



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3822

Introduced 2/6/2026, by Sen. Jil Tracy

SYNOPSIS AS INTRODUCED:

220 ILCS 5/9-224	from Ch. 111 2/3, par. 9-224
220 ILCS 5/9-225	from Ch. 111 2/3, par. 9-225
220 ILCS 5/9-227	from Ch. 111 2/3, par. 9-227
220 ILCS 5/9-229	

Amends the Public Utilities Act. Provides that the Illinois Commerce Commission shall not consider as an expense of any public utility, for the purpose of determining any rate or charge, any amount expended for contributions or gifts to political candidates, political parties, political or legislative committees, or any committee or organization working to influence referendum petitions or elections or contributions to a trade association, chamber of commerce, or public charity, including, but not limited to, a charity managed by the public utility or an affiliated interest. Makes changes in provisions definitions; donations made by a public utility for energy assistance; consideration of attorney and expert compensation as an expense; and the Consumer Intervenor Compensation Fund.

LRB104 17148 AAS 30567 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 changing
5 Sections 9-224, 9-225, 9-227, and 9-229 as follows:

6 (220 ILCS 5/9-224) (from Ch. 111 2/3, par. 9-224)

7 Sec. 9-224. The Commission shall not consider as an
8 expense of any public utility ~~company~~, for the purpose of
9 determining any rate or charge, any amount expended for
10 political activity or lobbying as defined in the "Lobbyist
11 Registration Act". The Commission shall also not consider as
12 an expense of any public utility, for the purpose of
13 determining any rate or charge, any amount expended for
14 contributions or gifts to political candidates, political
15 parties, political or legislative committees, or any committee
16 or organization working to influence referendum petitions or
17 elections or contributions to a trade association, chamber of
18 commerce, or public charity, including, but not limited to, a
19 charity managed by the public utility or an affiliated
20 interest.

21 (Source: P.A. 84-617.)

22 (220 ILCS 5/9-225) (from Ch. 111 2/3, par. 9-225)

1 Sec. 9-225. (1) For the purposes of this Section:

2 (a) "Advertising" means the commercial use, by an
3 electric, gas, water, or sewer utility, of any media,
4 including newspapers, printed matter, radio and
5 television, in order to transmit a message to a
6 substantial number of members of the public or to such
7 utility's consumers;

8 (b) "Political advertising" means any advertising for
9 the purpose of influencing public opinion with respect to
10 legislative, administrative or electoral matters, or with
11 respect to any controversial issue of public importance;

12 (c) "Promotional advertising" means any advertising
13 for the purpose of encouraging any person to select or use
14 the service or additional service of a utility or the
15 selection or installation of any appliance or equipment
16 designed to use such utility's service; and

17 (d) "Goodwill or institutional advertising" means any
18 advertising either on a local or national basis designed
19 primarily to bring the utility's name before the general
20 public in such a way as to improve the image of the utility
21 or to promote controversial issues for the utility or the
22 industry.

23 (2) In any general rate increase requested by any gas,
24 electric, water, or sewer utility company under the provisions
25 of this Act, the Commission shall not consider, for the
26 purpose of determining any rate, charge, or classification of

1 costs, any direct or indirect expenditures for promotional,
2 political, or goodwill or institutional advertising ~~or~~
3 ~~goodwill~~ advertising, unless the Commission finds the
4 advertising to be in the best interest of the Consumer or
5 authorized as provided pursuant to subsection 3 of this
6 Section.

7 (3) The following categories of advertising shall be
8 considered allowable operating expenses for gas, electric,
9 water, or sewer utilities:

10 (a) Advertising which informs consumers how they can
11 conserve energy or water, reduce peak demand for electric
12 or gas energy, or reduce demand for water;

13 (b) Advertising required by law or regulations,
14 including advertising required under Part I of Title II of
15 the National Energy Conservation Policy Act;

16 (c) Advertising regarding service interruptions,
17 safety measures or emergency conditions;

18 (d) Advertising concerning employment opportunities
19 with such utility;

20 (e) Advertising which promotes the use of energy
21 efficient appliances, equipment or services;

22 (f) Explanations of existing or proposed rate
23 schedules or notifications of hearings thereon;

24 (g) Advertising that identifies the location and
25 operating hours of company business offices;

26 (h) Advertising which promotes the shifting of demand

1 from peak to off-peak hours or which encourages the
2 off-peak usage of the service; and

3 (i) "Other" categories of advertisements not
4 includable in paragraphs (a) through (h), but which are
5 not political, promotional, or goodwill or institutional
6 ~~institutional or goodwill~~ advertisements.

7 (4) Notwithstanding subsections (2) and (3) of this
8 Section, goodwill or institutional advertising shall not be a
9 recoverable expense.

10 (Source: P.A. 95-814, eff. 8-13-08.)

11 (220 ILCS 5/9-227) (from Ch. 111 2/3, par. 9-227)

12 Sec. 9-227. It shall be proper for the Commission to
13 consider as an operating expense, for the purpose of
14 determining whether a rate or other charge or classification
15 is sufficient, donations made by a public utility for energy
16 assistance. Donations to the public welfare or for charitable
17 scientific, religious, or educational purposes shall be
18 nonrecoverable shareholder expenses. ~~, provided that such~~
19 ~~donations are reasonable in amount. In determining the~~
20 ~~reasonableness of such donations, the Commission may not~~
21 ~~establish, by rule, a presumption that any particular portion~~
22 ~~of an otherwise reasonable amount may not be considered as an~~
23 ~~operating expense. The Commission shall be prohibited from~~
24 ~~disallowing by rule, as an operating expense, any portion of a~~
25 ~~reasonable donation for public welfare or charitable purposes.~~

1 (Source: P.A. 85-122.)

2 (220 ILCS 5/9-229)

3 Sec. 9-229. Consideration of attorney and expert
4 compensation as an expense and intervenor compensation fund.

5 (a) The Commission shall deem as a nonrecoverable expense
6 by a public utility ~~specifically assess the justness and~~
7 ~~reasonableness of~~ any amount expended by a public utility to
8 compensate attorneys or technical experts to prepare and
9 litigate a general rate case filing. This issue shall be
10 expressly addressed in the Commission's final order.

11 (b) The State of Illinois shall create a Consumer
12 Intervenor Compensation Fund subject to the following:

13 (1) Provision of compensation for consumer interest
14 representatives ~~Consumer Interest Representatives~~ that
15 intervene in Illinois Commerce Commission proceedings will
16 increase public engagement, encourage additional
17 transparency, expand the information available to the
18 Commission, and improve decision-making.

19 (2) As used in this Section, "consumer ~~Consumer~~
20 interest representative" means:

21 (A) a residential utility customer or group of
22 residential utility customers represented by a
23 not-for-profit group or organization registered with
24 the Illinois Attorney General under the Solicitation
25 for Charity Act;

1 (B) representatives of not-for-profit groups or
2 organizations whose membership is limited to
3 residential utility customers; or

4 (C) representatives of not-for-profit groups or
5 organizations whose membership includes Illinois
6 residents and that address the community, economic,
7 environmental, or social welfare of Illinois
8 residents, except government agencies or intervenors
9 specifically authorized by Illinois law to participate
10 in Commission proceedings on behalf of Illinois
11 consumers.

12 (3) A consumer interest representative is eligible to
13 receive compensation from the Consumer Intervenor
14 Compensation Fund ~~consumer intervenor compensation fund~~ if
15 its participation included lay or expert testimony or
16 legal briefing and argument concerning the expenses,
17 investments, rate design, rate impact, or other matters
18 affecting the pricing, rates, costs, or other charges
19 associated with utility service, the Commission adopts a
20 material recommendation related to a significant issue in
21 the docket, and participation caused a significant
22 financial hardship to the participant; however, no
23 consumer interest representative shall be eligible to
24 receive an award pursuant to this Section if the consumer
25 interest representative receives any compensation,
26 funding, or donations, directly or indirectly, from

1 parties that have a financial interest in the outcome of
2 the proceeding.

3 (4) Within 30 days after September 15, 2021 (the
4 effective date of Public Act 102-662), each utility that
5 files a request for an increase in rates under Article IX
6 or Article XVI shall deposit an amount equal to one half of
7 the rate case attorney and expert expense reported to
8 ~~allowed by~~ the Commission, but not to exceed \$500,000,
9 into the fund within 35 days of the date of the
10 Commission's final order ~~Order~~ in the rate case or 20 days
11 after the denial of rehearing under Section 10-113 of this
12 Act, whichever is later. The Consumer Intervenor
13 Compensation Fund shall be used to provide payment to
14 consumer interest representatives as described in this
15 Section and the amount deposited into the Fund shall not
16 be a recoverable expense by the utility.

17 (5) An electric public utility with 3,000,000 or more
18 retail customers shall contribute \$450,000 to the Consumer
19 Intervenor Compensation Fund within 60 days after
20 September 15, 2021 (the effective date of Public Act
21 102-662). A combined electric and gas public utility
22 serving fewer than 3,000,000 but more than 500,000 retail
23 customers shall contribute \$225,000 to the Consumer
24 Intervenor Compensation Fund within 60 days after
25 September 15, 2021 (the effective date of Public Act
26 102-662). A gas public utility with 1,500,000 or more

1 retail customers that is not a combined electric and gas
2 public utility shall contribute \$225,000 to the Consumer
3 Intervenor Compensation Fund within 60 days after
4 September 15, 2021 (the effective date of Public Act
5 102-662). A gas public utility with fewer than 1,500,000
6 retail customers but more than 300,000 retail customers
7 that is not a combined electric and gas public utility
8 shall contribute \$80,000 to the Consumer Intervenor
9 Compensation Fund within 60 days after September 15, 2021
10 (the effective date of Public Act 102-662). A gas public
11 utility with fewer than 300,000 retail customers that is
12 not a combined electric and gas public utility shall
13 contribute \$20,000 to the Consumer Intervenor Compensation
14 Fund within 60 days after September 15, 2021 (the
15 effective date of Public Act 102-662). A combined electric
16 and gas public utility serving fewer than 500,000 retail
17 customers shall contribute \$20,000 to the Consumer
18 Intervenor Compensation Fund within 60 days after
19 September 15, 2021 (the effective date of Public Act
20 102-662). A water or sewer public utility serving more
21 than 100,000 retail customers shall contribute \$80,000,
22 and a water or sewer public utility serving fewer than
23 100,000 but more than 10,000 retail customers shall
24 contribute \$20,000.

25 (6) (A) Prior to the entry of a final order ~~Final Order~~
26 in a docketed case, the Commission Administrator shall

1 provide a payment to a consumer interest representative
2 that demonstrates through a verified application for
3 funding that the consumer interest representative's
4 participation or intervention without an award of fees or
5 costs imposes a significant financial hardship based on a
6 schedule to be developed by the Commission. The
7 Administrator may require verification of costs incurred,
8 including statements of hours spent, as a condition to
9 paying the consumer interest representative prior to the
10 entry of a final order ~~Final Order~~ in a docketed case.

11 (B) If ~~the Commission adopts a material recommendation~~
12 ~~related to a significant issue in the docket and~~
13 participation caused a financial hardship to the
14 participant, then the consumer interest representative
15 shall be allowed payment for some or all of the consumer
16 interest representative's reasonable attorney's or
17 advocate's fees, reasonable expert witness fees, and other
18 reasonable costs of preparation for and participation in a
19 hearing or proceeding. Expenses related to travel or meals
20 shall not be compensable.

21 (C) The consumer interest representative shall submit
22 an itemized request for compensation to the Consumer
23 Intervenor Compensation Fund, including the advocate's or
24 attorney's reasonable fee rate, the number of hours
25 expended, reasonable expert and expert witness fees, and
26 other reasonable costs for the preparation for and

1 participation in the hearing and briefing within 30 days
2 of the Commission's final order after denial or decision
3 on rehearing, if any.

4 (7) Administration of the Fund.

5 (A) The Consumer Intervenor Compensation Fund is
6 created as a special fund in the State treasury. All
7 disbursements from the Consumer Intervenor Compensation
8 Fund shall be made only upon warrants of the Comptroller
9 drawn upon the Treasurer as custodian of the Fund upon
10 vouchers signed by the Executive Director of the
11 Commission or by the person or persons designated by the
12 Director for that purpose. The Comptroller is authorized
13 to draw the warrant upon vouchers so signed. The Treasurer
14 shall accept all warrants so signed and shall be released
15 from liability for all payments made on those warrants.
16 The Consumer Intervenor Compensation Fund shall be
17 administered by an Administrator that is a person or
18 entity that is independent of the Commission. The
19 Administrator ~~administrator~~ will be responsible for the
20 prudent management of the Consumer Intervenor Compensation
21 Fund and for recommendations for the award of consumer
22 intervenor compensation from the Consumer Intervenor
23 Compensation Fund. The Commission shall issue a request
24 for qualifications for a third-party program Administrator
25 ~~administrator~~ to administer the Consumer Intervenor
26 Compensation Fund. The third-party Administrator

1 ~~administrator~~ shall be chosen through a competitive bid
2 process based on selection criteria and requirements
3 developed by the Commission. The Illinois Procurement Code
4 does not apply to the hiring or payment of the
5 Administrator. All Administrator costs may be paid for
6 using monies from the Consumer Intervenor Compensation
7 Fund, but the Program Administrator shall strive to
8 minimize costs in the implementation of the program.

9 (B) The computation of compensation awarded from the
10 fund shall take into consideration the market rates paid
11 to persons of comparable training and experience who offer
12 similar services, but may not exceed the comparable market
13 rate for services paid by the public utility as part of its
14 nonrecoverable rate case expense reported to the
15 Commission.

16 (C) (1) Recommendations on the award of compensation by
17 the Administrator ~~administrator~~ shall include
18 ~~consideration of whether the Commission adopted a material~~
19 ~~recommendation related to a significant issue in the~~
20 ~~docket and~~ whether participation caused a financial
21 hardship to the participant and the payment of
22 compensation is fair, just, and reasonable.

23 (2) Recommendations on the award of compensation by
24 the Administrator ~~administrator~~ shall be submitted to the
25 Commission for approval. Unless the Commission initiates
26 an investigation within 45 days after the notice to the

1 Commission, the award of compensation shall be allowed 45
2 days after notice to the Commission. Such notice shall be
3 given by filing with the Commission on the Commission's
4 e-docket system, and keeping open for public inspection
5 the award for compensation proposed by the Administrator.
6 The Commission shall have power, and it is hereby given
7 authority, either upon complaint or upon its own
8 initiative without complaint, at once, and if it so
9 orders, without answer or other formal pleadings, but upon
10 reasonable notice, to enter upon a hearing concerning the
11 propriety of the award.

12 (c) The Commission may adopt rules to implement this
13 Section.

14 (Source: P.A. 102-662, eff. 9-15-21; 103-605, eff. 7-1-24.)