



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB0631

Introduced 2/6/2007, by Rep. Daniel V. Beiser

#### SYNOPSIS AS INTRODUCED:

220 ILCS 5/Art. XXI heading new  
220 ILCS 5/21-5 new  
220 ILCS 5/21-10 new  
220 ILCS 5/21-15 new  
220 ILCS 5/21-20 new  
220 ILCS 5/21-25 new

Amends the Public Utilities Act. Requires each natural gas public utility to file annually a set of transportation schedules or tariffs applicable to public schools authorizing a public school association to aggregate the purchase of natural gas for its members. Requires the transportation schedules or tariffs to (i) establish certain delivery charges; (ii) authorize a public school association to contract with a public utility at monthly market prices for interstate pipeline capacity; (iii) require the public utility to provide certain usage projections; and (iv) authorize the public utility to impose a penalty under limited circumstances. Authorizes the Illinois Commerce Commission to suspend the transportation schedule or tariff for up to 3 months. Requires energy sellers to comply with applicable Commission rules. Provides that any agreement between a public school association and an energy seller is void if the energy seller does not comply with Commission rules. Requires each natural gas public utility to file an annual statement of its revenues and incremental costs incurred as a direct result of the aggregation of natural gas for public schools. Authorizes the Commission to promulgate rules that are reasonable and necessary to administer the aggregation program. Effective immediately.

LRB095 05311 MJR 25389 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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 Article XXI as follows:

6 (220 ILCS 5/Art. XXI heading new)

7 ARTICLE XXI. NATURAL GAS AGGREGATION FOR PUBLIC SCHOOLS

8 (220 ILCS 5/21-5 new)

9 Sec. 21-5. Definitions. As used in this Article:

10 "Aggregate" means to combine the natural gas requirements  
11 of public schools that are members of a public school  
12 association for purchase from energy sellers and for delivery  
13 through interstate pipelines and public utilities.

14 "Delivery system" means the natural gas distribution and  
15 transmission lines that are owned and operated by any public  
16 utility and the charges for the use of those lines, as  
17 regulated by the Commission.

18 "Energy seller" means the entity that uses the delivery  
19 system of a public utility for delivery of natural gas supply  
20 from an interstate pipeline to the public utility's meter for  
21 use by a public school facility.

22 "Interstate pipeline" means any natural gas pipeline that

1 delivers natural gas supply from outside the State to the  
2 delivery system of a public utility and that is price-regulated  
3 by the Federal Energy Regulatory Commission.

4 "Public school" means any elementary or secondary school  
5 operated at public expense.

6 "Public school association" means a not-for-profit  
7 association of public schools.

8 "Public utility" or "natural gas public utility" means a  
9 public utility, as that term is defined in Section 3-105 of  
10 this Act, that is involved in the conveyance of gas by  
11 pipeline. All entities excluded from the definition of a public  
12 utility under Section 3-105 are excluded under this Article.

13 "Small volume" means natural gas supply requirements of an  
14 individual public school facility of less than 250,000 therms  
15 annually.

16 (220 ILCS 5/21-10 new)

17 Sec. 21-10. Transportation schedules and tariffs.

18 (a) By August 1, 2007, each natural gas public utility  
19 shall file with the Commission a set of transportation  
20 schedules or tariffs applicable to natural gas for public  
21 schools. The transportation schedules or tariffs filed under  
22 this Section shall do all of the following:

23 (1) authorize a public school association to aggregate  
24 the purchase of natural gas requirements by public schools;

25 (2) establish natural gas delivery charges that are

1 equal to Commission-approved public utility charges for  
2 public utility natural gas service, less the public  
3 utility's cost of purchased natural gas supply and  
4 interstate pipeline charges, plus aggregation  
5 administration and monthly balancing charges for small  
6 volume meters, but not to exceed \$5 per meter per month for  
7 administration and 0.004 cents per therm delivered, for  
8 balancing monthly deliveries to actual usage;

9 (3) offer a public school association the option of  
10 contracting with a public utility at monthly market prices  
11 for interstate pipeline capacity currently being used by  
12 the public utility to deliver public schools' aggregate  
13 monthly requirements;

14 (4) require the public utility to provide to each  
15 public school association, or its designated agent, at  
16 least 5 business days before the first day of each month,  
17 the following information, based on weather forecasts and  
18 historical monthly usage: (i) daily usage projections for  
19 scheduled deliveries to each public school facility, (ii)  
20 aggregate daily usage projections by delivery point, and  
21 (iii) daily usage projections on a day-ahead basis when  
22 necessary to reflect significant changes in weather  
23 forecasts; and

24 (5) impose a penalty if the projected daily usage of  
25 natural gas, as forecasted by the public utility, is not  
26 delivered to the public utility's delivery system,

1 provided that the penalty does not exceed the penalty  
2 approved by the Commission in the public utility's large  
3 volume customer transportation tariffs. No other penalties  
4 may be imposed under this Section.

5 No transportation schedule or tariff filed under this  
6 Section shall require telemetry or special metering for small  
7 volume school meters.

8 (b) The Commission may suspend any transportation schedule  
9 or tariff filed under this Section for up to 3 months in order  
10 to review compliance with the requirements of this Section.

11 (220 ILCS 5/21-15 new)

12 Sec. 21-15. Energy sellers; compliance with Commission  
13 rules. In order to supply natural gas to public schools under  
14 this Article, an energy seller must comply with all applicable  
15 Commission rules. Any agreements entered into on or after the  
16 effective date of this amendatory Act of the 95th General  
17 Assembly between a public school association and an energy  
18 seller that is not in compliance with applicable Commission  
19 rules is null and void.

20 (220 ILCS 5/21-20 new)

21 Sec. 21-20. Annual statement. Before June 1, 2009 and  
22 before June 1 of each year thereafter, each natural gas public  
23 utility shall file with the Commission an annual statement  
24 showing: (i) its revenue attributable to the aggregation

1 administrative charge; (ii) its revenue attributable to the  
2 small volume meter balancing charge; and (iii) the amount of  
3 any incremental costs it incurred as a direct result of  
4 implementing aggregate transportation for public schools and  
5 monthly balancing service for small volume meters. The  
6 Commission shall determine an appropriate future cost recovery  
7 method for any unrecovered costs of the public utility in order  
8 to maintain future earnings neutrality for the public utility.

9 (220 ILCS 5/21-25 new)

10 Sec. 21-25. Rules. The Commission may promulgate any rules  
11 that are reasonable and necessary for the administration of  
12 this Article.

13 Section 99. Effective date. This Act takes effect upon  
14 becoming law.