

AN ACT concerning regulation.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Public Utilities Act is amended by adding Section 8-306 and by changing Section 9-223 as follows:

(220 ILCS 5/8-306 new)

Sec. 8-306. Special provisions relating to water and sewer utilities.

(a) No later than 120 days after the effective date of this amendatory Act of the 94th General Assembly, the Commission shall prepare, make available to customers upon request, and post on its Internet web site information concerning the service obligations of water and sewer utilities and remedies that a customer may pursue for a violation of the customer's rights. The information shall specifically address the rights of a customer of a water or sewer utility in the following situations:

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

(2) The customer's bill increases by more than 50% within one billing period.

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

(4) The customer wishes to complain after receiving a termination of service notice.

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

(6) A rate is filed, including without limitation a surcharge or annual reconciliation filing, that will increase the amount billed to the customer.

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

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

Each billing statement issued by a water or sewer utility

shall include an Internet web site address where the customer can view the information required under this subsection (a) and a telephone number that the customer may call to request a copy of the information.

(b) A water or sewer utility may discontinue service only after it has mailed or delivered by other means a written notice of discontinuance substantially in the form of Appendix A of 83 Ill. Adm. Code 280. The notice must include the Internet web site address where the customer can view the information required under subsection (a) and a telephone number that the customer may call to request a copy of the information. Any notice required to be delivered or mailed to a customer prior to discontinuance of service shall be delivered or mailed separately from any bill. Service shall not be discontinued until at least 5 days after delivery or 8 days after the mailing of this notice. Service shall not be discontinued and shall be restored if discontinued for the reason which is the subject of a dispute or complaint during the pendency of informal or formal complaint procedures of the Illinois Commerce Commission under 83 Ill. Adm. Code 280.160 or 280.170, where the customer has complied with those rules. Service shall not be discontinued and shall be restored if discontinued where a customer has established a deferred payment agreement pursuant to 83 Ill. Adm. Code 280.110 and has not defaulted on such agreement. Residential customers who are indebted to a utility for past due utility service shall have the opportunity to make arrangements with the utility to retire the debt by periodic payments, referred to as a deferred payment agreement, unless this customer has failed to make payment under such a plan during the past 12 months. The terms and conditions of a reasonable deferred payment agreement shall be determined by the utility after consideration of the following factors, based upon information available from current utility records or provided by the customer or applicant:

(1) size of the past due account;

- (2) customer or applicant's ability to pay;
- (3) customer or applicant's payment history;
- (4) reason for the outstanding indebtedness; and
- (5) any other relevant factors relating to the circumstances of the customer or applicant's service.

A residential customer shall pay a maximum of one-fourth of the amount past due and owing at the time of entering into the deferred payment agreement, and the water or sewer utility shall allow a minimum of 2 months from the date of the agreement and a maximum of 12 months for payment to be made under a deferred payment agreement. Late payment charges may be assessed against the amount owing that is the subject of a deferred payment agreement.

(c) A water or sewer utility shall provide notice as required by subsection (a) of Section 9-201 after the filing of each information sheet under a purchased water surcharge, purchased sewage treatment surcharge, or qualifying infrastructure plant surcharge. The utility also shall post notice of the filing in accordance with the requirements of 83 Ill. Adm. Code 255. Unless filed as part of a general rate increase, notice of the filing of a purchased water surcharge rider, purchased sewage treatment surcharge rider, or qualifying infrastructure plant surcharge rider also shall be given in the manner required by this subsection (c) for the filing of information sheets.

(d) Commission rules pertaining to formal and informal complaints against public utilities shall apply with full and equal force to water and sewer utilities and their customers, including provisions of 83 Ill. Adm. Code 280.170, and the Commission shall respond to each complaint by providing the consumer with a copy of the utility's response to the complaint and a copy of the Commission's review of the complaint and its findings. The Commission shall also provide the consumer with all available options for recourse.

(e) Any refund shown on the billing statement of a customer of a water or sewer utility must be itemized and must state if

the refund is an adjustment or credit.

(f) Water service for building construction purposes. At the request of any municipality or township within the service area of a public utility that provides water service to customers within the municipality or township, a public utility must (1) require all water service used for building construction purposes to be measured by meter and subject to approved rates and charges for metered water service and (2) prohibit the unauthorized use of water taken from hydrants or service lines installed at construction sites.

(g) Water meters.

(1) Periodic testing. Unless otherwise approved by the Commission, each service water meter shall be periodically inspected and tested in accordance with the schedule specified in 83 Ill. Adm. Code 600.340, or more frequently as the results may warrant, to insure that the meter accuracy is maintained within the limits set out in 83 Ill. Adm. Code 600.310.

(2) Meter tests requested by customer.

(A) Each utility furnishing metered water service shall, without charge, test the accuracy of any meter upon request by the customer served by such meter, provided that the meter in question has not been tested by the utility or by the Commission within 2 years previous to such request. The customer or his or her representatives shall have the privilege of witnessing the test at the option of the customer. A written report, giving the results of the test, shall be made to the customer.

(B) When a meter that has been in service less than 2 years since its last test is found to be accurate within the limits specified in 83 Ill. Adm. Code 600.310, the customer shall pay a fee to the utility not to exceed the amounts specified in 83 Ill. Adm. Code 600.350(b). Fees for testing meters not included in this Section or so located that the cost will be out

of proportion to the fee specified will be determined by the Commission upon receipt of a complete description of the case.

(3) Commission referee tests. Upon written application to the Commission by any customer, a test will be made of the customer's meter by a representative of the Commission. For such a test, a fee as provided for in subsection (g) (2) shall accompany the application. If the meter is found to be registering more than 1.5% fast on the average when tested as prescribed in 83 Ill. Adm. Code 600.310, the utility shall refund to the customer the amount of the fee. The utility shall in no way disturb the meter after a customer has made an application for a referee test until authority to do so is given by the Commission or the customer in writing.

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

(i) Water and sewer utilities; separate meters. Each public utility that provides water and sewer service must offer separate rates for water and sewer service to any commercial or residential customer who uses separate meters to measure each of those services. In order for the separate rate to apply, a combination of meters must be used to measure the amount of water that reaches the sewer system and the amount of water that does not reach the sewer system.

(j) Each water or sewer public utility must disclose on each billing statement any amount billed that is for service provided prior to the date covered by the billing statement. The disclosure must include the dates for which the prior service is being billed. Each billing statement that includes an amount billed for service provided prior to the date covered by the billing statement must disclose the dates for which that amount is billed and must include a copy of the document

created under subsection (a) and a statement of current Commission rules concerning unbilled or misbilled service.

(k) When the customer is due a refund resulting from payment of an overcharge, the utility shall credit the customer in the amount of overpayment with interest from the date of overpayment by the customer. The rate for interest shall be at the appropriate rate determined by the Commission under 83 Ill. Adm. Code 280.70.

(l) Water and sewer public utilities; subcontractors. The Commission shall adopt rules for water and sewer public utilities to provide notice to the customers of the proper kind of identification that a subcontractor must present to the customer, to prohibit a subcontractor from soliciting or receiving payment of any kind for any service provided by the water or sewer public utility or the subcontractor, and to establish sanctions for violations.

(m) Water and sewer public utilities; unaccounted-for water. By December 31, 2006, each water public utility shall file tariffs with the Commission to establish the maximum percentage of unaccounted-for water that would be considered in the determination of any rates or surcharges. The rates or surcharges approved for a water public utility shall not include charges for unaccounted-for water in excess of this maximum percentage without well-documented support and justification for the Commission to consider in any request to recover charges in excess of the tariffed maximum percentage.

(n) Rate increases; public forums. When any public utility providing water or sewer service proposes a general rate increase, in addition to other notice requirements, the water or sewer public utility must notify its customers of their right to request a public forum. A customer or group of customers must make written request to the Commission for a public forum and must also provide written notification of the request to the customer's municipal or, for unincorporated areas, township government. The Commission, at its discretion, may schedule the public forum. If it is determined that public

forums are required for multiple municipalities or townships, the Commission shall schedule these public forums, in locations within approximately 45 minutes drive time of the municipalities or townships for which the public forums have been scheduled. The public utility must provide advance notice of 30 days for each public forum to the governing bodies of those units of local government affected by the increase. The day of each public forum shall be selected so as to encourage the greatest public participation. Each public forum will begin at 7:00 p.m. Reports and comments made during or as a result of each public forum must be made available to the hearing officials and reviewed when drafting a recommended or tentative decision, finding or order pursuant to Section 10-111 of this Act.

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

Sec. 9-223. Fire protection charge.

(a) The Commission may authorize any public utility engaged in the production, storage, transmission, sale, delivery or furnishing of water to impose a fire protection charge, in addition to any rate authorized by this Act, sufficient to cover a reasonable portion of the cost of providing the capacity, facilities and the water necessary to meet the fire protection needs of any municipality or public fire protection district. Such fire protection charge shall be in the form of a fixed amount per bill and shall be shown separately on the utility bill of each customer of the municipality or fire protection district. Any filing by a public utility to impose such a fire protection charge or to modify a charge shall be made pursuant to Section 9-201 of this Act. Any fire protection charge imposed shall reflect the costs associated with providing fire protection service for each municipality or fire protection district. No such charge shall be imposed directly on any municipality or fire protection district for a reasonable level of fire protection services unless provided for in a separate agreement between the municipality or the

fire protection district and the utility.

(b) By December 31, 2007, the Commission shall conduct at least 3 public forums to evaluate the purpose and use of each fire protection charge imposed under this Section. At least one forum must be held in northern Illinois, at least one forum must be held in central Illinois, and at least one forum must be held in southern Illinois. The Commission must invite a representative from each municipality and fire protection district affected by a fire protection charge under this Section to attend a public forum. The Commission shall report its findings concerning recommendations concerning the purpose and use of each fire protection charge to the General Assembly no later than the last day of the veto session in 2008.

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

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