's tariffed services, (ii) impose commercially  
19 reasonable terms with respect to credit and collection,  
20 including requests for deposits, (iii) retain the electric  
21 utility's right to disconnect the retail customers, if it does  
22 not receive payment for its tariffed services, in the same  
23 manner that it would be permitted to if it had billed for the  
24 services itself, and (iv) require the alternative retail  
25 electric supplier or other electric utility that elects the  
26 billing option provided by this tariff to include on each bill

1 to retail customers an identification of the electric utility  
2 providing the delivery services and a listing of the charges  
3 applicable to such services. The tariff filed pursuant to this  
4 subsection may also include other just and reasonable terms and  
5 conditions. In addition, an electric utility, an alternative  
6 retail electric supplier or electric utility other than the  
7 electric utility in whose service area the customer is located,  
8 and a customer served by such alternative retail electric  
9 supplier or other electric utility, may enter into an agreement  
10 pursuant to which the alternative retail electric supplier or  
11 other electric utility pays the charges specified in Section  
12 16-108, or other customer-related charges, including taxes and  
13 fees, in lieu of such charges being recovered by the electric  
14 utility directly from the customer.

15 (c) An electric utility with more than 100,000 customers  
16 shall file a tariff pursuant to Article IX of this Act that  
17 provides alternative retail electric suppliers, and electric  
18 utilities other than the electric utility in whose service area  
19 the retail customers are located, with the option to have the  
20 electric utility purchase their receivables for power and  
21 energy service provided to residential retail customers and  
22 non-residential retail customers with a non-coincident peak  
23 demand of less than 400 kilowatts. Receivables for power and  
24 energy service of alternative retail electric suppliers or  
25 electric utilities other than the electric utility in whose  
26 service area the retail customers are located shall be

1 purchased by the electric utility at a just and reasonable  
2 discount rate to be reviewed and approved by the Commission  
3 after notice and hearing. The discount rate shall be based on  
4 the electric utility's historical bad debt and any reasonable  
5 start-up costs and administrative costs associated with the  
6 electric utility's purchase of receivables. The discounted  
7 rate for purchase of receivables shall be included in the  
8 tariff filed pursuant to this subsection (c). The discount rate  
9 filed pursuant to this subsection (c) shall be subject to  
10 periodic Commission review. The electric utility retains the  
11 right to impose the same terms on retail customers with respect  
12 to credit and collection, including requests for deposits, and  
13 retain the electric utility's right to disconnect the retail  
14 customers, if it does not receive payment for its tariffed  
15 services or purchased receivables, in the same manner that it  
16 would be permitted to if the retail customers purchased power  
17 and energy from the electric utility. The tariff filed pursuant  
18 to this subsection (c) shall permit the electric utility to  
19 recover from retail customers any uncollected receivables that  
20 may arise as a result of the purchase of receivables under this  
21 subsection (c), may also include other just and reasonable  
22 terms and conditions, and shall provide for the prudently  
23 incurred costs associated with the provision of this service  
24 pursuant to this subsection (c). Nothing in this subsection (c)  
25 permits the double recovery of bad debt expenses from  
26 customers.

1           (d) An electric utility with more than 100,000 customers  
2 shall file a tariff pursuant to Article IX of this Act that  
3 would provide alternative retail electric suppliers or  
4 electric utilities other than the electric utility in whose  
5 service area retail customers are located with the option to  
6 have the electric utility produce and provide single bills to  
7 the retail customers for both the electric power and energy  
8 service provided by the alternative retail electric supplier or  
9 other electric utility and the delivery services provided by  
10 the electric utility to the customers. The tariffs filed  
11 pursuant to this subsection shall require the electric utility  
12 to collect and remit customer payments for electric power and  
13 energy service provided by alternative retail electric  
14 suppliers or electric utilities other than the electric utility  
15 in whose service area retail customers are located. The tariff  
16 filed pursuant to this subsection shall require the electric  
17 utility to include on each bill to retail customers an  
18 identification of the alternative retail electric supplier or  
19 other electric utility that elects the billing option. The  
20 tariff filed pursuant to this subsection (d) may also include  
21 other just and reasonable terms and conditions and shall  
22 provide for the recovery of prudently incurred costs associated  
23 with the provision of service pursuant to this subsection (d).  
24 The costs associated with the provision of service pursuant to  
25 this Section shall be subject to periodic Commission review.

26           (e) An electric utility with more than 100,000 customers in

1 this State shall file a tariff pursuant to Article IX of this  
2 Act that provides alternative retail electric suppliers, and  
3 electric utilities other than the electric utility in whose  
4 service area the retail customers are located, with the option  
5 to have the electric utility purchase 2 billing cycles worth of  
6 uncollectible receivables for power and energy service  
7 provided to residential retail customers and to  
8 non-residential retail customers ~~with a non-coincident peak~~  
9 ~~demand of less than 400 kilowatts~~ upon returning that customer  
10 to that electric utility for delivery and energy service after  
11 that alternative retail electric supplier, or an electric  
12 utility other than the electric utility in whose service area  
13 the retail customer is located, has made reasonable collection  
14 efforts on that account. Uncollectible receivables for power  
15 and energy service of alternative retail electric suppliers, or  
16 electric utilities other than the electric utility in whose  
17 service area the retail customers are located, shall be  
18 purchased by the electric utility at a just and reasonable  
19 discount rate to be reviewed and approved by the Commission,  
20 after notice and hearing. The discount rate shall be based on  
21 the electric utility's historical bad debt for receivables that  
22 are outstanding for a similar length of time and any reasonable  
23 start-up costs and administrative costs associated with the  
24 electric utility's purchase of receivables. The discounted  
25 rate for purchase of uncollectible receivables shall be  
26 included in the tariff filed pursuant to this subsection (e).

1 The electric utility retains the right to impose the same terms  
2 on these retail customers with respect to credit and  
3 collection, including requests for deposits, and retains the  
4 right to disconnect these retail customers, if it does not  
5 receive payment for its tariffed services or purchased  
6 receivables, in the same manner that it would be permitted to  
7 if the retail customers had purchased power and energy from the  
8 electric utility. The tariff filed pursuant to this subsection  
9 (e) shall permit the electric utility to recover from retail  
10 customers any uncollectible ~~uncollectable~~ receivables that may  
11 arise as a result of the purchase of uncollectible receivables  
12 under this subsection (e), may also include other just and  
13 reasonable terms and conditions, and shall provide for the  
14 prudently incurred costs associated with the provision of this  
15 service pursuant to this subsection (e). Nothing in this  
16 subsection (e) permits the double recovery of utility bad debt  
17 expenses from customers. The electric utility may file a joint  
18 tariff for this subsection (e) and subsection (c) of this  
19 Section.

20 (Source: P.A. 95-700, eff. 11-9-07.)

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