



Rep. Renee Kosel

**Filed: 3/1/2006**

09400HB5391ham001

LRB094 16387 AMC 56885 a

1 AMENDMENT TO HOUSE BILL 5391

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 5391 by replacing  
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the  
5 For-Profit Water and Sewer Utility Customer Service Act.

6 Section 5. Application of Public Utilities Act to water and  
7 sewer utilities. Except to the extent modified or supplemented  
8 by the specific provisions of this Act, the Sections of the  
9 Public Utilities Act pertaining to public utilities, public  
10 utility rates, and services, and the regulation thereof, are  
11 fully and equally applicable to for-profit water and sewer  
12 rates and services and the regulation thereof, except where the  
13 context clearly renders such provisions inapplicable.

14 Section 10. Definitions. The definitions contained in the  
15 Public Utilities Act apply to terms used in this Act, unless  
16 the context clearly indicates otherwise.

17 Section 15. Customer rights.

18 (a) Within 90 days after the effective date of this  
19 amendatory Act of the 94th General Assembly, the Commission  
20 shall hold public hearings concerning and establish a water  
21 bill of rights for customers of public utilities providing  
22 water or sewer service. The water bill of rights must detail

1 what rights a customer has in each of the following situations:

2 (1) The customer's water meter is replaced.

3 (2) The customer's bill increases by more than 20%  
4 within one billing period.

5 (3) The customer's water service is terminated.

6 (4) The customer wishes to appeal a termination of  
7 service notice.

8 (5) The customer is unable to make payment on a billing  
9 statement.

10 (6) A surcharge or annual reconciliation is filed that  
11 will increase the amount billed to the customer.

12 (7) The customer is billed for services provided prior  
13 to the date covered by the billing statement.

14 (8) The customer is due to receive a credit.

15 The water bill of rights must also include information  
16 concerning the service obligations of the utility and informing  
17 the customer about unfair and unethical collection practices  
18 and remedies that the customer may pursue for a violation of  
19 the customer's rights. The Commission shall also determine the  
20 penalties that shall be imposed on the utility for  
21 noncompliance with the customer's water bill of rights.

22 (b) No water or sewer public utility may terminate the  
23 service of any customer without first providing at least 7  
24 days' advance written notice to the customer. The written  
25 notice must include a copy of the water bill of rights created  
26 under this Section, must include the utility's website and  
27 telephone number where the customer may view or request a copy  
28 of the water bill of rights, and must notify the customer of  
29 the customer's right to appeal the termination. The Commission  
30 shall establish, by rule, a minimum payment schedule that must  
31 be followed by the customer and the public utility of a  
32 customer is disputing an amount billed to the customer or  
33 appealing a termination of service and sanctions that may be  
34 imposed against any public utility that terminates service to

1 any customer who adheres to the minimum payment schedule  
2 established by the Commission. No water or sewer public utility  
3 shall terminate service to any customer appealing a termination  
4 of service or disputing a billed amount so long as the customer  
5 adheres to the minimum payment schedule required by the  
6 Commission.

7 The Commission shall establish procedures to set aside a  
8 shutoff notice if it affects the safety and health of the  
9 customer. The procedures shall be published and provided to the  
10 municipality or townships served by the utility or these  
11 procedures may be aligned with, but may not be less restrictive  
12 than, existing rules affecting other utilities.

13 (c) Each water or sewer public utility must provide written  
14 notice to each affected customer of any annual reconciliation  
15 rate adjustment and when it will go into effect.

16 (d) Each water or sewer public utility must disclose on  
17 each billing statement any amount billed that is for service  
18 provided prior to the date covered by the billing statement.  
19 The disclosure must include the dates for which the prior  
20 service is being billed. Each billing statement that includes  
21 an amount billed for service provided prior to the date covered  
22 by the billing statement must disclose the dates for which that  
23 amount is billed and must include a copy of the water bill of  
24 rights, the utility's website and telephone number where the  
25 customer may view or request a copy of the water bill of  
26 rights, and a statement of current Commission rules concerning  
27 back-billing. The Commission must verify any annual  
28 reconciliation in the number of gallons that have been  
29 back-billed by a water or sewer public utility and the utility  
30 must credit the customer with those gallons, calculated in  
31 dollars, with interest at the Commission's designated rate on  
32 customer deposits.

33 (e) The Commission shall establish by rule an informal  
34 complaint process for processing complaints about water and

1 sewer public utilities and shall respond to each complaint by  
2 providing the consumer with a copy of the utilities response to  
3 the complaint and a copy of the Commission's review of the  
4 complaint and its findings. The Commission must provide the  
5 consumer with all available options for recourse.

6 (f) Any refund on the billing statement of a customer of a  
7 water or sewer public utility must be itemized and state the  
8 purpose of the refund.

9 Section 20. Water service for building construction  
10 purposes. At the request of any municipality or township within  
11 the service area of a public utility that provides water  
12 service to customers within the municipality or township, a  
13 public utility must (i) require all water service used for  
14 building construction purposes to be measured by meter and  
15 subject to approved rates and charges for metered water service  
16 and (ii) prohibit the unauthorized use of water taken from  
17 hydrants or service lines installed at construction sites.

18 Section 25. Water and sewer or public utilities;  
19 subcontractors. The Commission shall adopt rules to direct  
20 for-profit water and sewer public utilities to conform to  
21 standards that protect consumers from irresponsible  
22 subcontractors contracted by a for-profit water or sewer public  
23 utility. The rules must provide for notice to the consumer of  
24 the proper kind of identification that the subcontractor must  
25 present to the customer, prohibit the subcontractor from  
26 soliciting or receiving payment of any kind for any service  
27 provided by the water or sewer public utility, and establish  
28 sanctions for violations.

29 Section 30. Water and sewer public utilities; annual  
30 reconciliation charges. The Commission must establish by rule a  
31 formula for determining (i) the amount of unmetered water that

1 a unit of local government and customers can expect to pay for  
2 in order to protect the public and (ii) the percentage of  
3 unmetered water that reflects environmental waste that is the  
4 result of a water or sewer public utility's management  
5 inefficiencies and neglect. The formula and the utility's  
6 compliance with existing conservation agreements must be  
7 considered as part of all rate cases and annual reconciliations  
8 associated with that utility. The Commission shall establish  
9 sanctions for violations of any conservation agreements.

10 Section 35. Meter malfunction; testing.

11 (a) If a public utility furnishing water to any customer  
12 determines that a meter owned by the public utility has  
13 malfunctioned, then the public utility is prohibited from  
14 charging the customer for water during the malfunction unless  
15 the customer intentionally caused the malfunction.

16 (b) If requested by the Commission or by the customer whose  
17 use is measured by the meter, a public utility furnishing water  
18 to any customer must conduct a test every 2 years to determine  
19 the accuracy of the meter at the expense of the public utility.  
20 Upon receipt of the written request of the Commission or the  
21 customer, the utility must either use a company authorized by  
22 the Commission to conduct the test or the utility must have its  
23 own meter test benches certified by the Commission. The utility  
24 shall charge the customer for the conduct of the test if done  
25 more frequently than every 2 years in the amount authorized by  
26 the Commission by rule.

27 (c) The Commission may establish by rule a minimum schedule  
28 for testing of water meters and any tests conducted thereunder  
29 must be conducted at the utility's expense.

30 Section 40. Rate increases; public forums. When any public  
31 utility providing water or sewer service proposes a rate  
32 increase, prior to the date set for the hearing, a public forum

1 on the increase must be conducted in a location within  
2 approximately 45 minutes drive time of the location where the  
3 increase will take effect and the public utility must provide  
4 30 days' advance notice of each public forum to the governing  
5 body of those units of local government affected by the  
6 increases. The day and time of the forum shall be selected so  
7 as to encourage the greatest public participation. Reports and  
8 comments made during or as a result of the public forum must be  
9 made available to the hearing officials and reviewed as part of  
10 the hearing for the rate case.

11 Section 45. Water and sewer utilities; low usage. Each  
12 public utility that provides water and sewer service must  
13 establish a unit rate, subject to review by the Commission,  
14 that applies only to those customers who use less than 1,000  
15 gallons of water in any billing period.

16 Section 50. Water and sewer utilities; separate meters.  
17 Each public utility that provides water and sewer service must  
18 offer separate rates for water and sewer service to any  
19 commercial or residential customer who uses separate meters to  
20 measure each of those services. In order for the separate rate  
21 to apply, a combination of meters must be used to measure the  
22 amount of water that reaches the sewer system and the amount of  
23 water that does not reach the sewer system.

24 Section 905. The Public Utilities Act is amended by  
25 changing Section 9-223 as follows:

26 (220 ILCS 5/9-223) (from Ch. 111 2/3, par. 9-223)

27 Sec. 9-223. Fire protection charge.

28 (a) The Commission may authorize any public utility engaged  
29 in the production, storage, transmission, sale, delivery or  
30 furnishing of water to impose a fire protection charge, in

1 addition to any rate authorized by this Act, sufficient to  
2 cover a reasonable portion of the cost of providing the  
3 capacity, facilities and the water necessary to meet the fire  
4 protection needs of any municipality or public fire protection  
5 district. Such fire protection charge shall be in the form of a  
6 fixed amount per bill and shall be shown separately on the  
7 utility bill of each customer of the municipality or fire  
8 protection district. Any filing by a public utility to impose  
9 such a fire protection charge or to modify a charge shall be  
10 made pursuant to Section 9-201 of this Act. Any fire protection  
11 charge imposed shall reflect the costs associated with  
12 providing fire protection service for each municipality or fire  
13 protection district. No such charge shall be imposed directly  
14 on any municipality or fire protection district for a  
15 reasonable level of fire protection services unless provided  
16 for in a separate agreement between the municipality or the  
17 fire protection district and the utility.

18 (b) Within one year after the effective date of this  
19 amendatory Act of the 94th General Assembly, the Commission  
20 shall conduct at least 3 public forums to evaluate the purpose  
21 and use of each fire protection charge imposed under this  
22 Section. At least one forum must be held in northern Illinois,  
23 at least one forum must be held in central Illinois, and at  
24 least one forum must be held in southern Illinois. The  
25 Commission must invite a representative from each municipality  
26 and fire protection district affected by a fire protection  
27 charge under this Section to attend a public forum. The  
28 Commission shall report its findings concerning  
29 recommendations concerning the purpose and use of each fire  
30 protection charge to the General Assembly no later than the  
31 last day of the veto session in 2006.

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

33 Section 999. Effective date. This Act takes effect upon

1 becoming law.".