

HB3038



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB3038

by Rep. Theresa Mah

SYNOPSIS AS INTRODUCED:

220 ILCS 5/16-118

Amends the Public Utilities Act. Provides that an electric utility with more than 100,000 customers shall not purchase any receivable priced at a higher price than is obtained for consumers through the power procurement process provided under specified provisions of the Act. Provides that only those amounts equal to and less than the price obtained for consumers in the Illinois Power Agency procurement process shall be purchased by an electric utility with more than 100,000 customers and that any costs to the utility associated with this requirement shall be recovered from participating alternative retail electric suppliers. Makes conforming changes. Effective immediately.

LRB100 10219 RJF 20401 b

A BILL FOR

1 AN ACT concerning regulation.

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

4 Section 5. The Public Utilities Act is amended by changing
5 Section 16-118 as follows:

6 (220 ILCS 5/16-118)

7 Sec. 16-118. Services provided by electric utilities to
8 alternative retail electric suppliers.

9 (a) It is in the best interest of Illinois energy consumers
10 to promote fair and open competition in the provision of
11 electric power and energy and to prevent anticompetitive
12 practices in the provision of electric power and energy.
13 Therefore, to the extent an electric utility provides electric
14 power and energy or delivery services to alternative retail
15 electric suppliers and such services are not subject to the
16 jurisdiction of the Federal Energy Regulatory Commission, and
17 are not competitive services, they shall be provided through
18 tariffs that are filed with the Commission, pursuant to Article
19 IX of this Act. Each electric utility shall permit alternative
20 retail electric suppliers to interconnect facilities to those
21 owned by the utility provided they meet established standards
22 for such interconnection, and may provide standby or other
23 services to alternative retail electric suppliers. The

1 alternative retail electric supplier shall sign a contract
2 setting forth the prices, terms and conditions for
3 interconnection with the electric utility and the prices, terms
4 and conditions for services provided by the electric utility to
5 the alternative retail electric supplier in connection with the
6 delivery by the electric utility of electric power and energy
7 supplied by the alternative retail electric supplier.

8 (b) An electric utility shall file a tariff pursuant to
9 Article IX of the Act that would allow alternative retail
10 electric suppliers or electric utilities other than the
11 electric utility in whose service area retail customers are
12 located to issue single bills to the retail customers for both
13 the services provided by such alternative retail electric
14 supplier or other electric utility and the delivery services
15 provided by the electric utility to such customers. The tariff
16 filed pursuant to this subsection shall (i) require partial
17 payments made by retail customers to be credited first to the
18 electric utility's tariffed services, (ii) impose commercially
19 reasonable terms with respect to credit and collection,
20 including requests for deposits, (iii) retain the electric
21 utility's right to disconnect the retail customers, if it does
22 not receive payment for its tariffed services, in the same
23 manner that it would be permitted to if it had billed for the
24 services itself, and (iv) require the alternative retail
25 electric supplier or other electric utility that elects the
26 billing option provided by this tariff to include on each bill

1 to retail customers an identification of the electric utility
2 providing the delivery services and a listing of the charges
3 applicable to such services. The tariff filed pursuant to this
4 subsection may also include other just and reasonable terms and
5 conditions. In addition, an electric utility, an alternative
6 retail electric supplier or electric utility other than the
7 electric utility in whose service area the customer is located,
8 and a customer served by such alternative retail electric
9 supplier or other electric utility, may enter into an agreement
10 pursuant to which the alternative retail electric supplier or
11 other electric utility pays the charges specified in Section
12 16-108, or other customer-related charges, including taxes and
13 fees, in lieu of such charges being recovered by the electric
14 utility directly from the customer.

15 (c) An electric utility with more than 100,000 customers
16 shall file a tariff pursuant to Article IX of this Act that
17 provides alternative retail electric suppliers, and electric
18 utilities other than the electric utility in whose service area
19 the retail customers are located, with the option to have the
20 electric utility purchase their receivables for power and
21 energy service provided to residential retail customers and
22 non-residential retail customers with a non-coincident peak
23 demand of less than 400 kilowatts. However, an electric utility
24 with more than 100,000 customers shall not purchase any
25 receivable priced at a higher price than is obtained for
26 consumers through the power procurement process provided under

1 Section 16-111.5 of this Act. Only those amounts equal to and
2 less than the price obtained for consumers in the Illinois
3 Power Agency procurement process provided under Section
4 16-111.5 shall be purchased by an electric utility with more
5 than 100,000 customers. Any costs to the utility associated
6 with this requirement shall be recovered from participating
7 alternative retail electric suppliers. Receivables for power
8 and energy service of alternative retail electric suppliers or
9 electric utilities other than the electric utility in whose
10 service area the retail customers are located shall be
11 purchased by the electric utility at a just and reasonable
12 discount rate to be reviewed and approved by the Commission
13 after notice and hearing. The discount rate shall be based on
14 the electric utility's historical bad debt and any reasonable
15 start-up costs and administrative costs associated with the
16 electric utility's purchase of receivables. The discounted
17 rate for purchase of receivables shall be included in the
18 tariff filed pursuant to this subsection (c). The discount rate
19 filed pursuant to this subsection (c) shall be subject to
20 periodic Commission review. The electric utility retains the
21 right to impose the same terms on retail customers with respect
22 to credit and collection, including requests for deposits, and
23 retain the electric utility's right to disconnect the retail
24 customers, if it does not receive payment for its tariffed
25 services or purchased receivables, in the same manner that it
26 would be permitted to if the retail customers purchased power

1 and energy from the electric utility. The tariff filed pursuant
2 to this subsection (c) shall permit the electric utility to
3 recover from retail customers any uncollected receivables that
4 may arise as a result of the purchase of receivables under this
5 subsection (c); however, the uncollected receivables shall not
6 exceed the price obtained for consumers through the Illinois
7 Power Agency procurement process provided under Section
8 16-111.5 of this Act, and may also include other just and
9 reasonable terms and conditions, and shall provide for the
10 prudently incurred costs associated with the provision of this
11 service pursuant to this subsection (c). Nothing in this
12 subsection (c) permits the double recovery of bad debt expenses
13 from customers.

14 (d) An electric utility with more than 100,000 customers
15 shall file a tariff pursuant to Article IX of this Act that
16 would provide alternative retail electric suppliers or
17 electric utilities other than the electric utility in whose
18 service area retail customers are located with the option to
19 have the electric utility produce and provide single bills to
20 the retail customers for both the electric power and energy
21 service provided by the alternative retail electric supplier or
22 other electric utility and the delivery services provided by
23 the electric utility to the customers. The tariffs filed
24 pursuant to this subsection shall require the electric utility
25 to collect and remit customer payments for electric power and
26 energy service provided by alternative retail electric

1 suppliers or electric utilities other than the electric utility
2 in whose service area retail customers are located. The tariff
3 filed pursuant to this subsection shall require the electric
4 utility to include on each bill to retail customers an
5 identification of the alternative retail electric supplier or
6 other electric utility that elects the billing option. The
7 tariff filed pursuant to this subsection (d) may also include
8 other just and reasonable terms and conditions and shall
9 provide for the recovery of prudently incurred costs associated
10 with the provision of service pursuant to this subsection (d).
11 The costs associated with the provision of service pursuant to
12 this Section shall be subject to periodic Commission review.

13 (e) An electric utility with more than 100,000 customers in
14 this State shall file a tariff pursuant to Article IX of this
15 Act that provides alternative retail electric suppliers, and
16 electric utilities other than the electric utility in whose
17 service area the retail customers are located, with the option
18 to have the electric utility purchase 2 billing cycles worth of
19 uncollectible receivables for power and energy service
20 provided to residential retail customers and to
21 non-residential retail customers with a non-coincident peak
22 demand of less than 400 kilowatts upon returning that customer
23 to that electric utility for delivery and energy service after
24 that alternative retail electric supplier, or an electric
25 utility other than the electric utility in whose service area
26 the retail customer is located, has made reasonable collection

1 efforts on that account. However, uncollectible receivables
2 shall not exceed the price obtained for consumers through the
3 Illinois Power Agency procurement process provided under
4 Section 16-111.5 of this Act, and uncollectible ~~Uncollectible~~
5 receivables for power and energy service of alternative retail
6 electric suppliers, or electric utilities other than the
7 electric utility in whose service area the retail customers are
8 located, shall be purchased by the electric utility at a just
9 and reasonable discount rate to be reviewed and approved by the
10 Commission, after notice and hearing. The discount rate shall
11 be based on the electric utility's historical bad debt for
12 receivables that are outstanding for a similar length of time
13 and any reasonable start-up costs and administrative costs
14 associated with the electric utility's purchase of
15 receivables. The discounted rate for purchase of uncollectible
16 receivables shall be included in the tariff filed pursuant to
17 this subsection (e). The electric utility retains the right to
18 impose the same terms on these retail customers with respect to
19 credit and collection, including requests for deposits, and
20 retains the right to disconnect these retail customers, if it
21 does not receive payment for its tariffed services or purchased
22 receivables, in the same manner that it would be permitted to
23 if the retail customers had purchased power and energy from the
24 electric utility. The tariff filed pursuant to this subsection
25 (e) shall permit the electric utility to recover from retail
26 customers any uncollectible ~~uncollectable~~ receivables that may

1 arise as a result of the purchase of uncollectible receivables
2 under this subsection (e); however, the uncollectible
3 receivables shall not exceed the price obtained for consumers
4 through the Illinois Power Agency procurement process provided
5 under Section 16-111.5 of this Act, and~~7~~ may also include other
6 just and reasonable terms and conditions, and shall provide for
7 the prudently incurred costs associated with the provision of
8 this service pursuant to this subsection (e). Nothing in this
9 subsection (e) permits the double recovery of utility bad debt
10 expenses from customers. The electric utility may file a joint
11 tariff for this subsection (e) and subsection (c) of this
12 Section.

13 (Source: P.A. 95-700, eff. 11-9-07.)

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