



Sen. Mike Jacobs

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09800HB3104sam001

LRB098 08168 CEL 45672 a

1 AMENDMENT TO HOUSE BILL 3104

2 AMENDMENT NO. _____. Amend House Bill 3104 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Public Utilities Act is amended by changing
5 Section 5-104 as follows:

6 (220 ILCS 5/5-104) (from Ch. 111 2/3, par. 5-104)

7 Sec. 5-104. Depreciation accounts.

8 (a) The Commission shall have power, after hearing, to
9 require any or all public utilities, except electric public
10 utilities, to keep such accounts as will adequately reflect
11 depreciation, obsolescence and the progress of the arts. The
12 Commission may, from time to time, ascertain and determine and
13 by order fix the proper and adequate rate of depreciation of
14 the several classes of property for each public utility; and
15 each public utility shall conform its depreciation accounts to
16 the rates so ascertained, determined and fixed.

1 (b) The Commission shall have the power, after hearing, to
2 require any or all electric public utilities to keep such
3 accounts as will adequately reflect depreciation,
4 obsolescence, and the progress of the arts. The Commission may,
5 from time to time, ascertain and determine and by order fix the
6 proper and adequate rate of depreciation of the several classes
7 of property for each electric public utility; and each electric
8 public utility shall thereafter, absent further order of the
9 Commission, conform its depreciation accounts to the rates so
10 ascertained, determined and fixed until at least the end of the
11 first full calendar year following the date of such
12 determination.

13 (c) An electric public utility may from time to time alter
14 the annual rates of depreciation, which for purposes of this
15 subsection (c) and subsection (d) shall include amortization,
16 that it applies to its several classes of assets so long as the
17 rates are consistent with generally accepted accounting
18 principles. The electric public utility shall file a statement
19 with the Commission which shall set forth the new rates of
20 depreciation and which shall contain a certification by an
21 independent certified public accountant that the new rates of
22 depreciation are consistent with generally accepted accounting
23 principles. Upon the filing of such statement, the new rates of
24 depreciation shall be deemed to be approved by the Commission
25 as the rates of depreciation to be applied thereafter by the
26 public utility as though an order had been entered pursuant to

1 subsection (b).

2 (d) In any proceeding conducted pursuant to Section 9-201
3 or 9-202 to set an electric public utility's rates for service,
4 the Commission may determine not to use, in determining the
5 depreciation expense component of the public utility's rates
6 for service, the rates of depreciation established pursuant to
7 subsection (c), if the Commission in that proceeding finds
8 based on the record that different rates of depreciation are
9 required to adequately reflect depreciation, obsolescence and
10 the progress of the arts, and fixes by order and uses for
11 purposes of that proceeding new rates of depreciation to be
12 thereafter employed by the electric public utility until the
13 end of the first full calendar year following the date of the
14 determination and thereafter until altered in accordance with
15 subsection (b) or (c) of this Section.

16 (e) A gas public utility serving more than 1,600,000
17 customers as of January 1, 2013 may from time to time alter the
18 annual rates of depreciation, which for purposes of this
19 subsection (e) shall include amortization, that the gas public
20 utility applies to its several classes of assets so long as the
21 rates are consistent with generally accepted accounting
22 principles. The gas public utility shall file testimony with
23 the Commission setting forth the new rates of depreciation that
24 shall include: (i) a summary of the causes for the change in
25 depreciation rates; (ii) a certification by an independent
26 certified public accountant that the new rates of depreciation

1 are consistent with generally accepted accounting principles;
2 (iii) the depreciation study; and (iv) the expected impact on
3 depreciation expense from the new depreciation rates. The gas
4 public utility shall also simultaneously submit to the
5 Commission all work papers that support the filed depreciation
6 study. No later than 120 days after the filing by the gas
7 public utility under this subsection (e), the Commission shall
8 ascertain and determine and, by order, fix the proper and
9 adequate rate of depreciation of the several classes of
10 property for the gas public utility. The gas public utility
11 shall conform its depreciation accounts to the rates so
12 ascertained, determined, and fixed. Rates of depreciation
13 established by the Commission pursuant to this subsection (e)
14 shall become effective upon the date of the gas public
15 utility's filing.

16 (Source: P.A. 90-561, eff. 12-16-97.)

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