

1 AN ACT concerning telecommunications.

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
5 changing Sections 5-104 and 9-230 and adding Section 13-301.2
6 as follows:

7 (220 ILCS 5/5-104) (from Ch. 111 2/3, par. 5-104)

8 Sec. 5-104. Depreciation accounts.

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

19 (b) The Commission shall have the power, after hearing,
20 to require any or all electric public utilities and
21 telecommunications carriers to keep such accounts as will
22 adequately reflect depreciation, obsolescence, and the
23 progress of the arts. The Commission may, from time to time,
24 ascertain and determine and by order fix the proper and
25 adequate rate of depreciation of the several classes of
26 property for each electric public utility and
27 telecommunications carrier; and each electric public utility
28 and telecommunications carrier shall thereafter, absent
29 further order of the Commission, conform its depreciation
30 accounts to the rates so ascertained, determined and fixed
31 until at least the end of the first full calendar year

1 following the date of such determination.

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

19 (d) In any proceeding conducted pursuant to Section
20 9-201 or 9-202 to set an electric public utility's or
21 telecommunications carrier's rates for service, the
22 Commission may determine not to use, in determining the
23 depreciation expense component of the electric public
24 utility's or telecommunications carrier's rates for service,
25 the rates of depreciation established pursuant to subsection
26 (c), if the Commission in that proceeding finds based on the
27 record that different rates of depreciation are required to
28 adequately reflect depreciation, obsolescence and the
29 progress of the arts, and fixes by order and uses for
30 purposes of that proceeding new rates of depreciation to be
31 thereafter employed by the electric public utility or
32 telecommunications carrier until the end of the first full
33 calendar year following the date of the determination and
34 thereafter until altered in accordance with subsection (b) or

1 (c) of this Section.

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

3 (220 ILCS 5/9-230) (from Ch. 111 2/3, par. 9-230)

4 Sec. 9-230. Rate of return; capital involving nonutility
5 or unregulated companies. In determining a reasonable rate of
6 return upon investment for any public utility in any
7 proceeding to establish rates or charges, the Commission
8 shall not include any incremental risk, ~~or~~ increased cost of
9 capital, expense, or revenue, including revenue attributed to
10 telephone directory operations, which is the direct or
11 indirect result of the public utility's affiliation with
12 unregulated or nonutility companies.

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

14 (220 ILCS 5/13-301.2 new)

15 Section 13-301.2. Affiliated company offering
16 competitive telecommunications services. The Commission
17 shall not prohibit a local exchange telecommunications
18 carrier from recommending to a customer the selection of an
19 affiliated company offering competitive interexchange
20 telecommunications services, provided the local exchange
21 telecommunications carrier also informs the customer that the
22 customer may select any company offering competitive
23 interexchange telecommunications services.

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