



Rep. Thomas Holbrook

**Filed: 1/13/2009**

09500SB0171ham003

LRB095 06643 AMC 54012 a

1 AMENDMENT TO SENATE BILL 171

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 171 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Public Utilities Act is amended by changing  
5 Sections 19-105, 19-110, 19-115, 19-120, and 19-125 and by  
6 adding Sections 19-111 and 19-112 as follows:

7 (220 ILCS 5/19-105)

8 Sec. 19-105. Definitions. For the purposes of this Article,  
9 the following terms shall be defined as set forth in this  
10 Section.

11 "Alternative gas supplier" means every person,  
12 cooperative, corporation, municipal corporation, company,  
13 association, joint stock company or association, firm,  
14 partnership, individual, or other entity, their lessees,  
15 trustees, or receivers appointed by any court whatsoever, that  
16 offers gas for sale, lease, or in exchange for other value

1 received to one or more customers, or that engages in the  
2 furnishing of gas to one or more customers, and shall include  
3 affiliated interests of a gas utility, resellers, aggregators  
4 and marketers, but shall not include (i) gas utilities (or any  
5 agent of the gas utility to the extent the gas utility provides  
6 tariffed services to customers through an agent); (ii) public  
7 utilities that are owned and operated by any political  
8 subdivision, public institution of higher education or  
9 municipal corporation of this State, or public utilities that  
10 are owned by a political subdivision, public institution of  
11 higher education, or municipal corporation and operated by any  
12 of its lessees or operating agents; (iii) natural gas  
13 cooperatives that are not-for-profit corporations operated for  
14 the purpose of administering, on a cooperative basis, the  
15 furnishing of natural gas for the benefit of their members who  
16 are consumers of natural gas; and (iv) the ownership or  
17 operation of a facility that sells compressed natural gas at  
18 retail to the public for use only as a motor vehicle fuel and  
19 the selling of compressed natural gas at retail to the public  
20 for use only as a motor vehicle fuel.

21 "Gas utility" means a public utility, as defined in Section  
22 3-105 of this Act, that has a franchise, license, permit, or  
23 right to furnish or sell gas or transportation services to  
24 customers within a service area.

25 "Residential customer" means a customer who receives gas  
26 utility service for household purposes distributed to a

1 dwelling of 2 or fewer units which is billed under a  
2 residential rate or gas utility service for household purposes  
3 distributed to a dwelling unit or units which is billed under a  
4 residential rate and is registered by a separate meter for each  
5 dwelling unit.

6 "Sales agent" means any employee, agent, independent  
7 contractor, consultant, or other person that is engaged by the  
8 alternative gas supplier to solicit customers to purchase,  
9 enroll in, or contract for alternative gas service on behalf of  
10 an alternative gas supplier.

11 "Service area" means (i) the geographic area within which a  
12 gas utility was lawfully entitled to provide gas to customers  
13 as of the effective date of this amendatory Act of the 92nd  
14 General Assembly and includes (ii) the location of any customer  
15 to which the gas utility was lawfully providing gas utility  
16 services on such effective date.

17 "Small commercial customer" means a nonresidential retail  
18 customer of a natural gas utility who consumed ~~is identified by~~  
19 ~~the alternative gas supplier, prior to becoming a customer of~~  
20 ~~the alternative gas supplier, as consuming~~ 5,000 or fewer  
21 therms of natural gas during the previous year; provided that  
22 any alternative gas supplier may remove the customer from  
23 designation as a "small commercial customer" if the customer  
24 consumes more than 5,000 therms of natural gas in any calendar  
25 year after becoming a customer of the alternative gas supplier.  
26 In determining whether a customer has consumed 5,000 or fewer

1 therms of natural gas during the previous year, usage by the  
2 same commercial customer shall be aggregated to include usage  
3 at the same premises even if measured by more than one meter,  
4 and to include usage at multiple premises. Nothing in this  
5 Section creates an affirmative obligation on a gas utility to  
6 monitor or inform customers or alternative gas suppliers as to  
7 a customer's status as a small commercial customer as that term  
8 is defined herein. Nothing in this Section relieves a gas  
9 utility from any obligation to provide information upon request  
10 to a customer, alternative gas supplier, the Commission, or  
11 others necessary to determine whether a customer meets the  
12 classification of small commercial customers as that term is  
13 defined herein.

14 "Tariffed service" means a service provided to customers by  
15 a gas utility as defined by its rates on file with the  
16 Commission pursuant to the provisions of Article IX of this  
17 Act.

18 "Transportation services" means those services provided by  
19 the gas utility that are necessary in order for the storage,  
20 transmission and distribution systems to function so that  
21 customers located in the gas utility's service area can receive  
22 gas from suppliers other than the gas utility and shall  
23 include, without limitation, standard metering and billing  
24 services.

25 (Source: P.A. 94-738, eff. 5-4-06.)

1 (220 ILCS 5/19-110)

2 Sec. 19-110. Certification of alternative gas suppliers.

3 (a) The provisions of this Section shall apply only to  
4 alternative gas suppliers serving or seeking to serve  
5 residential or small commercial customers and only to the  
6 extent such alternative gas suppliers provide services to  
7 residential or small commercial customers.

8 (b) An alternative gas supplier must obtain a certificate  
9 of service authority from the Commission in accordance with  
10 this Section before serving any customer or other user located  
11 in this State. An alternative gas supplier may request, and the  
12 Commission may grant, a certificate of service authority for  
13 the entire State or for a specified geographic area of the  
14 State. A person, corporation, or other entity acting as an  
15 alternative gas supplier on the effective date of this  
16 amendatory Act of the 92nd General Assembly shall have 180 days  
17 from the effective date of this amendatory Act of the 92nd  
18 General Assembly to comply with the requirements of this  
19 Section in order to continue to operate as an alternative gas  
20 supplier.

21 (c) An alternative gas supplier seeking a certificate of  
22 service authority shall file with the Commission a verified  
23 application containing information showing that the applicant  
24 meets the requirements of this Section. The alternative gas  
25 supplier shall publish notice of its application in the  
26 official State newspaper within 10 days following the date of

1 its filing. No later than 45 days after the application is  
2 properly filed with the Commission, and such notice is  
3 published, the Commission shall issue its order granting or  
4 denying the application.

5 (d) An application for a certificate of service authority  
6 shall identify the area or areas in which the applicant intends  
7 to offer service and the types of services it intends to offer.  
8 Applicants that seek to serve residential or small commercial  
9 customers within a geographic area that is smaller than a gas  
10 utility's service area shall submit evidence demonstrating  
11 that the designation of this smaller area does not violate  
12 Section 19-115. An applicant may state in its application for  
13 certification any limitations that will be imposed on the  
14 number of customers or maximum load to be served. The applicant  
15 shall submit as part of its application a statement indicating:

16 (1) Whether the applicant has been denied a natural gas  
17 supplier license in any state in the United States.

18 (2) Whether the applicant has had a natural gas  
19 supplier license suspended or revoked by any state in the  
20 United States.

21 (3) Where, if any, other natural gas supplier license  
22 applications are pending in the United States.

23 (4) Whether the applicant is the subject of any  
24 lawsuits filed in a court of law or formal complaints filed  
25 with a regulatory agency alleging fraud, deception or  
26 unfair marketing practices, or other similar allegations,

1       identifying the name, case number, and jurisdiction of each  
2       such lawsuit or complaint.

3       For the purposes of this subsection (d), formal complaints  
4       include only those complaints that seek a binding determination  
5       from a state or federal regulatory body.

6       (e) The Commission shall grant the application for a  
7       certificate of service authority if it makes the findings set  
8       forth in this subsection based on the verified application and  
9       such other information as the applicant may submit.

10       (1) That the applicant possesses ~~possess~~ sufficient  
11       technical, financial, and managerial resources and  
12       abilities to provide the service for which it seeks a  
13       certificate of service authority. In determining the level  
14       of technical, financial, and managerial resources and  
15       abilities which the applicant must demonstrate, the  
16       Commission shall consider:

17               (A) the characteristics, including the size and  
18       financial sophistication of the customers that the  
19       applicant seeks to serve; ~~and shall consider~~

20               (B) whether the applicant seeks to provide gas  
21       using property, plant, and equipment that it owns,  
22       controls, or operates; and

23               (C) the applicant's commitment of resources to the  
24       management of sales and marketing staff, through  
25       affirmative managerial policies, independent audits,  
26       technology, hands-on field monitoring and training,

1           and, in the case of applicants who will have sales  
2           personnel or sales agents within the State of Illinois,  
3           the applicant's managerial presence within the State.

4           (2) That the applicant will comply with all applicable  
5           federal, State, regional, and industry rules, policies,  
6           practices, and procedures for the use, operation, and  
7           maintenance of the safety, integrity, and reliability of  
8           the gas transmission system.

9           (3) That the applicant will comply with such  
10           informational or reporting requirements as the Commission  
11           may by rule establish.

12           (4) That the area to be served by the applicant and any  
13           limitations it proposes on the number of customers or  
14           maximum amount of load to be served meet the provisions of  
15           Section 19-115, provided, that if the applicant seeks to  
16           serve an area smaller than the service area of a gas  
17           utility or proposes other limitations on the number of  
18           customers or maximum amount of load to be served, the  
19           Commission can extend the time for considering such a  
20           certificate request by up to 90 days, and can schedule  
21           hearings on such a request.

22           (5) That the applicant and the applicant's sales agents  
23           will comply with all other applicable laws and rules.

24           (f) The Commission can extend the time for considering such  
25           a certificate request by up to 90 days, and can schedule  
26           hearings on such a request if:



1           (1) a party to the application proceeding has formally  
2           requested that the Commission hold hearings in a pleading  
3           that alleges that one or more of the allegations or  
4           certifications in the application is false or misleading;  
5           or

6           (2) other facts or circumstances exist that will  
7           necessitate additional time or evidence in order to  
8           determine whether a certificate should be issued.

9           (g) ~~(f)~~ The Commission shall have the authority to  
10 promulgate rules to carry out the provisions of this Section.  
11 Within 30 days after the effective date of this amendatory Act  
12 of the 92nd General Assembly, the Commission shall adopt an  
13 emergency rule or rules applicable to the certification of  
14 those gas suppliers that seek to serve residential customers.  
15 Within 180 days of the effective date of this amendatory Act of  
16 the 92nd General Assembly, the Commission shall adopt rules  
17 that specify criteria which, if met by any such alternative gas  
18 supplier, shall constitute the demonstration of technical,  
19 financial, and managerial resources and abilities to provide  
20 service required by item (1) of subsection (e) of this Section,  
21 such as a requirement to post a bond or letter of credit, from  
22 a responsible surety or financial institution, of sufficient  
23 size for the nature and scope of the services to be provided,  
24 demonstration of adequate insurance for the scope and nature of  
25 the services to be provided, and experience in providing  
26 similar services in other jurisdictions.

1       (h) The Commission may deny with prejudice any application  
2 that repeatedly fails to include the attachments,  
3 documentation, and affidavits required by the application form  
4 or that repeatedly fails to provide any other information  
5 required by this Section.

6       (Source: P.A. 92-529, eff. 2-8-02; 92-852, eff. 8-26-02.)

7             (220 ILCS 5/19-111 new)

8       Sec. 19-111. Material changes in business.

9       (a) The provisions of this Section shall apply only to  
10 alternative gas suppliers serving or seeking to serve  
11 residential or small commercial customers and only to the  
12 extent such alternative gas suppliers provide services to  
13 residential or small commercial customers.

14       (b) Alternative gas suppliers shall file with the  
15 Commission a notification of any material change to the  
16 information supplied in a certification application within 30  
17 days of such material change.

18       (1) An alternative gas supplier shall file such notice  
19 under the docket number assigned to the alternative gas  
20 supplier's certification application, whichever is the  
21 most recent. The supplier shall also serve such notice upon  
22 the gas utility company serving customers in the service  
23 area where the alternative gas supplier is certified to  
24 provide service.

25       (2) After notice and an opportunity for a hearing, the

1       Commission may (i) suspend, rescind, or conditionally  
2       rescind an alternative gas supplier's certificate if it  
3       determines that the material change will adversely affect  
4       the alternative gas supplier's fitness or ability to  
5       provide the services for which it is certified or (ii)  
6       require the alternative gas supplier to provide reasonable  
7       financial assurances sufficient to protect their customers  
8       and gas utilities from default.

9       (c) Material changes to the information contained in or  
10      supplied with a certification application include, but are not  
11      limited to, the following:

12           (1) Any significant change in ownership (an ownership  
13           interest of 5% or more) of the applicant or alternative gas  
14           supplier.

15           (2) An affiliation with any gas utility or change of an  
16           affiliation with a gas utility in this State.

17           (3) Retirement or other long-term changes to the  
18           operational status of supply resources relied upon by the  
19           alternative gas supplier to provide alternative gas  
20           service. Changes in the volume of supply from any given  
21           supply resource replaced by a comparable supply resource do  
22           not need to be reported.

23           (4) Revocation, restriction, or termination of any  
24           interconnection or service agreement with a pipeline  
25           company or natural gas company relied upon by an  
26           alternative gas supplier to provide alternative retail

1 natural gas service, but only if such revocation,  
2 restriction, or termination creates a situation in which  
3 the alternative gas supplier does not meet the tariffed  
4 capacity requirements of the relevant Illinois natural gas  
5 utility or utilities.

6 (5) If the alternative gas supplier has a long-term  
7 bond rating from Standard & Poor's or its successor, or  
8 Fitch Ratings or its successor, or Moody's Investor Service  
9 or its successor, and the alternative gas supplier's  
10 long-term bond rating falls below BBB as reported by  
11 Standard & Poor's or its successor or Fitch Ratings or its  
12 successor or below Baa3 as reported by Moody's Investors  
13 Service or its successor.

14 (6) The applicant or alternative gas supplier has or  
15 intends to file for reorganization, protection from  
16 creditors, or any other form of bankruptcy with any court.

17 (7) Any judgment, finding, or ruling by a court or  
18 regulatory agency that could affect an alternative gas  
19 supplier's fitness or ability to provide service in this  
20 State.

21 (8) Any change in the alternative gas supplier's name  
22 or logo, including without limitation any change in the  
23 alternative gas supplier's legal name, fictitious names,  
24 or assumed business names, except for logos and names the  
25 alternative gas supplier provided as part of its original  
26 certification process or that the alternative gas supplier

1 previously provided to the Commission under this Section.

2 (220 ILCS 5/19-112 new)

3 Sec. 19-112. Managerial resources.

4 (a) An alternative gas supplier must maintain sufficient  
5 managerial resources and abilities to provide the service for  
6 which it has a certificate of service authority. In determining  
7 the level of managerial resources and abilities that the  
8 alternative gas supplier must demonstrate, the Commission  
9 shall consider, in addition to the requirements in  
10 19-110(e) (1), the following:

11 (1) complaints to the Commission by consumers  
12 regarding the alternative gas supplier, including those  
13 that reflect on the alternative gas supplier's ability to  
14 properly manage solicitation and authorization; and

15 (2) the alternative gas supplier's involvement in the  
16 Commission's consumer complaint process, including the  
17 resources the alternative gas supplier dedicates to the  
18 process and the alternative gas supplier's ability to  
19 manage the issues raised by complaints, and the resolutions  
20 of the complaints.

21 (b) The provisions of this Section shall apply only to  
22 alternative gas suppliers serving or seeking to serve  
23 residential or small commercial customers and only to the  
24 extent such alternative gas suppliers provide services to  
25 residential or small commercial customers, unless otherwise

1 noted.

2 (220 ILCS 5/19-115)

3 Sec. 19-115. Obligations of alternative gas suppliers.

4 (a) The provisions of this Section shall apply only to  
5 alternative gas suppliers serving or seeking to serve  
6 residential or small commercial customers and only to the  
7 extent such alternative gas suppliers provide services to  
8 residential or small commercial customers.

9 (b) An alternative gas supplier shall:

10 (1) comply with the requirements imposed on public  
11 utilities by Sections 8-201 through 8-207, 8-301, 8-505 and  
12 8-507 of this Act, to the extent that these Sections have  
13 application to the services being offered by the  
14 alternative gas supplier; ~~and~~

15 (2) continue to comply with the requirements for  
16 certification stated in Section 19-110; ~~and~~

17 (3) comply with complaint procedures established by  
18 the Commission;

19 (4) except as provided in subsection (h) of this  
20 Section, file with the Chief Clerk of the Commission,  
21 within 20 business days after the effective date of this  
22 amendatory Act of the 95th General Assembly, a copy of bill  
23 formats, standard customer contract and customer complaint  
24 and resolution procedures, and the name and telephone  
25 number of the company representative whom Commission

1 employees may contact to resolve customer complaints and  
2 other matters. In the case of a gas supplier that engages  
3 in door-to-door solicitation, the company shall file with  
4 the Commission the consumer information disclosure  
5 required by item (3) of subsection (c) of Section 2DDD the  
6 Consumer Fraud and Deceptive Business Practices Act and  
7 shall file updated information within 10 business days  
8 after changes in any of the documents or information  
9 required to be filed by this item (4); and

10 (5) maintain a customer call center where customers can  
11 reach a representative and receive current information. At  
12 least once every 6 months, each alternative gas supplier  
13 shall provide written information to customers explaining  
14 how to contact the call center. The average answer time for  
15 calls placed to the call center shall not exceed 60 seconds  
16 where a representative or automated system is ready to  
17 render assistance and/or accept information to process  
18 calls. The abandon rate for calls placed to the call center  
19 shall not exceed 10%. Each alternative gas supplier shall  
20 maintain records of the call center's telephone answer time  
21 performance and abandon call rate. These records shall be  
22 kept for a minimum of 2 years and shall be made available  
23 to Commission personnel upon request. In the event that  
24 answer times and/or abandon rates exceed the limits  
25 established above, the reporting alternative gas supplier  
26 may provide the Commission or its personnel with

1 explanatory details. At a minimum, these records shall  
2 contain the following information in monthly increments:

3 (A) total number of calls received;

4 (B) number of calls answered;

5 (C) average answer time;

6 (D) number of abandoned calls; and

7 (E) abandon call rate.

8 Alternative gas suppliers that do not have electronic  
9 answering capability that meets these requirements shall  
10 notify the Manager of the Commission's Consumer Services  
11 Division or its successor within 30 days following the  
12 effective date of this amendatory Act of the 95th General  
13 Assembly and work with Staff to develop individualized  
14 reporting requirements as to the call volume and responsiveness  
15 of the call center.

16 On or before March 1 of every year, each entity shall file  
17 a report with the Chief Clerk of the Commission for the  
18 preceding calendar year on its answer time and abandon call  
19 rate for its call center. A copy of the report shall be sent to  
20 the Manager of the Consumer Services Division or its successor.

21 (c) An alternative gas supplier shall not submit or execute  
22 a change in a customer's selection of a natural gas provider  
23 unless and until (i) the alternative gas supplier first  
24 discloses all material terms and conditions of the offer to the  
25 customer; (ii) the alternative gas supplier has obtained the  
26 customer's express agreement to accept the offer after the



1 disclosure of all material terms and conditions of the offer;  
2 and (iii) the alternative gas supplier has confirmed the  
3 request for a change in accordance with one of the following  
4 procedures:

5 (1) The alternative gas supplier has obtained the  
6 customer's written or electronically signed authorization  
7 in a form that meets the following requirements:

8 (A) An alternative gas supplier shall obtain any  
9 necessary written or electronically signed  
10 authorization from a customer for a change in natural  
11 gas service by using a letter of agency as specified in  
12 this Section. Any letter of agency that does not  
13 conform with this Section is invalid.

14 (B) The letter of agency shall be a separate  
15 document (or an easily separable document containing  
16 only the authorization language described in item (E)  
17 of this paragraph (1)) whose sole purpose is to  
18 authorize a natural gas provider change. The letter of  
19 agency must be signed and dated by the customer  
20 requesting the natural gas provider change.

21 (C) The letter of agency shall not be combined with  
22 inducements of any kind on the same document.

23 (D) Notwithstanding items (A) and (B) of this  
24 paragraph (1), the letter of agency may be combined  
25 with checks that contain only the required letter of  
26 agency language prescribed in item (E) of this

1           paragraph (1) and the necessary information to make the  
2           check a negotiable instrument. The letter of agency  
3           check shall not contain any promotional language or  
4           material. The letter of agency check shall contain in  
5           easily readable, bold face type on the face of the  
6           check a notice that the consumer is authorizing a  
7           natural gas provider change by signing the check. The  
8           letter of agency language also shall be placed near the  
9           signature line on the back of the check.

10           (E) At a minimum, the letter of agency must be  
11           printed with a print of sufficient size to be clearly  
12           legible and must contain clear and unambiguous  
13           language that confirms:

14                   (i) the customer's billing name and address;

15                   (ii) the decision to change the natural gas  
16           provider from the current provider to the  
17           prospective alternative gas supplier;

18                   (iii) the terms, conditions, and nature of the  
19           service to be provided to the customer, including,  
20           but not limited to, the rates for the service  
21           contracted for by the customer; and

22                   (iv) that the customer understands that any  
23           natural gas provider selection the customer  
24           chooses may involve a charge to the customer for  
25           changing the customer's natural gas provider.

26           (F) Letters of agency shall not suggest or require

1           that a customer take some action in order to retain the  
2           customer's current natural gas provider.

3           (G) If any portion of a letter of agency is  
4           translated into another language, then all portions of  
5           the letter of agency must be translated into that  
6           language.

7           (2) An appropriately qualified independent third party  
8           has obtained, in accordance with the procedures set forth  
9           in this paragraph (2), the customer's oral authorization to  
10           change natural gas providers that confirms and includes  
11           appropriate verification data. The independent third party  
12           must (i) not be owned, managed, controlled, or directed by  
13           the alternative gas supplier or the alternative gas  
14           supplier's marketing agent; (ii) not have any financial  
15           incentive to confirm provider change requests for the  
16           alternative gas supplier or the alternative gas supplier's  
17           marketing agent; and (iii) operate in a location physically  
18           separate from the alternative gas supplier or the  
19           alternative gas supplier's marketing agent. Automated  
20           third-party verification systems and 3-way conference  
21           calls may be used for verification purposes so long as the  
22           other requirements of this paragraph (2) are satisfied. An  
23           alternative gas supplier or alternative gas supplier's  
24           sales representative initiating a 3-way conference call or  
25           a call through an automated verification system must drop  
26           off the call once the 3-way connection has been

1 established. All third-party verification methods shall  
2 elicit, at a minimum, the following information:

3 (A) the identity of the customer;

4 (B) confirmation that the person on the call is  
5 authorized to make the provider change;

6 (C) confirmation that the person on the call wants  
7 to make the provider change;

8 (D) the names of the providers affected by the  
9 change;

10 (E) the service address of the service to be  
11 switched; and

12 (F) the price of the service to be provided and the  
13 material terms and conditions of the service being  
14 offered, including whether any early termination fees  
15 apply.

16 Third-party verifiers may not market the alternative  
17 gas supplier's services by providing additional  
18 information. All third-party verifications shall be  
19 conducted in the same language that was used in the  
20 underlying sales transaction and shall be recorded in their  
21 entirety. Submitting alternative gas suppliers shall  
22 maintain and preserve audio records of verification of  
23 customer authorization for a minimum period of 2 years  
24 after obtaining the verification. Automated systems must  
25 provide customers with an option to speak with a live  
26 person at any time during the call.

1           (3) The alternative gas supplier has obtained the  
2           customer's authorization via an automated verification  
3           system to change natural gas service via telephone. An  
4           automated verification system is an electronic system  
5           that, through pre-recorded prompts, elicits voice  
6           responses, touchtone responses, or both, from the customer  
7           and records both the prompts and the customer's responses.  
8           Such authorization must elicit the information in  
9           paragraph (2) (A) through (F) of this subsection (c).  
10          Alternative gas suppliers electing to confirm sales  
11          electronically through an automated verification system  
12          shall establish one or more toll-free telephone numbers  
13          exclusively for that purpose. Calls to the number or  
14          numbers shall connect a customer to a voice response unit,  
15          or similar mechanism, that makes a date-stamped,  
16          time-stamped recording of the required information  
17          regarding the alternative gas supplier change.

18          The alternative gas supplier shall not use such  
19          electronic authorization systems to market its services.

20          (4) When a consumer initiates the call to the  
21          prospective alternative gas supplier, in order to enroll  
22          the consumer as a customer, the prospective alternative gas  
23          supplier must, with the consent of the customer, make a  
24          date-stamped, time-stamped audio recording that elicits,  
25          at a minimum, the following information:

26                 (A) the identity of the customer;

1           (B) confirmation that the person on the call is  
2           authorized to make the provider change;

3           (C) confirmation that the person on the call wants  
4           to make the provider change;

5           (D) the names of the providers affected by the  
6           change;

7           (E) the service address of the service to be  
8           switched; and

9           (F) the price of the service to be supplied and the  
10          material terms and conditions of the service being  
11          offered, including whether any early termination fees  
12          apply.

13          Submitting alternative gas suppliers shall maintain  
14          and preserve the audio records containing the information  
15          set forth above for a minimum period of 2 years.

16          (5) In the event that a customer enrolls for service  
17          from an alternative gas supplier via an Internet website,  
18          the alternative gas supplier shall obtain an  
19          electronically signed letter of agency in accordance with  
20          paragraph (1) of this subsection (c) and any customer  
21          information shall be protected in accordance with all  
22          applicable statutes and regulations. In addition, an  
23          alternative gas supplier shall provide the following when  
24          marketing via an Internet website:

25                 (A) The Internet enrollment website shall, at a  
26                 minimum, include:

1           (i) a copy of the alternative gas supplier's  
2           customer contract that clearly and conspicuously  
3           discloses all terms and conditions; and

4           (ii) a conspicuous prompt for the customer to  
5           print or save a copy of the contract.

6           (B) Any electronic version of the contract shall be  
7           identified by version number, in order to ensure the  
8           ability to verify the particular contract to which the  
9           customer assents.

10          (C) Throughout the duration of the alternative gas  
11          supplier's contract with a customer, the alternative  
12          gas supplier shall retain and, within 3 business days  
13          of the customer's request, provide to the customer an  
14          e-mail, paper, or facsimile of the terms and conditions  
15          of the numbered contract version to which the customer  
16          assents.

17          (D) The alternative gas supplier shall provide a  
18          mechanism by which both the submission and receipt of  
19          the electronic letter of agency are recorded by time  
20          and date.

21          (E) After the customer completes the electronic  
22          letter of agency, the alternative gas supplier shall  
23          disclose conspicuously through its website that the  
24          customer has been enrolled, and the alternative gas  
25          supplier shall provide the customer an enrollment  
26          confirmation number.

1           (6) When a customer is solicited in person by the  
2           alternative gas supplier's sales agent, the alternative  
3           gas supplier may only obtain the customer's authorization  
4           to change natural gas service through the method provided  
5           for in paragraph (2) of this subsection (c).

6           Alternative gas suppliers must be in compliance with this  
7           subsection (c) with 90 days after the effective date of this  
8           amendatory Act of the 95th General Assembly.

9           (d) Complaints may be filed with the Commission under this  
10          Section by a customer whose natural gas service has been  
11          provided by an alternative gas supplier in a manner not in  
12          compliance with subsection (c) of this Section. If, after  
13          notice and hearing, the Commission finds that an alternative  
14          gas supplier has violated subsection (c), then the Commission  
15          may in its discretion do any one or more of the following:

16           (1) Require the violating alternative gas supplier to  
17           refund the customer charges collected in excess of those  
18           that would have been charged by the customer's authorized  
19           natural gas provider.

20           (2) Require the violating alternative gas supplier to  
21           pay to the customer's authorized natural gas provider the  
22           amount the authorized natural gas provider would have  
23           collected for natural gas service. The Commission is  
24           authorized to reduce this payment by any amount already  
25           paid by the violating alternative gas supplier to the  
26           customer's authorized natural gas provider.



1           (3) Require the violating alternative gas supplier to  
2           pay a fine of up to \$1,000 into the Public Utility Fund for  
3           each repeated and intentional violation of this Section.

4           (4) Issue a cease and desist order.

5           (5) For a pattern of violation of this Section or for  
6           intentionally violating a cease and desist order, revoke  
7           the violating alternative gas supplier's certificate of  
8           service authority.

9           ~~(c) An alternative gas supplier shall obtain verifiable~~  
10          ~~authorization from a customer, in a form or manner approved by~~  
11          ~~the Commission, before the customer is switched from another~~  
12          ~~supplier.~~

13          (e) ~~(d)~~ No alternative gas supplier shall:

14                 (1) enter into or employ any arrangements which have  
15                 the effect of preventing any customer from having access to  
16                 the services of the gas utility in whose service area the  
17                 customer is located; ~~or~~

18                 (2) charge customers for such access; ~~or~~

19                 (3) bill for goods or services not authorized by the  
20                 customer; or

21                 (4) bill for a disputed amount where the alternative  
22                 gas supplier has been provided notice of such dispute. The  
23                 supplier shall attempt to resolve a dispute with the  
24                 customer. When the dispute is not resolved to the  
25                 customer's satisfaction, the supplier shall inform the  
26                 customer of the right to file an informal complaint with

1 the Commission and provide contact information. While the  
2 pending dispute is active at the Commission, an alternative  
3 gas supplier may bill only for the undisputed amount until  
4 the Commission has taken final action on the complaint.

5 (f) ~~(e)~~ An alternative gas supplier that is certified to  
6 serve residential or small commercial customers shall not:

7 (1) deny service to a customer or group of customers  
8 nor establish any differences as to prices, terms,  
9 conditions, services, products, facilities, or in any  
10 other respect, whereby such denial or differences are based  
11 upon race, gender, or income; ~~or~~

12 (2) deny service based on locality, nor establish any  
13 unreasonable difference as to prices, terms, conditions,  
14 services, products, or facilities as between localities; ~~or~~

15 (3) include in any agreement a provision that obligates  
16 a customer to the terms of the agreement if the customer  
17 (i) moves outside the State of Illinois; (ii) moves to a  
18 location without a transportation service program; or  
19 (iii) moves to a location where the customer will not  
20 require natural gas service, provided that nothing in this  
21 subsection precludes an alternative gas supplier from  
22 taking any action otherwise available to it to collect a  
23 debt that arises out of service provided to the customer  
24 before the customer moved; or

25 (4) assign the agreement to any alternative natural gas  
26 supplier, unless:

1           (A) the supplier is an alternative gas supplier  
2           certified by the Commission;

3           (B) the rates, terms, and conditions of the  
4           agreement being assigned do not change during the  
5           remainder of the time covered by the agreement;

6           (C) the customer is given no less than 30 days  
7           prior written notice of the assignment and contact  
8           information for the new supplier; and

9           (D) the supplier assigning the contract provides  
10           contact information that a customer can use to resolve  
11           a dispute.

12           (g) ~~(f)~~ An alternative gas supplier shall comply with the  
13           following requirements with respect to the marketing,  
14           offering, and provision of products or services:

15           (1) Any marketing materials which make statements  
16           concerning prices, terms, and conditions of service shall  
17           contain information that adequately discloses the prices,  
18           terms and conditions of the products or services.

19           (2) Before any customer is switched from another  
20           supplier, the alternative gas supplier shall give the  
21           customer written information that clearly and  
22           conspicuously ~~adequately~~ discloses, in plain language, the  
23           prices, terms, and conditions of the products and services  
24           being offered and sold to the customer. Nothing in this  
25           paragraph (2) may be read to relieve an alternative gas  
26           supplier from the duties imposed on it by item (3) of

1        subsection (c) of Section 2DDD of the Consumer Fraud and  
2        Deceptive Business Practices Act.

3            (3) The alternative gas supplier shall provide to the  
4        customer:

5            (A) accurate, timely, and itemized billing  
6        statements that describe the products and services  
7        provided to the customer and their prices and that  
8        specify the gas consumption amount and any service  
9        charges and taxes; provided that this item (g) (3) (A)  
10       ~~(f) (3) (A)~~ does not apply to small commercial  
11       customers;

12           (B) billing statements that clearly and  
13       conspicuously discloses the name and contact  
14       information for the alternative gas supplier;

15           (C) an additional statement, at least annually,  
16        that adequately discloses the average monthly prices,  
17        and the terms and conditions, of the products and  
18        services sold to the customer; provided that this item  
19        (g) (3) (C) ~~(f) (3) (B)~~ does not apply to small commercial  
20        customers;

21           (D) ~~(C)~~ refunds of any deposits with interest  
22        within 30 days after the date that the customer changes  
23        gas suppliers or discontinues service if the customer  
24        has satisfied all of his or her outstanding financial  
25        obligations to the alternative gas supplier at an  
26        interest rate set by the Commission which shall be the

1 same as that required of gas utilities; and

2 (E) ~~(D)~~ refunds, in a timely fashion, of all  
3 undisputed overpayments upon the oral or written  
4 request of the customer.

5 (4) An alternative gas supplier and its sales agents  
6 shall refrain from any direct marketing or soliciting to  
7 consumers on the gas utility's "Do Not Contact List", which  
8 the alternative gas supplier shall obtain on the 15th  
9 calendar day of the month from the gas utility in whose  
10 service area the consumer is provided with gas service. If  
11 the 15th calendar day is a non-business day, then the  
12 alternative gas supplier shall obtain the list on the next  
13 business day following the 15th calendar day of that month.

14 (5) Early Termination.

15 (A) Any agreement that contains an early  
16 termination clause shall disclose the amount of the  
17 early termination fee, provided that any early  
18 termination fee or penalty shall not exceed \$50 total,  
19 regardless of whether or not the agreement is a  
20 multiyear agreement.

21 (B) In any agreement that contains an early  
22 termination clause, an alternative gas supplier shall  
23 provide the customer the opportunity to terminate the  
24 agreement without any termination fee or penalty  
25 within 10 business days after the date of the first  
26 bill issued to the customer for products or services

1 provided by the alternative gas supplier. The  
2 agreement shall disclose the opportunity and provide a  
3 toll-free phone number that the customer may call in  
4 order to terminate the agreement.

5 (6) Within 2 business days after electronic receipt of  
6 a customer switch from the alternative gas supplier and  
7 confirmation of eligibility, the gas utility shall provide  
8 the customer written notice confirming the switch. The gas  
9 utility shall not switch the service until 10 business days  
10 after the date on the notice to the customer.

11 (7) The alternative gas supplier shall provide each  
12 customer the opportunity to rescind its agreement without  
13 penalty within 10 business days after the date on the gas  
14 utility notice to the customer. The alternative gas  
15 supplier shall disclose all of the following:

16 (A) that the gas utility shall send a notice  
17 confirming the switch;

18 (B) that from the date the utility issues the  
19 notice confirming the switch, the customer shall have  
20 10 business days to rescind the switch without penalty;

21 (C) that the customer shall contact the gas utility  
22 or the alternative gas supplier to rescind the switch;  
23 and

24 (D) the contact information for the gas utility.

25 The alternative gas supplier disclosure shall be  
26 included in its sales solicitations, contracts, and all

1       applicable sales verification scripts.

2       (h) ~~(g)~~ An alternative gas supplier may limit the overall  
3 size or availability of a service offering by specifying one or  
4 more of the following:

5           (1) a maximum number of customers and maximum amount of  
6 gas load to be served;

7           (2) time period during which the offering will be  
8 available; or

9           (3) other comparable limitation, but not including the  
10 geographic locations of customers within the area which the  
11 alternative gas supplier is certificated to serve.

12       The alternative gas supplier shall file the terms and  
13 conditions of such service offering including the applicable  
14 limitations with the Commission prior to making the service  
15 offering available to customers.

16       (i) ~~(h)~~ Nothing in this Section shall be construed as  
17 preventing an alternative gas supplier that is an affiliate of,  
18 or which contracts with, (i) an industry or trade organization  
19 or association, (ii) a membership organization or association  
20 that exists for a purpose other than the purchase of gas, or  
21 (iii) another organization that meets criteria established in a  
22 rule adopted by the Commission from offering through the  
23 organization or association services at prices, terms and  
24 conditions that are available solely to the members of the  
25 organization or association.

26       (Source: P.A. 92-529, eff. 2-8-02; 92-852, eff. 8-26-02.)

1 (220 ILCS 5/19-120)

2 Sec. 19-120. Commission oversight of services provided by  
3 gas suppliers.

4 (a) The provisions of this Section shall apply only to  
5 alternative gas suppliers serving or seeking to serve  
6 residential or small commercial customers and only to the  
7 extent such alternative gas suppliers provide services to  
8 residential or small commercial customers.

9 (b) The Commission shall have jurisdiction in accordance  
10 with the provisions of Article X of this Act either to  
11 investigate on its own motion in order to determine whether or  
12 to entertain and dispose of any complaint against any  
13 alternative gas supplier alleging that:

14 (1) the alternative gas supplier has violated or is in  
15 nonconformance with any applicable provisions of Section  
16 19-110, 19-111, 19-112, or Section 19-115;

17 (2) an alternative gas supplier has failed to provide  
18 service in accordance with the terms of its contract or  
19 contracts with a customer or customers;

20 (3) the alternative gas supplier has violated or is in  
21 nonconformance with the transportation services tariff of,  
22 or any of its agreements relating to transportation  
23 services with, the gas utility or municipal system  
24 providing transportation services; or

25 (4) the alternative gas supplier has violated or failed



1 to comply with the requirements of Sections 8-201 through  
2 8-207, 8-301, 8-505, or 8-507 of this Act as made  
3 applicable to alternative gas suppliers.

4 (c) The Commission shall have authority after notice and  
5 hearing held on complaint or on the Commission's own motion to  
6 order any or all of the following remedies, penalties, or forms  
7 of relief:

8 (1) order an alternative gas supplier to cease and  
9 desist, or correct, any violation of or nonconformance with  
10 the provisions of Section 19-110, 19-111, 19-112, or  
11 19-115;

12 (2) impose financial penalties for violations of or  
13 nonconformances with the provisions of Section 19-110, 19-111, 19-112,  
14 19-111, 19-112, or 19-115, not to exceed (i) \$10,000 per  
15 occurrence or (ii) \$30,000 per day for those violations or  
16 nonconformances which continue after the Commission issues  
17 a cease-and-desist order; and

18 (3) alter, modify, revoke, or suspend the certificate  
19 of service authority of an alternative gas supplier for  
20 substantial or repeated violations of or nonconformances  
21 with the provisions of Section 19-110, 19-111, 19-112, or  
22 19-115.

23 (d) Nothing in this Act shall be construed to limit,  
24 restrict, or mitigate in any way the power and authority of the  
25 State's Attorneys or the Attorney General under the Consumer  
26 Fraud and Deceptive Business Practices Act.

1 (Source: P.A. 92-529, eff. 2-8-02; 92-852, eff. 8-26-02.)

2 (220 ILCS 5/19-125)

3 Sec. 19-125. Consumer education.

4 (a) The Commission shall make available upon request and at  
5 no charge, and shall make available to the public on the  
6 Internet through the State of Illinois World Wide Web site:

7 (1) a list of all certified alternative gas suppliers  
8 serving residential and small commercial customers within  
9 the service area of each gas utility including, in the case  
10 of the Internet, computer links to available web sites of  
11 the certified alternative gas suppliers;

12 (2) a list of all certified alternative gas suppliers  
13 serving residential or small commercial customers that  
14 have been found in the last 3 years by the Commission  
15 pursuant to Section 10-108 to have failed to provide  
16 service in accordance with this Act;

17 (3) guidelines to assist customers in determining  
18 which gas supplier is most appropriate for each customer;  
19 and

20 (4) Internet links to providers of information that  
21 enables customers to compare prices and services of gas  
22 utilities and alternative gas suppliers, if and when that  
23 information is available.

24 (a-5) The Commission shall develop no later than 6 months  
25 after the effective date of this amendatory act of the 95th

1 General Assembly and maintain consumer education information  
2 to help residential and small commercial consumers understand  
3 their gas supply options and their rights and responsibilities.  
4 The Commission shall publish the consumer education  
5 information on its World Wide Web site.

6 (a-10) To assist the Commission in developing consumer  
7 education information, the Commission shall form a working  
8 group that shall consist of representatives of gas utilities  
9 with residential and small commercial gas transportation  
10 service programs, alternative gas suppliers, the Attorney  
11 General, the Citizens Utility Board, and the Commission.

12 (a-15) At a minimum, the consumer education information  
13 developed by the Commission shall include explanations or  
14 descriptions of the following:

15 (1) The choices available to consumers to take gas  
16 service from an alternative retail gas supplier or remain  
17 as a retail customer of the gas utility.

18 (2) A consumer's rights and responsibilities in  
19 receiving service from an alternative retail gas supplier  
20 or remaining as a retail customer of the gas utility.

21 (3) The gas utility's role in delivering gas,  
22 including, but not limited to, utility response to calls  
23 for service and gas leaks.

24 (4) The legal obligations of alternative retail gas  
25 suppliers.

26 (5) The components of a bill that could be received by

1 a customer taking delivery services.

2 (6) The procedures available to customers to address  
3 complaints against a gas utility or an alternative retail  
4 gas supplier and a list of phone numbers and other contact  
5 information for the Commission, the Attorney General, or  
6 the Citizens Utility Board.

7 (7) Guidance to assist consumers in making educated  
8 decisions when choosing their natural gas provider,  
9 including:

10 (A) how to compare prices;

11 (B) questions to ask when considering natural gas  
12 providers; and

13 (C) current and historical utility gas rates.

14 (8) The availability of the "Do Not Contact List" for  
15 those who do not wish to be solicited by natural gas  
16 providers.

17 (b) In any service area where customers are able to choose  
18 their natural gas supplier, the Commission shall require gas  
19 utilities and alternative gas suppliers to inform customers of  
20 how they may contact the Commission in order to obtain  
21 information about the customer choice program.

22 (c) The Commission shall adopt a uniform disclosure that  
23 alternative gas suppliers shall be required to complete for  
24 each product offering. The uniform disclosure shall contain, at  
25 a minimum:

26 (1) for products with a fixed price per therm, the

1 price per therm;

2 (2) the length of the initial term of the product, or,  
3 if applicable, the expiration date of the initial term of  
4 the product;

5 (3) the amount of the termination fees, if any;

6 (4) the amount of the administrative fees, other fees,  
7 or recurring charges, if any, to be listed separately for  
8 each and every fee or charge;

9 (5) for products with a variable price per therm, the  
10 terms of such variability, including, but not limited to,  
11 any index that is used to calculate the price and any  
12 additional charges, costs and fees; and

13 (6) for products where a customer's charges are a fixed  
14 amount per billing period regardless of the market price  
15 for natural gas or the customer's natural gas consumption  
16 during the billing period, the billing period covered.

17 If the alternative gas supplier will not offer a  
18 different product for new customers as of the first of the  
19 month, then the alternative gas supplier does not have to  
20 provide new information until the first day of the month in  
21 which a different product or products are being offered.

22 The Commission shall post this information on its World  
23 Wide Web site in a manner that shall enable customers to  
24 compare prices, terms, and conditions offered by the  
25 alternative gas suppliers. The website shall be updated at  
26 least monthly and the Commission shall maintain this

1 information on its website for at least 12 months to allow  
2 customers to compare the historical plans and prices for  
3 all alternative gas suppliers.

4 (d) The Commission shall make available in print, upon  
5 request and at no charge and on its World Wide Web site,  
6 information on which customers of alternative gas suppliers  
7 servng residential and small commercial customers may address  
8 any complaint with regard to an alternative gas supplier's  
9 obligations under Section 19-115 of this Article, including the  
10 provision of service in accordance with the terms of its  
11 contract, sales tactics, and rates. The Commission shall  
12 maintain a summary by category and provider of all formal and  
13 informal complaints it receives pursuant to this Section, and  
14 it shall publish the summary on a quarterly basis on its World  
15 Wide Web site. Individual customer information shall not be  
16 included in the summary.

17 (e) The provisions of this Section shall apply only to  
18 alternative gas suppliers serving or seeking to serve  
19 residential and small commercial customers and only to the  
20 extent such alternative gas suppliers provide services to  
21 residential and small commercial customers.

22 (Source: P.A. 92-852, eff. 8-26-02.)

23 Section 10. The Consumer Fraud and Deceptive Business  
24 Practices Act is amended by adding Sections 2DDD, 2EEE, 2FFF,  
25 and 2GGG as follows:

1 (815 ILCS 505/2DDD new)

2 Sec. 2DDD. Alternative gas suppliers.

3 (a) Definitions.

4 (1) "Alternative gas supplier" has the same meaning as  
5 in Section 19-105 of the Public Utilities Act.

6 (2) "Gas utility" has the same meaning as in Section  
7 19-105 of the Public Utilities Act.

8 (b) It is an unfair or deceptive act or practice within the  
9 meaning of Section 2 of this Act for any person to violate any  
10 provision of this Section.

11 (c) Solicitation.

12 (1) An alternative gas supplier shall not misrepresent  
13 the affiliation of any alternative supplier with the gas  
14 utility, governmental bodies, or consumer groups.

15 (2) If any sales solicitation, agreement, contract, or  
16 verification is translated into another language and  
17 provided to a customer, all of the documents must be  
18 provided to the customer in that other language.

19 (3) An alternative gas supplier shall clearly and  
20 conspicuously disclose the following information to all  
21 customers:

22 (A) the prices, terms, and conditions of the  
23 products and services being sold to the customer;

24 (B) where the solicitation occurs in person,  
25 including through door-to-door solicitation, the

1 salesperson's name;

2 (C) the alternative gas supplier's contact  
3 information, including the address, phone number, and  
4 website;

5 (D) contact information for the Illinois Commerce  
6 Commission, including the toll-free number for  
7 consumer complaints and website;

8 (E) a statement of the customer's right to rescind  
9 the offer within 10 business days of the date on the  
10 utility's notice confirming the customer's decision to  
11 switch suppliers, as well as phone numbers for the  
12 supplier and utility that the consumer may use to  
13 rescind the contract; and

14 (F) the amount of the early termination fee, if  
15 any.

16 (4) Except as provided in paragraph (5) of this  
17 subsection (c), an alternative gas supplier shall send the  
18 information described in paragraph (3) of this subsection  
19 (c) to all customers within one business day of the  
20 authorization of a switch.

21 (5) An alternative gas supplier engaging in  
22 door-to-door solicitation of consumers shall provide the  
23 information described in paragraph (3) of this subsection  
24 (c) during all door-to-door solicitations that result in a  
25 customer deciding to switch their supplier.

26 (d) Customer Authorization. An alternative gas supplier



1 shall not submit or execute a change in a customer's selection  
2 of a natural gas provider unless and until (i) the alternative  
3 gas supplier first discloses all material terms and conditions  
4 of the offer to the customer; (ii) the alternative gas supplier  
5 has obtained the customer's express agreement to accept the  
6 offer after the disclosure of all material terms and conditions  
7 of the offer; and (iii) the alternative gas supplier has  
8 confirmed the request for a change in accordance with one of  
9 the following procedures:

10 (1) The alternative gas supplier has obtained the  
11 customer's written or electronically signed authorization  
12 in a form that meets the following requirements:

13 (A) An alternative gas supplier shall obtain any  
14 necessary written or electronically signed  
15 authorization from a customer for a change in natural  
16 gas service by using a letter of agency as specified in  
17 this Section. Any letter of agency that does not  
18 conform with this Section is invalid.

19 (B) The letter of agency shall be a separate  
20 document (or an easily separable document containing  
21 only the authorization language described in item (E)  
22 of this paragraph (1)) whose sole purpose is to  
23 authorize a natural gas provider change. The letter of  
24 agency must be signed and dated by the customer  
25 requesting the natural gas provider change.

26 (C) The letter of agency shall not be combined with

1 inducements of any kind on the same document.

2 (D) Notwithstanding items (A) and (B) of this  
3 paragraph (1), the letter of agency may be combined  
4 with checks that contain only the required letter of  
5 agency language prescribed in item (E) of this  
6 paragraph (1) and the necessary information to make the  
7 check a negotiable instrument. The letter of agency  
8 check shall not contain any promotional language or  
9 material. The letter of agency check shall contain in  
10 easily readable, bold face type on the face of the  
11 check, a notice that the consumer is authorizing a  
12 natural gas provider change by signing the check. The  
13 letter of agency language also shall be placed near the  
14 signature line on the back of the check.

15 (E) At a minimum, the letter of agency must be  
16 printed with a print of sufficient size to be clearly  
17 legible, and must contain clear and unambiguous  
18 language that confirms:

19 (i) the customer's billing name and address;

20 (ii) the decision to change the natural gas  
21 provider from the current provider to the  
22 prospective alternative gas supplier;

23 (iii) the terms, conditions, and nature of the  
24 service to be provided to the customer, including,  
25 but not limited to, the rates for the service  
26 contracted for by the customer; and

1           (iv) that the customer understands that any  
2           natural gas provider selection the customer  
3           chooses may involve a charge to the customer for  
4           changing the customer's natural gas provider.

5           (F) Letters of agency shall not suggest or require  
6           that a customer take some action in order to retain the  
7           customer's current natural gas provider.

8           (G) If any portion of a letter of agency is  
9           translated into another language, then all portions of  
10           the letter of agency must be translated into that  
11           language.

12           (2) An appropriately qualified independent third party  
13           has obtained, in accordance with the procedures set forth  
14           in this paragraph (2), the customer's oral authorization to  
15           change natural gas providers that confirms and includes  
16           appropriate verification data. The independent third party  
17           must (i) not be owned, managed, controlled, or directed by  
18           the alternative gas supplier or the alternative gas  
19           supplier's marketing agent; (ii) not have any financial  
20           incentive to confirm provider change requests for the  
21           alternative gas supplier or the alternative gas supplier's  
22           marketing agent; and (iii) operate in a location physically  
23           separate from the alternative gas supplier or the  
24           alternative gas supplier's marketing agent. Automated  
25           third-party verification systems and 3-way conference  
26           calls may be used for verification purposes so long as the

1 other requirements of this paragraph (2) are satisfied. A  
2 alternative gas supplier or alternative gas supplier's  
3 sales representative initiating a 3-way conference call or  
4 a call through an automated verification system must drop  
5 off the call once the 3-way connection has been  
6 established. All third-party verification methods shall  
7 elicit, at a minimum, the following information:

8 (A) the identity of the customer;

9 (B) confirmation that the person on the call is  
10 authorized to make the provider change;

11 (C) confirmation that the person on the call wants  
12 to make the provider change;

13 (D) the names of the providers affected by the  
14 change;

15 (E) the service address of the service to be  
16 switched; and

17 (F) the price of the service to be provided and the  
18 material terms and conditions of the service being  
19 offered, including whether any early termination fees  
20 apply.

21 Third-party verifiers may not market the alternative  
22 gas supplier's services. All third-party verifications  
23 shall be conducted in the same language that was used in  
24 the underlying sales transaction and shall be recorded in  
25 their entirety. Submitting alternative gas suppliers shall  
26 maintain and preserve audio records of verification of

1 customer authorization for a minimum period of 2 years  
2 after obtaining the verification. Automated systems must  
3 provide customers with an option to speak with a live  
4 person at any time during the call.

5 (3) The alternative gas supplier has obtained the  
6 customer's electronic authorization to change in natural  
7 gas service via telephone. Such authorization must elicit  
8 the information in paragraph (2)(A) through (F) of this  
9 subsection (d). Alternative gas suppliers electing to  
10 confirm sales electronically shall establish one or more  
11 toll-free telephone numbers exclusively for that purpose.  
12 Calls to the number or numbers shall will connect a  
13 customer to a voice response unit, or similar mechanism,  
14 that makes a date-stamped, time-stamped recording of the  
15 required information regarding the alternative gas  
16 supplier change.

17 The alternative gas supplier shall not use such  
18 electronic authorization systems to market its services.

19 (4) When a consumer initiates the call to the  
20 prospective alternative gas supplier, in order to enroll  
21 the consumer as a customer, the prospective alternative gas  
22 supplier must, with the consent of the customer, make a  
23 date-stamped, time-stamped audio recording that elicits,  
24 at a minimum, the following information:

25 (A) the identity of the customer;

26 (B) confirmation that the person on the call is

1 authorized to make the provider change;

2 (C) confirmation that the person on the call wants  
3 to make the provider change;

4 (D) the names of the providers affected by the  
5 change;

6 (E) the service address of the service to be  
7 switched; and

8 (F) the price of the service to be supplied and the  
9 material terms and conditions of the service being  
10 offered, including whether any early termination fees  
11 apply.

12 Submitting alternative gas suppliers shall maintain  
13 and preserve the audio records containing the information  
14 set forth above for a minimum period of 2 years.

15 (5) In the event that a customer enrolls for service  
16 from an alternative gas supplier via an Internet website,  
17 the alternative gas supplier shall obtain an  
18 electronically signed letter of agency in accordance with  
19 paragraph (1) of this subsection (d) and any customer  
20 information shall be protected in accordance with all  
21 applicable statutes and rules. In addition, an alternative  
22 gas supplier shall provide the following when marketing via  
23 an Internet website:

24 (A) The Internet enrollment website shall, at a  
25 minimum, include:

26 (i) a copy of the alternative gas supplier's

1           customer contract, which clearly and conspicuously  
2           discloses all terms and conditions; and

3                   (ii) a conspicuous prompt for the customer to  
4           print or save a copy of the contract.

5           (B) Any electronic version of the contract shall be  
6           identified by version number, in order to ensure the  
7           ability to verify the particular contract to which the  
8           customer assents.

9           (C) Throughout the duration of the alternative gas  
10          supplier's contract with a customer, the alternative  
11          gas supplier shall retain and, within 3 business days  
12          of the customer's request, provide to the customer an  
13          e-mail, paper, or facsimile of the terms and conditions  
14          of the numbered contract version to which the customer  
15          assents.

16          (D) The alternative gas supplier shall provide a  
17          mechanism by which both the submission and receipt of  
18          the electronic letter of agency are recorded by time  
19          and date.

20          (E) After the customer completes the electronic  
21          letter of agency, the alternative gas supplier shall  
22          disclose conspicuously through its website that the  
23          customer has been enrolled and the alternative gas  
24          supplier shall provide the customer an enrollment  
25          confirmation number.

26          (6) When a customer is solicited in person by the

1 alternative gas supplier's sales agent, the alternative  
2 gas supplier may only obtain the customer's authorization  
3 to change natural gas service through the method provided  
4 for in paragraph (2) of this subsection (d).

5 Alternative gas suppliers must be in compliance with the  
6 provisions of this subsection (d) within 90 days after the  
7 effective date of this amendatory Act of the 95th General  
8 Assembly.

9 (e) Early Termination.

10 (1) Any agreement that contains an early termination  
11 clause shall disclose the amount of the early termination  
12 fee, provided that any early termination fee or penalty  
13 shall not exceed \$50 total, regardless of whether or not  
14 the agreement is a multiyear agreement.

15 (2) In any agreement that contains an early termination  
16 clause, an alternative gas supplier shall provide the  
17 customer the opportunity to terminate the agreement  
18 without any termination fee or penalty within 10 business  
19 days after the date of the first bill issued to the  
20 customer for products or services provided by the  
21 alternative gas supplier. The agreement shall disclose the  
22 opportunity and provide a toll-free phone number that the  
23 customer may call in order to terminate the agreement.

24 (f) The alternative gas supplier shall provide each  
25 customer the opportunity to rescind its agreement without  
26 penalty within 10 business days after the date on the gas



1 utility notice to the customer. The alternative gas supplier  
2 shall disclose to the customer all of the following:

3 (1) that the gas utility shall send a notice confirming  
4 the switch;

5 (2) that from the date the utility issues the notice  
6 confirming the switch, the customer shall have 10 business  
7 days before the switch will become effective;

8 (3) that the customer may contact the gas utility or  
9 the alternative gas supplier to rescind the switch within  
10 10 business days; and

11 (4) the contact information for the gas utility and the  
12 alternative gas supplier.

13 The alternative gas supplier disclosure shall be included  
14 in its sales solicitations, contracts, and all applicable sales  
15 verification scripts.

16 (g) The provisions of this Section shall apply only to  
17 alternative gas suppliers serving or seeking to serve  
18 residential and small commercial customers and only to the  
19 extent such alternative gas suppliers provide services to  
20 residential and small commercial customers.

21 (815 ILCS 505/2EEE new)

22 Sec. 2EEE. Natural gas service advertising. Any  
23 advertisement for natural gas service that lists rates shall  
24 clearly and conspicuously disclose all associated costs for  
25 such service including, but not limited to, access fees and

1 service fees. It is an unfair or deceptive act or practice  
2 within the meaning of Section 2 of this Act for any person to  
3 violate this Section.

4 The provisions of this Section shall apply only to  
5 alternative gas suppliers serving or seeking to serve  
6 residential and small commercial customers and only to the  
7 extent such alternative gas suppliers provide services to  
8 residential and small commercial customers.

9 (815 ILCS 505/2FFF new)

10 Sec. 2FFF. All personal information relating to the  
11 customer of transmission, distribution, metering, or billing  
12 of natural gas service, or the customer purchasing the  
13 commodity of natural gas to be delivered through the  
14 distribution system of a natural gas provider, shall be  
15 maintained by the natural gas providers solely for the purpose  
16 of generating the bill for such sales and services, and shall  
17 not be divulged to any other persons with the exception of  
18 credit bureaus, collection agencies, and persons licensed to  
19 market natural gas service in the State of Illinois, without  
20 the written consent of the customer. It is an unfair or  
21 deceptive act or practice within the meaning of Section 2 of  
22 this Act for any person to violate this Section.

23 The provisions of this Section shall apply only to  
24 alternative gas suppliers serving or seeking to serve  
25 residential and small commercial customers and only to the

1 extent such alternative gas suppliers provide services to  
2 residential and small commercial customers.

3 (815 ILCS 505/2GGG new)

4 Sec. 2GGG. Prohibition of prize promotions to solicit  
5 authority to provide alternative natural gas service.

6 (a) It is an unfair or deceptive act or practice within the  
7 meaning of Section 2 of this Act for any person to solicit  
8 authority to execute a change of gas suppliers or to solicit  
9 authority to provide any alternative gas service through the  
10 use of any sweepstakes, contests, or drawings.

11 (b) Forms or documents used or intended to be used by  
12 consumers to enter sweepstakes, contests, or drawings of any  
13 description may not be used by any person as written authority  
14 to execute a change of any person's gas supplier or to render  
15 any gas supply service.

16 (c) The provisions of this Section shall apply only to  
17 alternative gas suppliers serving or seeking to serve  
18 residential and small commercial customers and only to the  
19 extent such alternative gas suppliers provide services to  
20 residential and small commercial customers.

21 Section 99. Effective date. This Act takes effect upon  
22 becoming law.".