



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB1828

Introduced 1/29/2025, by Rep. Jay Hoffman

#### SYNOPSIS AS INTRODUCED:

220 ILCS 5/9-211.5 new

Amends the Public Utilities Act. Provides that the Illinois Commerce Commission, in a general rate case proceeding initiated by a public utility that provides water and wastewater service in Illinois, is authorized to approve rate designs requested by a public utility that provides water and wastewater service in Illinois if it finds that such rate designs will enhance the equitable provision of safe, reliable, and affordable water and wastewater services or are otherwise in the public interest. Provides that if the Commission finds that any rate design will enhance the equitable provision of safe, reliable, and affordable water and wastewater services or is in the public interest, the Commission shall enter an order approving such rate design. Requires the Commission to take certain evidence presented by the public utility into account when entering its order. Provides that the Commission may require the public utility, in addition to and as part of the required notice to its customers, to provide a description of any rate design being considered in the proceeding, a statement of the estimated bill impact as a result of rate design approved by the Commission, and any other information that the Commission deems necessary. Provides that the Commission may adopt rules to implement the provisions. Effective immediately.

LRB104 07324 AAS 17363 b

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 adding  
5 Section 9-211.5 as follows:

6 (220 ILCS 5/9-211.5 new)

7 Sec. 9-211.5. Water and wastewater rate design.

8 (a) The General Assembly finds that:

9 (1) The State of Illinois should enact rate design  
10 policies that support prudent and timely investment in  
11 water and wastewater infrastructure by public utilities  
12 that provide water and wastewater services, in order for  
13 all customers of these utilities to receive safe,  
14 reliable, and affordable water and wastewater services in  
15 accordance with the provisions of this Section.

16 (2) The regulated water and wastewater industry is  
17 differently situated with respect to customer bases and  
18 service territory composition when compared to other  
19 utilities.

20 (3) With respect to the regulated water and wastewater  
21 industry, current Illinois statutes do not currently  
22 provide express regulatory flexibility regarding rate  
23 design mechanisms or models. In addition, recent

1 Commission Orders acknowledged that the General Assembly  
2 may wish to provide guidance to the Commission on rate  
3 design policies.

4 (b) The Commission, in a general rate case proceeding  
5 pursuant to Section 9-201 of this Act initiated by a public  
6 utility that provides water and wastewater service in  
7 Illinois, is authorized to approve rate designs requested by a  
8 public utility that provides water and wastewater service in  
9 Illinois, including rate designs that allocate costs or  
10 revenues to different classes or types of service, if it finds  
11 that such rate designs will enhance the equitable provision of  
12 safe, reliable, and affordable water and wastewater services  
13 or are otherwise in the public interest. Such authority shall  
14 include the authority to approve rate designs requested by a  
15 public utility that provides water and wastewater service in  
16 Illinois that do not follow traditional rate design  
17 principles, including cost causation.

18 (c) A public utility that provides water and wastewater  
19 service in Illinois and requests approval of proposed rate  
20 designs consistent with the authority in subsection (b) shall  
21 present specific evidence explaining and justifying the  
22 proposal, including evidence of each of the following:

23 (1) the current rates of the existing customers of the  
24 water and wastewater public utility;

25 (2) the capital investment or investments made or  
26 planned by the water and wastewater public utility that

1 would be supported by the proposed rate design;

2 (3) the level and history of investment, to the extent  
3 known, in any water or wastewater system that would  
4 benefit from the proposed rate design by the previous  
5 owner or operator of a water or wastewater system;

6 (4) future capital investment needs for water or  
7 wastewater systems that would benefit from the proposed  
8 rate design;

9 (5) the overall benefit that the proposed rate design  
10 would have on the water and wastewater public utility's  
11 customer base statewide if approved by the Commission;

12 (6) publicly available data on income levels of the  
13 customers in the service territories potentially affected  
14 by the proposed rate design; and

15 (7) how the proposed rate design would enhance the  
16 equitable provision of safe, reliable, and affordable  
17 water and wastewater services or is otherwise in the  
18 public interest.

19 (d) If, after considering the public utility's evidence as  
20 set forth in subsection (c), the Commission finds that the  
21 rate design requested by a public utility that provides water  
22 and wastewater service in Illinois, including rate designs  
23 that allocate costs or revenues to different classes or types  
24 of service, will enhance the equitable provision of safe,  
25 reliable, and affordable water and wastewater services or is  
26 in the public interest, the Commission shall enter an order

1 approving such rate design.

2 (e) The Commission may require the public utility in a  
3 proceeding under subsection (b), in addition to and as part of  
4 the required notice to its customers pursuant to Section  
5 9-201, to provide a description of any rate design being  
6 considered in the proceeding, a statement of the estimated  
7 bill impact as a result of any rate design approved pursuant to  
8 this Section, and any other information regarding the approved  
9 rate design that the Commission deems necessary.

10 (f) Nothing in this Section shall be deemed to be in  
11 conflict with nor construed to be in violation of any  
12 provision of this Act, including, but not limited to, any  
13 provision of this Article or Article VIII.

14 (g) The Commission may adopt rules to implement this  
15 Section.

16 Section 99. Effective date. This Act takes effect upon  
17 becoming law.