



Rep. Lawrence Walsh, Jr.

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10200HB1472ham003

LRB102 03488 SPS 25685 a

1 AMENDMENT TO HOUSE BILL 1472

2 AMENDMENT NO. _____. Amend House Bill 1472, AS AMENDED,
3 with reference to page and line numbers of House Amendment No.
4 1, as follows:

5 on page 66, line 13, by replacing "Section 45-8" with
6 "Sections 45-8 and 45-9"; and

7 on page 67, immediately below line 1, by inserting the
8 following:

9 "(5 ILCS 100/5-45.9 new)

10 Sec. 5-45.9. Emergency rulemaking; Public Utilities Act.
11 To provide for the expeditious and timely implementation of
12 changes made to the Public Utilities Act by this amendatory
13 Act of the 102nd General Assembly, emergency rules
14 implementing the changes made to the Public Utilities Act by
15 this amendatory Act of the 102nd General Assembly may be

1 adopted in accordance with Section 5-45 by the Illinois
2 Commerce Commission. The adoption of emergency rules
3 authorized by Section 5-45 and this Section is deemed to be
4 necessary for the public interest, safety, and welfare.

5 This Section is repealed on January 1, 2026."; and

6 on page 246, by replacing lines 22 through 24 with "and 16-123
7 and by adding Sections 4-701, 4-702, 8-106, 8-107, 8-108,
8 8-218, 8-402.2, 8-411, 8-511.1, 8-512, 8-514, 9-201.1,
9 9-201.2, 9-228, 9-232, 9-247, 16-108.13, 16-131, and 16-140 as
10 follows:"; and

11 on page 246, immediately below line 24, by inserting the
12 following:

13 "(220 ILCS 5/4-701 new)

14 Sec. 4-701. Electric Utility Independent Monitor.

15 (a) It is the policy of this State to ensure public
16 utilities adhere to the highest standards of ethical conduct.
17 Recent events have demonstrated that at least one public
18 utility in this State has not adhered to the standards of
19 conduct expected by the State, and as such, has breached the
20 public trust. The General Assembly finds this offensive
21 conduct warrants a response that ensures transparency and
22 ethical standards are adhered to. The General Assembly
23 therefore declares its intent to impose heightened scrutiny

1 and rigorous standards to increase transparency and ensure
2 ethics compliance. Further, it is the intent of the General
3 Assembly to remediate public utility wrongdoing and penalize
4 impropriety.

5 (b) This Section applies to electric public utilities
6 servicing more than 3,000,000 retail customers in the State for
7 the duration of any deferred prosecution agreement, pending
8 criminal charges, ongoing criminal investigation, and term of
9 criminal penalties against the public utility or any of its
10 officers or former officers.

11 (c) Within 60 days after the effective date of this
12 amendatory Act of the 102nd General Assembly, the Commission
13 shall begin the process of creating the position of Electric
14 Utility Independent Monitor. The responsibilities of the
15 Electric Utility Independent Monitor shall include the
16 following:

17 (1) developing and publishing annual ethics audits of
18 electric public utilities servicing more than 3,000,000
19 retail customers in the State;

20 (2) hiring additional staff or contract entities as
21 necessary to fulfill the obligations of this Section;

22 (3) developing a public reporting system to record
23 each and every communication, including who was present,
24 the subject matter discussed, materials provided or
25 discussed, whether the meeting was in-person, via video,
26 or telephonic, and the date and time of the communication,

1 between a representative, employee, officer, or executive
2 of an electric public utility and a Commissioner,
3 representative, employee, or staff of the Commission;

4 (4) overseeing an electric public utility's compliance
5 with the standards described by statute, rule, or court
6 order regarding standards of ethical conduct;

7 (5) working in coordination with an electric public
8 utility's highest officer responsible for compliance and
9 ethics, such as a Chief Compliance and Ethics Officer, to
10 ensure the utility complies with ethics standards provided
11 by law, rule, and any other applicable authority, through
12 investigation, enforcement, reporting, and disciplinary
13 activities, including fines;

14 (6) documenting violations of statutes, rules, court
15 order, internal controls, Commission orders, or other
16 applicable authority regarding ethics and transparency and
17 ensure appropriate internal disciplinary actions are taken
18 and the violation is reported to the Commission when
19 appropriate;

20 (7) filing reports with the Commission of each and
21 every event where an electric public utility has not taken
22 disciplinary action for a violation of statutes, rules,
23 court order, internal controls, Commission orders, or
24 other applicable authority regarding ethics and
25 transparency, or where the public utility does not take a
26 disciplinary action that aligns with the recommendation of

1 the Electric Utility Independent Monitor;

2 (8) recommending to the Commission that it adopt new
3 internal controls, policies, practices, or procedures to
4 apply to an electric public utility to ensure compliance
5 with statute, rule, court order, or other applicable
6 authority;

7 (9) publishing an annual ethics audit for an electric
8 public utility subject to this Section describing the
9 electric public utility's internal controls, policies,
10 practices, and procedures to comply with statutes, rules,
11 court orders, or other applicable authority; this report
12 should also include a record of any disciplinary actions
13 taken related to unethical conduct as well as any
14 recommendations the Electric Utility Independent Monitor
15 has made and the public utility's response;

16 (10) detailing deficiencies in a report to the
17 Commission and the General Assembly that shall include a
18 recommendation for Commission action if the Electric
19 Utility Independent Monitor finds that an electric public
20 utility has not complied with standards set forth by law,
21 rules, or by other applicable authority; and

22 (11) monitoring, auditing, and subpoenaing all records
23 necessary for the Electric Utility Independent Monitor to
24 meet the responsibilities described in this Section and
25 related rules, including, but not limited to, contracts
26 with third party entities, accounting records,

1 communication with public officials or their staff,
2 lobbying activities, expenses on lobbyists and
3 consultants, legal expenses, and internal compliance
4 policies.

5 (d) An electric public utility subject to this Section
6 shall remit amounts necessary for the Commission to pay the
7 wages, overhead, travel expenses, and other costs of the
8 Electric Utility Independent Monitor and staff as determined
9 by the Commission.

10 (e) An electric public utility's cost of compliance with
11 this Section is not a cost of service and shall not be
12 recoverable in rates.

13 (f) Where an electric public utility is the subject of a
14 federal or State criminal investigation or where the
15 Commission initiates an investigation of an ethics violation,
16 the utility's costs related to such investigation are not a
17 cost of service and shall not be recoverable in rates.

18 (g) The Commission shall have the authority to retain an
19 independent third party to serve as the Electric Utility
20 Independent Monitor pursuant to this Section.

21 (h) The Commission shall have the authority to create
22 rules and emergency rules where applicable to implement this
23 Section.

24 (220 ILCS 5/4-702 new)

25 Sec. 4-702. Electric utility audit.

1 (a) Within 30 days after the effective date of this
2 amendatory Act of the 102nd General Assembly, the Commission
3 may begin the process of contracting with a third party or
4 hiring additional personnel as needed to conduct an audit
5 pursuant to this Section.

6 (b) The Commission shall conduct an audit of all electric
7 systems investments made by a participating utility, other
8 than a combination utility. This audit shall include a review
9 of:

10 (1) system upgrade costs and intended benefits;

11 (2) whether the investment was part of the
12 participating utility's investment obligations under
13 subsection (b) of Section 16-108.5 of this Act;

14 (3) benefits to ratepayers;

15 (4) efficiencies gained as a result of investments
16 made by the participating utility;

17 (5) steps taken to minimize costs to consumers; and

18 (6) any other information the Commission determines is
19 necessary to analyze the costs and benefits of these smart
20 grid electric systems upgrades.

21 (c) The Commission must prepare and file a final report
22 with the General Assembly analyzing the costs and benefits of
23 the smart meter program and other smart grid electric systems
24 upgrades no later than 2 years after the effective date of this
25 amendatory Act of the 102nd General Assembly.

26 (d) The Commission is authorized to monitor, audit, and

1 subpoena all records necessary to meet responsibilities
2 described in this Section.

3 (e) An electric public utility subject to this Section
4 shall remit amounts necessary for the Commission to pay the
5 wages, contract costs, overhead, travel expenses, and other
6 costs incurred to meet the responsibilities of this Section.
7 The electric public utility's cost of compliance with this
8 Section is not a cost of service shall not be recoverable in
9 rates."; and

10 on page 399, immediately below line 6, by inserting the
11 following:

12 "(220 ILCS 5/9-228 new)

13 Sec. 9-228. Limits on public utility expenses. The
14 Commission shall not consider any of the following as an
15 expense of any public utility company, including any
16 allocation of those costs to the public utility from an
17 affiliate or corporate parent for the purpose of determining
18 any rate or charge, any amount expended for:

19 (1) the pension or other post-employment benefits for
20 an employee convicted of committing a criminal act in the
21 course of his or her work with the utility;

22 (2) any severance or post-employment costs for an
23 employee convicted of committing a criminal act in the
24 course of his or her work with the utility; and

1 (3) criminal penalties, fines, fees, and costs related
2 to criminal charges, criminal investigations, or deferred
3 prosecution agreements."; and

4 on page 468, immediately below line 12, by inserting the
5 following:

6 "(220 ILCS 5/16-131 new)

7 Sec. 16-131. Criminal penalty electric utility rebate.

8 (a) It is the policy of this State that ethical and
9 criminal misconduct by electric utilities harms ratepayers by
10 destroying public trust. The General Assembly finds it
11 necessary to remediate harm caused by electric utilities by
12 requiring that criminal penalties, or an amount equal to the
13 criminal penalty paid by an electric utility, be rebated to
14 ratepayers as restitution for the breach of public trust.

15 (b) Electric utilities shall rebate to ratepayers an
16 amount equal to the total amount of penalties or fines paid to
17 the State or federal government in the preceding 12 months as a
18 result of a criminal investigation, criminal charge, or
19 deferred prosecution agreement beginning in the year
20 subsequent to the remittance of the penalty or fine. This
21 rebate shall be amortized in the rates over a period of 3
22 years.

23 (c) The rebate amount is not a cost of service and shall
24 not be recoverable through rates.

1 (d) The utility must file a rebate rider tariff with the
2 Commission and any bill adjustment resulting from such rebate
3 rider shall appear as a separate line item on the customer's
4 bill.

5 (e) An electric utility must submit all information
6 regarding criminal fines, fees, and penalties annually to the
7 Commission.

8 (f) The Commission shall have emergency rulemaking
9 authority to implement this Section."