



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB4559

Introduced 2/1/2012, by Rep. André M. Thapedi

#### SYNOPSIS AS INTRODUCED:

220 ILCS 5/8-306

Amends the Public Utility Act. Exempts a public utility with \$300,000 or less of annual operating revenues using the Simplified Rate Case Procedures from the requirement that, when any public utility that provides water or sewer service proposes a general rate increase, the water or sewer public utility must notify its customers of their right to request a public forum. Effective immediately.

LRB097 19667 CEL 64921 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 changing  
5 Section 8-306 as follows:

6 (220 ILCS 5/8-306)

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

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

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

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

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

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

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

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

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

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

9           Each billing statement issued by a water or sewer utility  
10          shall include an Internet web site address where the customer  
11          can view the information required under this subsection (a) and  
12          a telephone number that the customer may call to request a copy  
13          of the information.

14          (b) A water or sewer utility may discontinue service only  
15          after it has mailed or delivered by other means a written  
16          notice of discontinuance substantially in the form of Appendix  
17          A of 83 Ill. Adm. Code 280. The notice must include the  
18          Internet web site address where the customer can view the  
19          information required under subsection (a) and a telephone  
20          number that the customer may call to request a copy of the  
21          information. Any notice required to be delivered or mailed to a  
22          customer prior to discontinuance of service shall be delivered  
23          or mailed separately from any bill. Service shall not be  
24          discontinued until at least 5 days after delivery or 8 days  
25          after the mailing of this notice. Service shall not be  
26          discontinued and shall be restored if discontinued for the

1 reason which is the subject of a dispute or complaint during  
2 the pendency of informal or formal complaint procedures of the  
3 Illinois Commerce Commission under 83 Ill. Adm. Code 280.160 or  
4 280.170, where the customer has complied with those rules.  
5 Service shall not be discontinued and shall be restored if  
6 discontinued where a customer has established a deferred  
7 payment agreement pursuant to 83 Ill. Adm. Code 280.110 and has  
8 not defaulted on such agreement. Residential customers who are  
9 indebted to a utility for past due utility service shall have  
10 the opportunity to make arrangements with the utility to retire  
11 the debt by periodic payments, referred to as a deferred  
12 payment agreement, unless this customer has failed to make  
13 payment under such a plan during the past 12 months. The terms  
14 and conditions of a reasonable deferred payment agreement shall  
15 be determined by the utility after consideration of the  
16 following factors, based upon information available from  
17 current utility records or provided by the customer or  
18 applicant:

- 19 (1) size of the past due account;
- 20 (2) customer or applicant's ability to pay;
- 21 (3) customer or applicant's payment history;
- 22 (4) reason for the outstanding indebtedness; and
- 23 (5) any other relevant factors relating to the  
24 circumstances of the customer or applicant's service.

25 A residential customer shall pay a maximum of one-fourth of the  
26 amount past due and owing at the time of entering into the

1 deferred payment agreement, and the water or sewer utility  
2 shall allow a minimum of 2 months from the date of the  
3 agreement and a maximum of 12 months for payment to be made  
4 under a deferred payment agreement. Late payment charges may be  
5 assessed against the amount owing that is the subject of a  
6 deferred payment agreement.

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

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

1 all available options for recourse.

2 (e) Any refund shown on the billing statement of a customer  
3 of a water or sewer utility must be itemized and must state if  
4 the refund is an adjustment or credit.

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

14 (g) Water meters.

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

22 (2) Meter tests requested by customer.

23 (A) Each utility furnishing metered water service  
24 shall, without charge, test the accuracy of any meter  
25 upon request by the customer served by such meter,  
26 provided that the meter in question has not been tested

1 by the utility or by the Commission within 2 years  
2 previous to such request. The customer or his or her  
3 representatives shall have the privilege of witnessing  
4 the test at the option of the customer. A written  
5 report, giving the results of the test, shall be made  
6 to the customer.

7 (B) When a meter that has been in service less than  
8 2 years since its last test is found to be accurate  
9 within the limits specified in 83 Ill. Adm. Code  
10 600.310, the customer shall pay a fee to the utility  
11 not to exceed the amounts specified in 83 Ill. Adm.  
12 Code 600.350(b). Fees for testing meters not included  
13 in this Section or so located that the cost will be out  
14 of proportion to the fee specified will be determined  
15 by the Commission upon receipt of a complete  
16 description of the case.

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

1 authority to do so is given by the Commission or the  
2 customer in writing.

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

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

16 (j) Each water or sewer public utility must disclose on  
17 each billing statement any amount billed that is for service  
18 provided prior to the date covered by the billing statement.  
19 The disclosure must include the dates for which the prior  
20 service is being billed. Each billing statement that includes  
21 an amount billed for service provided prior to the date covered  
22 by the billing statement must disclose the dates for which that  
23 amount is billed and must include a copy of the document  
24 created under subsection (a) and a statement of current  
25 Commission rules concerning unbilled or misbilled service.

26 (k) When the customer is due a refund resulting from



1 payment of an overcharge, the utility shall credit the customer  
2 in the amount of overpayment with interest from the date of  
3 overpayment by the customer. The rate for interest shall be at  
4 the appropriate rate determined by the Commission under 83 Ill.  
5 Adm. Code 280.70.

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

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

24 (n) Rate increases; public forums. When any public utility  
25 providing water or sewer service proposes a general rate  
26 increase, except for a public utility with \$300,000 or less of

1 annual operating revenues using the Simplified Rate Case  
2 Procedures, in addition to other notice requirements, the water  
3 or sewer public utility must notify its customers of their  
4 right to request a public forum. A customer or group of  
5 customers must make written request to the Commission for a  
6 public forum and must also provide written notification of the  
7 request to the customer's municipal or, for unincorporated  
8 areas, township government. The Commission, at its discretion,  
9 may schedule the public forum. If it is determined that public  
10 forums are required for multiple municipalities or townships,  
11 the Commission shall schedule these public forums, in locations  
12 within approximately 45 minutes drive time of the  
13 municipalities or townships for which the public forums have  
14 been scheduled. The public utility must provide advance notice  
15 of 30 days for each public forum to the governing bodies of  
16 those units of local government affected by the increase. The  
17 day of each public forum shall be selected so as to encourage  
18 the greatest public participation. Each public forum will begin  
19 at 7:00 p.m. Reports and comments made during or as a result of  
20 each public forum must be made available to the hearing  
21 officials and reviewed when drafting a recommended or tentative  
22 decision, finding or order pursuant to Section 10-111 of this  
23 Act.

24 (Source: P.A. 94-950, eff. 6-27-06.)

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