

# HB3149



## 98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB3149

by Rep. Brandon W. Phelps

### SYNOPSIS AS INTRODUCED:

220 ILCS 5/5-104

from Ch. 111 2/3, par. 5-104

Amends the Public Utilities Act. Provides that the Commerce Commission may require gas utilities to keep accounts that reflect depreciation and other specified information. Effective immediately.

LRB098 10877 JLS 41379 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning public utilities.

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 5-104 as follows:

6 (220 ILCS 5/5-104) (from Ch. 111 2/3, par. 5-104)

7 Sec. 5-104. Depreciation accounts.

8 (a) The Commission shall have power, after hearing, to  
9 require any or all public utilities, except electric public  
10 utilities and gas public utilities, to keep such accounts as  
11 will adequately reflect depreciation, obsolescence and the  
12 progress of the arts. The Commission may, from time to time,  
13 ascertain and determine and by order fix the proper and  
14 adequate rate of depreciation of the several classes of  
15 property for each public utility; and each public utility shall  
16 conform its depreciation accounts to the rates so ascertained,  
17 determined and fixed.

18 (b) The Commission shall have the power, after hearing, to  
19 require any or all electric public utilities and gas public  
20 utilities to keep such accounts as will adequately reflect  
21 depreciation, obsolescence, and the progress of the arts. The  
22 Commission may, from time to time, ascertain and determine and  
23 by order fix the proper and adequate rate of depreciation of

1 the several classes of property for each electric public  
2 utility and gas public utility; and each electric public  
3 utility and gas public utility shall thereafter, absent further  
4 order of the Commission, conform its depreciation accounts to  
5 the rates so ascertained, determined and fixed until at least  
6 the end of the first full calendar year following the date of  
7 such determination.

8 (c) An electric public utility and a gas public utility may  
9 from time to time alter the annual rates of depreciation, which  
10 for purposes of this subsection (c) and subsection (d) shall  
11 include amortization, that it applies to its several classes of  
12 assets so long as the rates are consistent with generally  
13 accepted accounting principles. ~~An~~ The electric public utility  
14 and a gas public utility shall file a statement with the  
15 Commission which shall set forth the new rates of depreciation  
16 and which shall contain a certification by an independent  
17 certified public accountant that the new rates of depreciation  
18 are consistent with generally accepted accounting principles.  
19 Upon the filing of such statement, the new rates of  
20 depreciation shall be deemed to be approved by the Commission  
21 as the rates of depreciation to be applied thereafter by the  
22 public utility as though an order had been entered pursuant to  
23 subsection (b).

24 (d) In any proceeding conducted pursuant to Section 9-201  
25 or 9-202 to set an electric public utility's or gas public  
26 utility's rates for service, the Commission may determine not

1 to use, in determining the depreciation expense component of  
2 the public utility's rates for service, the rates of  
3 depreciation established pursuant to subsection (c), if the  
4 Commission in that proceeding finds based on the record that  
5 different rates of depreciation are required to adequately  
6 reflect depreciation, obsolescence and the progress of the  
7 arts, and fixes by order and uses for purposes of that  
8 proceeding new rates of depreciation to be thereafter employed  
9 by the electric public utility or gas public utility until the  
10 end of the first full calendar year following the date of the  
11 determination and thereafter until altered in accordance with  
12 subsection (b) or (c) of this Section.

13 (e) For purposes of this Section, "gas public utility"  
14 means a natural gas utility serving at least 1,600,000  
15 customers as of January 1, 2013.

16 The changes made to this Section by this amendatory Act of  
17 the 98th General Assembly apply with respect to new rates of  
18 depreciation that are filed with the Commission pursuant to  
19 subsection (c) on or after January 1, 2013 on the date the  
20 statement of new rates of depreciation are certified by an  
21 independent certified public accountant.

22 (Source: P.A. 90-561, eff. 12-16-97.)

23 Section 99. Effective date. This Act takes effect upon  
24 becoming law.