



Sen. Kimberly A. Lightford

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09600SB1603sam002

LRB096 09062 MJR 24365 a

1 AMENDMENT TO SENATE BILL 1603

2 AMENDMENT NO. _____. Amend Senate Bill 1603, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Public Utilities Act is amended by adding
6 Sections 16-111.7, 16-111.9, 19-140, and 19-150 and by changing
7 the heading of Article XIX and Section 19-100 as follows:

8 (220 ILCS 5/16-111.7 new)

9 Sec. 16-111.7. Financial assistance; payment plans.

10 (a) Notwithstanding any other provision of this Act, an
11 electric utility may offer programs that are approved by the
12 Commission specifically designed to provide bill payment
13 assistance to low-income customers; provided, however, that
14 each electric utility shall implement a plan as described in
15 subsection (b) of this Section. The plans may be designed in a
16 number of ways, including, but not limited to, flat grants,

1 forgiveness of past due amounts in exchange for regular
2 payments, percentage of income payments, energy efficiency and
3 demand-response measures, and education. After receiving a
4 request from an electric utility for the approval of a proposed
5 plan pursuant to this Section, the Commission shall render its
6 decision within 120 days. If no decision is rendered within 120
7 days, then the request shall be deemed to be approved.

8 (b) Each Percentage of Income Payment Plan (PIP Plan) shall
9 contain all of the following components:

10 (1) The electric utility shall coordinate with the
11 Department of Commerce and Economic Opportunity
12 (Department) to identify eligible participants, which
13 shall be based on the same criteria established by the
14 Department to determine eligibility for the Illinois Low
15 Income Home Energy Assistance Program (LIHEAP) pursuant to
16 the Energy Assistance Act, provided that eligible income
17 shall be no less than 125% of the poverty level and,
18 subject to availability of funds, reasonable efforts shall
19 be made to include a minimum income of no less than 150% of
20 the poverty level.

21 (2) The Department shall establish the percentage of
22 income formula that will be applied to PIP Plan
23 participants' electric utility bills to determine the
24 portion of the bill that is the responsibility of the
25 participant provided that, and consistent with Section
26 19-140 of this Act, the percentage shall be a total of no

1 less than 6% and no more than 10% of the relevant income
2 for gas and electric utility bills combined, which amount
3 shall be allocated 60% to the utility, gas or electric,
4 that provides the participant's primary energy supply for
5 heating and 40% to the other utility.

6 (3) The Department shall remit to the electric utility
7 that portion of the PIP Plan participant's bill that is not
8 the responsibility of the participant; in the event that
9 the Department fails to remit payment to the electric
10 utility as required by this Section, the utility shall be
11 entitled to recover all costs related to nonpayment through
12 the automatic adjustment clause tariff established
13 pursuant to Section 16-111.9 of this Act, and the
14 limitations of subsection (c) of this Section shall not
15 apply.

16 (4) For each month that a PIP Plan participant timely
17 pays his or her electric utility bill, the electric utility
18 shall apply a credit to a portion of the participant's
19 arrearage, if any, equal to no less than one-twelfth of
20 that arrearage, which costs shall be recoverable by the
21 utility pursuant to subsection (c) of this Section,
22 provided that the total amount of arrearage credits shall
23 ratably equal no more than \$1,000 for each participant. The
24 remaining amount of arrearage, if any, shall be placed on a
25 deferred payment plan.

26 (5) The timeliness of a PIP Plan participant's monthly

1 payment of its utility bill may be considered in
2 determining the participant's continued eligibility under
3 the PIP Plan.

4 (6) The PIP Plan, including, but not limited to the
5 number of participants and the percentage of income
6 formula, shall be adjusted, or, if necessary, the PIP Plan
7 may be suspended, based on the availability of funds from
8 LIHEAP provided that, notwithstanding the limitation in
9 subsection (c) of this Section, a utility may supplement
10 LIHEAP funding for the PIP Plan up to \$3 million annually
11 if the Commission finds that such funding is to the benefit
12 of customers, which costs shall be recoverable under
13 subsection (c) of this Section.

14 (7) Following the first full year of a PIP Plan, and
15 subject to Commission approval, the electric utility may
16 terminate or reduce arrearages credits in order to add
17 additional programs under this Section.

18 (8) Of the total funds authorized under this Section,
19 each electric utility shall spend at least the lesser of
20 (i) 3% of the total amount it spends under this Section or
21 (ii) \$200,000 on programs to education PIP Plan
22 participants and other low-income customers about low-cost
23 energy efficiency and conservation.

24 (c) An electric utility shall recover all of the costs it
25 incurs in offering programs approved by the Commission pursuant
26 to this Section, including all start-up and administrative

1 costs, provided that the costs do not exceed \$10 million
2 annually. All costs incurred under this Section shall be
3 recovered from the electric utility's retail customers through
4 an automatic adjustment clause tariff filed with and approved
5 by the Commission.

6 (d) In the event an electric utility offering programs
7 under this Section elects to discontinue a program, it shall
8 provide 60 days notice both (i) to program participants through
9 a bill insert and (ii) to the Commission through an
10 informational filing.

11 (e) To ensure that there are sufficient funds to provide a
12 variety of programs to meet varying needs, a utility need not
13 devote more than \$3 million of the total funds authorized under
14 this Section to credit arrearages for PIP Plan participants.

15 (220 ILCS 5/16-111.9 new)

16 Sec. 16-111.9. Automatic adjustment clause tariff;
17 uncollectibles. An electric utility that has filed a request
18 with the Commission for approval of a Percentage of Income
19 Payment Plan pursuant to Section 16-111.7 of this Act shall be
20 permitted to recover through an automatic adjustment clause
21 tariff the incremental difference between the uncollectible
22 expense included in the utility's rates and its actual
23 uncollectible expense as set forth in Account 904 in the
24 utility's most recent annual FERC Form 1 filing. This
25 difference may either be a charge or a credit to customers

1 depending on whether the amount of uncollectible expense is
2 more or less than the amount of uncollectible expense then
3 included in the utility's rates. The tariff shall be
4 established outside the context of a general rate case. An
5 electric utility may file a compliant tariff together with or
6 at any time after filing its requests with the Commission for
7 approval of its Percentage of Income Payment Plan. The
8 Commission shall conclude any investigation of the tariff
9 within 45 days after the date on which it is filed, and shall
10 appropriately allocate uncollectible costs between delivery
11 services customers and supply customers. An approved tariff
12 shall be applicable beginning with the utility's next monthly
13 billing period commencing at least 15 days after the date of
14 approval. Thereafter, the Commission shall annually initiate,
15 no later than March 30th of each year, a review to reconcile
16 all amounts collected with actual uncollectible expense in the
17 prior annual period, to determine any required adjustment to
18 account for any difference in those amounts, and to review the
19 reasonableness of the costs incurred and prudence of the
20 utility's actions associated with such costs. As part of its
21 review, the Commission shall verify that the utility collects
22 no more and no less than its actual uncollectible expense as
23 reported in its FERC Form 1 in the previous year. The
24 Commission shall complete its annual review and issue an order
25 within 90 days and may include in the order suggestions for
26 prospective changes in current practices. Nothing in this

1 Section or the implementing tariffs shall affect or alter the
2 electric utility's existing obligation to pursue collection of
3 uncollectibles or the electric utility's right to disconnect
4 service. Except in response to a reduction in uncollectibles or
5 with the approval of the Commission, a utility that has in
6 effect a tariff authorized by this Section shall not curtail
7 the following activities to pursue minimization and collection
8 of uncollectibles:

9 (1) identification of customers with late payments;

10 (2) contacting the customers in an effort to obtain
11 payment;

12 (3) providing delinquent customers with information
13 about possible options, including payment plans and
14 assistance programs;

15 (4) serving disconnection notices;

16 (5) implementing disconnections based on the level of
17 uncollectibles; or

18 (6) pursuing collection activities based on the level
19 of uncollectibles.

20 Nothing in this Section shall be construed to necessarily
21 require a utility to immediately disconnect service for
22 nonpayment.

23 (220 ILCS 5/Art. XIX heading)

24 ARTICLE XIX. ALTERNATIVE GAS SUPPLIER AND CUSTOMER ASSISTANCE

25 PROGRAMS LAW

1 (220 ILCS 5/19-100)

2 Sec. 19-100. Short title. This Article may be cited as the
3 Alternative Gas Supplier and Customer Assistance Programs Law.

4 (Source: P.A. 92-529, eff. 2-8-02.)

5 (220 ILCS 5/19-140 new)

6 Sec. 19-140. Financial assistance; payment plans; gas
7 utilities.

8 (a) Notwithstanding any other provision of this Act, a gas
9 utility may offer programs that are approved by the Commission
10 specifically designed to provide bill payment assistance to
11 low-income customers; provided, however, that each gas utility
12 shall implement a plan as described in subsection (b) of this
13 Section. The plans may be designed in a number of ways,
14 including, but not limited to, flat grants, forgiveness of past
15 due amounts in exchange for regular payments, percentage of
16 income payments, energy efficiency and demand-response
17 measures, and education. After receiving a request from a gas
18 utility for the approval of a proposed plan pursuant to this
19 Section, the Commission shall render its decision within 120
20 days. If no decision is rendered within 120 days, then the
21 request shall be deemed to be approved.

22 (b) Each Percentage of Income Payment Plan (PIP Plan) shall
23 contain all of the following components:

24 (1) The gas utility shall coordinate with the

1 Department of Commerce and Economic Opportunity
2 (Department) to identify eligible participants, which
3 shall be based on the same criteria established by the
4 Department to determine eligibility for the Illinois Low
5 Income Home Energy Assistance Program (LIHEAP) pursuant to
6 the Energy Assistance Act, provided that eligible income
7 shall be no less than 125% of the poverty level and,
8 subject to availability of funds, reasonable efforts shall
9 be made to include a minimum income of no less than 150% of
10 the poverty level.

11 (2) The Department shall establish the percentage of
12 income formula that will be applied to PIP Plan
13 participants' gas utility bills to determine the portion of
14 the bill that is the responsibility of the participant
15 provided that, and consistent with Section 16-111.7 of this
16 Act, the percentage shall be a total of no less than 6% and
17 no more than 10% of the relevant income for gas and
18 electric utility bills combined, which amount shall be
19 allocated 60% to the utility, gas or electric, that
20 provides the participant's primary energy supply for
21 heating and 40% to the other utility.

22 (3) The Department shall remit to the gas utility that
23 portion of the PIP Plan participant's bill that is not the
24 responsibility of the participant; in the event that the
25 Department fails to timely remit payment to the gas utility
26 as required by this Section, the utility shall be entitled

1 to recover all costs related to nonpayment through the
2 automatic adjustment clause tariff established pursuant to
3 Section 19-150 of this Act, and the limitations of
4 subsection (c) of this Section shall not apply.

5 (4) For each month that a PIP Plan participant timely
6 pays his or her gas utility bill, the gas utility shall
7 apply a credit to a portion of the participant's arrearage,
8 if any, equal to no less than one-twelfth of such
9 arrearage, which costs shall be recoverable by the utility
10 pursuant to subsection (c) of this Section, provided that
11 the total amount of arrearage credits shall ratably equal
12 no more than \$1,000 for each participant. The remaining
13 amount of arrearage, if any, shall be placed on a deferred
14 payment plan.

15 (5) The timeliness of a PIP Plan participant's monthly
16 payment of its utility bill may be considered in
17 determining such participant's continued eligibility under
18 the PIP Plan.

19 (6) The PIP Plan, including, but not limited to the
20 number of participants and the percentage of income
21 formula, shall be adjusted, or, if necessary, the PIP Plan
22 may be suspended, based on the availability of funds from
23 LIHEAP provided that, notwithstanding the limitation in
24 subsection (c) of this Section, a utility may supplement
25 LIHEAP funding for the PIP Plan up to \$3 million annually
26 if the Commission finds that such funding is to the benefit

1 of customers, which costs shall be recoverable under
2 subsection (c) of this Section.

3 (7) Following the first full year of a PIP Plan, and
4 subject to Commission approval, the gas utility may
5 terminate or reduce arrearages credits in order to add
6 additional programs under this Section.

7 (8) Of the total funds authorized hereunder, each gas
8 utility shall spend at least the lesser of (i) 3% of the
9 total amount it spends under this Section or (ii) \$200,000
10 on programs to education PIP Plan participants and other
11 low-income customers about low-cost energy efficiency and
12 conservation.

13 (9) Each alternative gas supplier shall elect whether
14 it will participate in the PIP Plan, and each alternative
15 gas supplier electing not to participate shall so notify
16 each residential customer that it serves.

17 (c) A gas utility shall recover all of the costs it incurs
18 in offering programs approved by the Commission pursuant to
19 this Section, including all start-up and administrative costs,
20 provided that, except as authorized under this Section, the
21 costs do not exceed \$10 million annually. All costs incurred
22 under this Section shall be recovered from the gas utility's
23 retail customers through an automatic adjustment clause tariff
24 filed with and approved by the Commission.

25 (d) Except as provided in subsection (b) of this Section,
26 in the event a gas utility offering programs under this Section

1 elects to discontinue a program, it shall provide 60 days
2 notice both (i) to program participants through a bill insert
3 and (ii) to the Commission through an informational filing.

4 (e) To ensure that there are sufficient funds to provide a
5 variety of programs to meet varying needs, a utility need not
6 devote more than \$3 million of the total funds authorized under
7 this Section to credit arrearages for PIP Plan participants.

8 (220 ILCS 5/19-150 new)

9 Sec. 19-150. Automatic adjustment clause tariff;
10 uncollectibles; gas utilities. A gas utility that has filed a
11 request with the Commission for approval of a Percentage of
12 Income Payment Plan pursuant to Section 19-140 of this Act
13 shall be permitted to recover through an automatic adjustment
14 clause tariff the incremental difference between the
15 uncollectible expense included in the utility's rates and its
16 actual uncollectible expense as set forth in Account 904 in the
17 utility's most recent annual FERC Form 2 filing. The difference
18 may either be a charge or a credit to customers depending on
19 whether the amount of uncollectible expense is more or less
20 than the amount of uncollectible expense then included in the
21 utility's rates. The tariff shall be established outside the
22 context of a general rate case. A gas utility may file a
23 compliant tariff together with or at any time after filing its
24 request with the Commission for approval of its Percentage of
25 Income Payment Plan. The Commission shall conclude any

1 investigation of the tariff within 45 days after the date on
2 which it is filed, and shall appropriately allocate
3 uncollectible costs between delivery services customers and
4 supply customers. An approved tariff shall be applicable
5 beginning with the utility's next monthly billing period
6 commencing at least 15 days after the date of approval.
7 Thereafter, the Commission shall annually initiate, no later
8 than March 30th of each year, a review to reconcile all amounts
9 collected with actual uncollectible expense in the prior annual
10 period, to determine any required adjustment to account for any
11 difference in those amounts and to review the reasonableness of
12 the cost incurred and prudence of the utility's actions
13 associated with such costs. As part of its review, the
14 Commission shall verify that the utility collects no more and
15 no less than its actual uncollectible expense as reported in
16 its FERC Form 2, or, if none is filed, the amount reflected in
17 ICC Form 21, in the previous year. The Commission shall
18 complete its annual review and issue an order within 90 days
19 and may include in the order suggestions for prospective
20 changes in current practices. Nothing in this Section or the
21 implementing tariffs shall affect or alter the gas utility's
22 existing obligation to pursue collection of uncollectibles or
23 the gas utility's right to disconnect service. Except in
24 response to a reduction in uncollectibles or with the approval
25 of the Commission, a utility that has in effect a tariff
26 authorized by this Section shall not curtail the following

1 activities to pursue minimization and collection of
2 uncollectibles:

3 (1) identification of customers with late payments;

4 (2) contacting the customers in an effort to obtain
5 payment;

6 (3) providing delinquent customers with information
7 about possible options, including payment plans and
8 assistance programs;

9 (4) serving disconnection notices;

10 (5) implementing disconnections based on the level of
11 uncollectibles; or

12 (6) pursuing collection activities based on the level
13 of uncollectibles.

14 Nothing in this Section shall be construed to necessarily
15 require a utility to immediately disconnect service for
16 nonpayment.

17 Section 99. Effective date. This Act takes effect upon
18 becoming law."