



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB1288

Introduced 02/09/11, by Rep. Michael W. Tryon

SYNOPSIS AS INTRODUCED:

220 ILCS 5/9-220.2

Amends the Public Utilities Act. Provides that the Illinois Commerce Commission shall authorize a water or sewer utility to file a surcharge that adjusts rates and charges to provide for recovery of the costs of any increase in the water or sewer utility's gross receipts tax rate set forth in a certain provision of the Act, federal income tax rate, or State income tax rate. Provides that the Commission shall review and, by order, approve or approve as modified the surcharge within 180 days after the date on which it is filed.

LRB097 09165 ASK 49300 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 Public Utilities Act is amended by adding
5 Section 9-220.2 as follows:

6 (220 ILCS 5/9-220.2)

7 Sec. 9-220.2. Water and sewer surcharges authorized.

8 (a) The Commission may authorize a water or sewer utility
9 to file a surcharge which adjusts rates and charges to provide
10 for recovery of (i) the cost of purchased water, (ii) the cost
11 of purchased sewage treatment service, (iii) other costs which
12 fluctuate for reasons beyond the utility's control or are
13 difficult to predict, or (iv) costs associated with an
14 investment in qualifying infrastructure plant, independent of
15 any other matters related to the utility's revenue requirement.
16 A surcharge approved under this Section can operate on an
17 historical or a prospective basis.

18 (a-5) The Commission shall authorize a water or sewer
19 utility to file a surcharge that adjusts rates and charges to
20 provide for recovery of the costs of any increase in the water
21 or sewer utility's gross receipts tax rate set forth in Section
22 2-202 of this Act, federal income tax rate, or State income tax
23 rate.

1 (b) For purposes of this Section, "costs associated with an
2 investment in qualifying infrastructure plant" include a
3 return on the investment in and depreciation expense related to
4 plant items or facilities (including, but not limited to,
5 replacement mains, meters, services, and hydrants) which (i)
6 are not reflected in the rate base used to establish the
7 utility's base rates and (ii) are non-revenue producing. For
8 purposes of this Section, a "non-revenue producing facility" is
9 one that is not constructed or installed for the purpose of
10 serving a new customer.

11 (c) On a periodic basis, the Commission shall initiate
12 hearings to reconcile amounts collected under each surcharge
13 authorized pursuant to this Section with the actual prudently
14 incurred costs recoverable for each annual period during which
15 the surcharge was in effect. In the case of a surcharge for the
16 recovery of costs under subsection (a-5) of this Section, the
17 Commission shall review and, by order, approve or approve as
18 modified the surcharge within 180 days after the date on which
19 the utility filed under this Section.

20 (Source: P.A. 91-638, eff. 1-1-00.)