



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

SB2594

Introduced 1/20/2006, by Sen. William R. Haine

#### SYNOPSIS AS INTRODUCED:

220 ILCS 5/Art. XX heading new  
220 ILCS 5/20-5 new  
220 ILCS 5/20-10 new  
220 ILCS 5/20-15 new  
220 ILCS 5/20-20 new  
220 ILCS 5/20-25 new

Amends the Public Utilities Act. Requires each natural gas public utility to file annually a set of transportation schedules or tariffs applicable to public schools authorizing a public school association to aggregate the purchase of natural gas for its members. Requires the transportation schedules or tariffs to (i) establish certain delivery charges; (ii) authorize a public school association to contract with a public utility at monthly market prices for interstate pipeline capacity; (iii) require the public utility to provide certain usage projections; and (iv) authorize the public utility to impose a penalty under limited circumstances. Authorizes the Illinois Commerce Commission to suspend the transportation schedule or tariff for up to 3 months. Requires energy sellers to comply with applicable Commission rules. Provides that any agreement between a public school association and an energy seller is void if the energy seller does not comply with Commission rules. Requires each natural gas public utility to file an annual statement of its revenues and incremental costs incurred as a direct result of the aggregation of natural gas for public schools. Authorizes the Commission to promulgate rules that are reasonable and necessary to administer the aggregation program. Effective immediately.

LRB094 18984 MKM 54456 b

FISCAL NOTE ACT  
MAY APPLY

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 adding  
5 Article XX as follows:

6 (220 ILCS 5/Art. XX heading new)

7 ARTICLE XX. NATURAL GAS AGGREGATION FOR PUBLIC SCHOOLS

8 (220 ILCS 5/20-5 new)

9 Sec. 20-5. Definitions. As used in this Article:

10 "Aggregate" means to combine the natural gas requirements  
11 of public schools that are members of a public school  
12 association for purchase from energy sellers and for delivery  
13 through interstate pipelines and public utilities.

14 "Delivery system" means the natural gas distribution and  
15 transmission lines that are owned and operated by any public  
16 utility and the charges for the use of those lines, as  
17 regulated by the Commission.

18 "Energy seller" means the entity that uses the delivery  
19 system of a public utility for delivery of natural gas supply  
20 from an interstate pipeline to the public utility's meter for  
21 use by a public school facility.

22 "Interstate pipeline" means any natural gas pipeline that  
23 delivers natural gas supply from outside the State to the  
24 delivery system of a public utility and that is price-regulated  
25 by the Federal Energy Regulatory Commission.

26 "Public school" means any elementary or secondary school  
27 operated at public expense.

28 "Public school association" means a not-for-profit  
29 association of public schools.

30 "Public utility" or "natural gas public utility" means a  
31 public utility, as that term is defined in Section 3-105 of

1 this Act, that is involved in the conveyance of gas by  
2 pipeline. All entities excluded from the definition of a public  
3 utility under Section 3-105 are excluded under this Article.

4 "Small volume" means natural gas supply requirements of an  
5 individual public school facility of less than 250,000 therms  
6 annually.

7 (220 ILCS 5/20-10 new)

8 Sec. 20-10. Transportation schedules and tariffs.

9 (a) By August 1, 2006, each natural gas public utility  
10 shall file with the Commission a set of transportation  
11 schedules or tariffs applicable to natural gas for public  
12 schools. The transportation schedules or tariffs filed under  
13 this Section shall do all of the following:

14 (1) authorize a public school association to aggregate  
15 the purchase of natural gas requirements by public schools;

16 (2) establish natural gas delivery charges that are  
17 equal to Commission-approved public utility charges for  
18 public utility natural gas service, less the public  
19 utility's cost of purchased natural gas supply and  
20 interstate pipeline charges, plus aggregation  
21 administration and monthly balancing charges for small  
22 volume meters, but not to exceed \$5 per meter per month for  
23 administration and 0.004 cents per therm delivered, for  
24 balancing monthly deliveries to actual usage;

25 (3) offer a public school association the option of  
26 contracting with a public utility at monthly market prices  
27 for interstate pipeline capacity currently being used by  
28 the public utility to deliver public schools' aggregate  
29 monthly requirements;

30 (4) require the public utility to provide to each  
31 public school association, or its designated agent, at  
32 least 5 business days before the first day of each month,  
33 the following information, based on weather forecasts and  
34 historical monthly usage: (i) daily usage projections for  
35 scheduled deliveries to each public school facility, (ii)

1 aggregate daily usage projections by delivery point, and  
2 (iii) daily usage projections on a day-ahead basis when  
3 necessary to reflect significant changes in weather  
4 forecasts; and

5 (5) impose a penalty if the projected daily usage of  
6 natural gas, as forecasted by the public utility, is not  
7 delivered to the public utility's delivery system,  
8 provided that the penalty does not exceed the penalty  
9 approved by the Commission in the public utility's large  
10 volume customer transportation tariffs. No other penalties  
11 may be imposed under this Section.

12 No transportation schedule or tariff filed under this  
13 Section shall require telemetry or special metering for small  
14 volume school meters.

15 (b) The Commission may suspend any transportation schedule  
16 or tariff filed under this Section for up to 3 months in order  
17 to review compliance with the requirements of this Section.

18 (220 ILCS 5/20-15 new)

19 Sec. 20-15. Energy sellers; compliance with Commission  
20 rules. In order to supply natural gas to public schools under  
21 this Article, an energy seller must comply with all applicable  
22 Commission rules. Any agreements entered into on or after the  
23 effective date of this amendatory Act of the 94th General  
24 Assembly between a public school association and an energy  
25 seller that is not in compliance with applicable Commission  
26 rules is null and void.

27 (220 ILCS 5/20-20 new)

28 Sec. 20-20. Annual statement. Before June 1, 2007 and  
29 before June 1 of each year thereafter, each natural gas public  
30 utility shall file with the Commission an annual statement  
31 showing: (i) its revenue attributable to the aggregation  
32 administrative charge; (ii) its revenue attributable to the  
33 small volume meter balancing charge; and (iii) the amount of  
34 any incremental costs it incurred as a direct result of

1 implementing aggregate transportation for public schools and  
2 monthly balancing service for small volume meters. The  
3 Commission shall determine an appropriate future cost recovery  
4 method for any unrecovered costs of the public utility in order  
5 to maintain future earnings neutrality for the public utility.

6 (220 ILCS 5/20-25 new)

7 Sec. 20-25. Rules. The Commission may promulgate any rules  
8 that are reasonable and necessary for the administration of  
9 this Article.

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