

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 1. Short title. This Act may be cited as the Water  
5 and Sewer Utility Customer Service Act.

6 Section 5. Application of Public Utilities Act to water and  
7 sewer utilities. Except to the extent modified or supplemented  
8 by the specific provisions of this Act, the Sections of the  
9 Public Utilities Act pertaining to public utilities, public  
10 utility rates, and services, and the regulation thereof, are  
11 fully and equally applicable to water and sewer rates and  
12 services and the regulation thereof, except where the context  
13 clearly renders such provisions inapplicable.

14 Section 10. Definitions. The definitions contained in the  
15 Public Utilities Act apply to terms used in this Act, unless  
16 the context clearly indicates otherwise.

17 Section 15. Customer rights.

18 (a) Within 90 days after the effective date of this  
19 amendatory Act of the 94th General Assembly, the Commission  
20 shall hold public hearings concerning and establish a water  
21 bill of rights for customers of public utilities providing  
22 water or sewer service. The water bill of rights must detail  
23 what rights a customer has in each of the following situations:

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

25 (2) The customer's bill increases by more than 20%  
26 within one billing period.

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

28 (4) The customer wishes to appeal a termination of  
29 service notice.

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

1 statement.

2 (6) A surcharge or annual reconciliation is filed that  
3 will increase the amount billed to the customer.

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

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

7 The water bill of rights must also include information  
8 concerning the service obligations of the utility and informing  
9 the customer about unfair and unethical collection practices  
10 and remedies that the customer may pursue for a violation of  
11 the customer's rights. The Commission shall also determine the  
12 penalties that shall be imposed on the utility for  
13 noncompliance with the customer's water bill of rights.

14 (b) No water or sewer public utility may terminate the  
15 service of any customer without first providing at least 7  
16 days' advance written notice to the customer. The written  
17 notice must include a copy of the water bill of rights created  
18 under this Section and must notify the customer of the  
19 customer's right to appeal the termination. The Commission  
20 shall establish, by rule, a minimum payment schedule that must  
21 be followed by the customer and the public utility of a  
22 customer is disputing an amount billed to the customer or  
23 appealing a termination of service and sanctions that may be  
24 imposed against any public utility that terminates service to  
25 any customer who adheres to the minimum payment schedule  
26 established by the Commission. No water or sewer public utility  
27 shall terminate service to any customer appealing a termination  
28 of service or disputing a billed amount so long as the customer  
29 adheres to the minimum payment schedule required by the  
30 Commission.

31 A customer must be at least 60 days in arrears before a  
32 shutoff notice can be issued. The Commission shall establish  
33 procedures to set aside a shutoff notice if it affects the  
34 safety and welfare of the community. The procedures shall be  
35 published and provided to the municipality or townships served  
36 by the utility.

1 (c) Each water or sewer public utility must provide written  
2 notice to each affected customer of any annual reconciliation  
3 rate adjustment and when it will go into effect.

4 (d) Each water or sewer public utility must disclose on  
5 each billing statement any amount billed that is for service  
6 provided prior to the date covered by the billing statement.  
7 The disclosure must include the dates for which the prior  
8 service is being billed. Each billing statement that includes  
9 an amount billed for service provided prior to the date covered  
10 by the billing statement must disclose the dates for which that  
11 amount is billed and must include a copy of the water bill of  
12 rights and a statement of current Commission rules concerning  
13 back-billing. The Commission must verify any annual  
14 reconciliation in the number of gallons that have been  
15 back-billed by a water or sewer public utility and the utility  
16 must credit the customer with those gallons, calculated in  
17 dollars, with interest at the prime rate.

18 (e) The Commission shall establish by rule an informal  
19 complaint process for processing complaints about water and  
20 sewer public utilities and shall respond to each complaint by  
21 providing the consumer with a copy of the utilities response to  
22 the complaint and a copy of the Commission's review of the  
23 complaint and its findings. The Commission must provide the  
24 consumer with all available options for recourse.

25 (f) Any refund on the billing statement of a customer of a  
26 water or sewer public utility must be itemized and state the  
27 purpose of the refund.

28 Section 20. Water service for building construction  
29 purposes. At the request of any municipality or township within  
30 the service area of a public utility that provides water  
31 service to customers within the municipality or township, a  
32 public utility must (i) require all water service used for  
33 building construction purposes to be measured by meter and  
34 subject to approved rates and charges for metered water service  
35 and (ii) prohibit the unauthorized use of water taken from

1 hydrants or service lines installed at construction sites.

2 Section 25. Water and sewer or public utilities;  
3 subcontractors. The Commission shall adopt rules to direct  
4 for-profit water and sewer public utilities to conform to  
5 standards that protect consumers from irresponsible  
6 subcontractors contracted by a for-profit water or sewer public  
7 utility. The rules must provide for notice to the consumer of  
8 the proper kind of identification that the subcontractor must  
9 present to the customer, prohibit the subcontractor from  
10 soliciting or receiving payment of any kind for any service  
11 provided by the water or sewer public utility, and establish  
12 sanctions for violations.

13 Section 30. Water and sewer public utilities; annual  
14 reconciliation charges. The Commission must establish by rule a  
15 formula for determining (i) the amount of unmetered water that  
16 a unit of local government and customers can expect to pay for  
17 in order to protect the public and (ii) the percentage of  
18 unmetered water that reflects environmental waste that is the  
19 result of a water or sewer public utility's management  
20 inefficiencies and neglect. The formula and the utility's  
21 compliance with existing conservation agreements must be  
22 considered as part of all rate cases and annual reconciliations  
23 associated with that utility. The Commission shall establish  
24 sanctions for violations of any conservation agreements.

25 Section 35. Meter malfunction; testing.

26 (a) If a public utility furnishing water to any customer  
27 determines that a meter owned by the public utility has  
28 malfunctioned, then the public utility is prohibited from  
29 charging the customer during the malfunction unless the  
30 customer intentionally caused the malfunction.

31 (b) If requested by the Commission or by the customer whose  
32 use is measured by the meter, a public utility furnishing water  
33 to any customer must conduct a test to determine the accuracy

1 of the meter. Upon receipt of the written request of the  
2 Commission or the customer, the utility must use a company  
3 authorized by the Commission to conduct the test. The utility  
4 shall charge the customer for the conduct of the test in the  
5 amount authorized by the Commission by rule.

6 (c) The Commission may establish by rule a minimum schedule  
7 for testing of water meters and any tests conducted thereunder  
8 must be conducted at the utility's expense.

9 Section 40. Rate increases; public forums. When any public  
10 utility providing water or sewer service proposes a rate  
11 increase, prior to the date set for the hearing, a public forum  
12 on the increase must be conducted in a location within 45  
13 minutes drive time of the location where the increase will take  
14 effect and the public utility must provide 30 days' advance  
15 notice of each public forum to the governing body of those  
16 units of local government affected by the increases. The day  
17 and time of the forum shall be selected so as to encourage the  
18 greatest public participation. Reports and comments made  
19 during or as a result of the public forum must be made  
20 available to the hearing officials and reviewed as part of the  
21 hearing for the rate case.

22 Section 45. Water and sewer utilities; low usage. Each  
23 public utility that provides water and sewer service must  
24 establish a unit rate, subject to review by the Commission,  
25 that applies only to those customers who use less than 100  
26 gallons of water in any billing period.

27 Section 50. Water and sewer utilities; separate meters.  
28 Each public utility that provides water and sewer service must  
29 offer separate rates for water and sewer service to any  
30 commercial or residential customer who uses separate meters to  
31 measure each of those services. In order for the separate rate  
32 to apply, a combination of meters must be used to measure the  
33 amount of water that reaches the sewer system and the amount of

1 water that does not reach the sewer system.

2 Section 905. The Public Utilities Act is amended by  
3 changing Section 9-223 as follows:

4 (220 ILCS 5/9-223) (from Ch. 111 2/3, par. 9-223)

5 Sec. 9-223. Fire protection charge.

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

26 (b) Within one year after the effective date of this  
27 amendatory Act of the 94th General Assembly, the Commission  
28 shall conduct at least 3 public forums to evaluate the purpose  
29 and use of each fire protection charge imposed under this  
30 Section. At least one forum must be held in northern Illinois,  
31 at least one forum must be held in central Illinois, and at  
32 least one forum must be held in southern Illinois. The  
33 Commission must invite a representative from each municipality  
34 and fire protection district affected by a fire protection

1 charge under this Section to attend a public forum. The  
2 Commission shall report its findings concerning  
3 recommendations concerning the purpose and use of each fire  
4 protection charge to the General Assembly no later than the  
5 last day of the veto session in 2006.

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

7 Section 999. Effective date. This Act takes effect upon  
8 becoming law.