



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1350

Introduced 1/28/2025, by Sen. Bill Cunningham

SYNOPSIS AS INTRODUCED:

220 ILCS 5/9-220.4 new

Amends the Rates Article of the Public Utilities Act. Requires the Illinois Commerce Commission to authorize a surcharge or surcharges upon petition by a public utility that provides water or sewer service, independent of any other matters related to the utility's revenue requirements, which adjusts rates and charges to provide for recovery of costs or capital investments associated with any environmental compliance requirements under an environmental statute, rule, regulation, permit term, or a condition related to, but not limited to, perfluoroalkyl and polyfluoroalkyl substances, cyanotoxins, lead and copper, or any other emerging chemical contaminants that are known or suspected to pose a risk to human health or the environment. Requires, on a periodic basis, the Commission to initiate hearings to reconcile amounts collected under the surcharges with the actual prudently incurred costs recoverable for each annual period during which the surcharge was in effect. Requires the Commission to adopt certain rules to implement the collection of the surcharges. Repeals the provisions on January 1, 2031. Effective immediately.

LRB104 07325 AAS 17364 b

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 Section 9-220.4 as follows:

6 (220 ILCS 5/9-220.4 new)

7 Sec. 9-220.4. Water and sewer public utility environmental
8 compliance cost recovery.

9 (a) The Commission shall authorize, upon petition by a
10 public utility that provides water or sewer service, a
11 surcharge or surcharges, independent of any other matters
12 related to the utility's revenue requirement, which adjusts
13 rates and charges to provide for recovery of costs or capital
14 investment associated with any environmental compliance
15 requirements pursuant to an enacted environmental statute,
16 rule, regulation, permit term, or condition related to,
17 including, but not limited to, perfluoroalkyl and
18 polyfluoroalkyl substances, cyanotoxins, lead and copper or
19 any other emerging chemical or contaminants that are known or
20 suspected to pose a risk to human health or the environment. A
21 surcharge approved under this Section may provide for the
22 recovery of costs or capital investments that were incurred on
23 a prospective basis.

1 (b) On a periodic basis, the Commission shall initiate
2 hearings to reconcile amounts collected under a surcharge or
3 surcharges authorized under this Section with the actual
4 prudently incurred costs recoverable for each annual period
5 during which the surcharge was in effect.

6 (c) Within one year after the effective date of this
7 amendatory Act of the 104th General Assembly, the Commission
8 shall adopt rules to implement the collection of the
9 surcharges under this Section. The rules adopted by the
10 Commission under this subsection shall set forth the
11 following:

12 (1) general requirements that establish limits on
13 customer bill increases under the surcharge or surcharges
14 established under this Section, notice requirements to
15 customers, billing requirements, and any other
16 reconciliations as deemed necessary by the Commission;

17 (2) requirements for infrastructure upgrades to be
18 eligible for recovery under the surcharge or surcharges
19 established under this Section;

20 (3) other recoverable costs;

21 (4) rider and information sheet filing requirements;

22 (5) application requirements for initial surcharge
23 filings;

24 (6) internal audit requirements; and

25 (7) any additional reporting requirements or
26 information the Commission deems necessary in order to

1 determine the reasonableness and prudence of the surcharge
2 or surcharges established pursuant to this Section.

3 (d) This Section is repealed on January 1, 2031.

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