

1 the extent the electric utility provides tariffed services to
2 retail customers through that agent), (ii) any electric
3 cooperative or municipal system as defined in Section 17-100
4 to the extent that the electric cooperative or municipal
5 system is serving retail customers within any area in which
6 it is or would be entitled to provide service under the law
7 in effect immediately prior to the effective date of this
8 amendatory Act of 1997, (iii) a public utility that is owned
9 and operated by any public institution of higher education of
10 this State, or a public utility that is owned by such public
11 institution of higher education and operated by any of its
12 lessees or operating agents, within any area in which it is
13 or would be entitled to provide service under the law in
14 effect immediately prior to the effective date of this
15 amendatory Act of 1997, (iv) a retail customer to the extent
16 that customer obtains its electric power and energy from that
17 customer's own cogeneration or self-generation facilities,
18 (v) an entity that owns, operates, sells, or arranges for the
19 installation of a customer's own cogeneration or
20 self-generation facilities, but only to the extent the entity
21 is engaged in owning, selling or arranging for the
22 installation of such facility, or operating the facility on
23 behalf of such customer, provided however that any such third
24 party owner or operator of a facility built after January 1,
25 1999, complies with the labor provisions of Section 16-128(a)
26 as though such third party were an alternative retail
27 electric supplier, or (vi) an industrial or manufacturing
28 customer that owns its own distribution facilities, to the
29 extent that the customer provides service from that
30 distribution system to a third-party contractor located on
31 the customer's premises that is integrally and predominantly
32 engaged in the customer's industrial or manufacturing
33 process; provided, that if the industrial or manufacturing
34 customer has elected delivery services, the customer shall

1 pay transition charges applicable to the electric power and
2 energy consumed by the third-party contractor unless such
3 charges are otherwise paid by the third party contractor,
4 which shall be calculated based on the usage of, and the base
5 rates or the contract rates applicable to, the third-party
6 contractor in accordance with Section 16-102.

7 "Base rates" means the rates for those tariffed services
8 that the electric utility is required to offer pursuant to
9 subsection (a) of Section 16-103 and that were identified in
10 a rate order for collection of the electric utility's base
11 rate revenue requirement, excluding (i) separate automatic
12 rate adjustment riders then in effect, (ii) special or
13 negotiated contract rates, (iii) delivery services tariffs
14 filed pursuant to Section 16-108, (iv) real-time pricing, or
15 (v) tariffs that were in effect prior to October 1, 1996 and
16 that based charges for services on an index or average of
17 other utilities' charges, but including (vi) any subsequent
18 redesign of such rates for tariffed services that is
19 authorized by the Commission after notice and hearing.

20 "Competitive service" includes (i) any service that has
21 been declared to be competitive pursuant to Section 16-113 of
22 this Act, (ii) contract service, and (iii) services, other
23 than tariffed services, that are related to, but not
24 necessary for, the provision of electric power and energy or
25 delivery services.

26 "Contract service" means (1) services, including the
27 provision of electric power and energy or other services,
28 that are provided by mutual agreement between an electric
29 utility and a retail customer that is located in the electric
30 utility's service area, provided that, delivery services
31 shall not be a contract service until such services are
32 declared competitive pursuant to Section 16-113; and also
33 means (2) the provision of electric power and energy by an
34 electric utility to retail customers outside the electric

1 utility's service area pursuant to Section 16-116. Provided,
2 however, contract service does not include electric utility
3 services provided pursuant to (i) contracts that retail
4 customers are required to execute as a condition of receiving
5 tariffed services, or (ii) special or negotiated rate
6 contracts for electric utility services that were entered
7 into between an electric utility and a retail customer prior
8 to the effective date of this amendatory Act of 1997 and
9 filed with the Commission.

10 "Delivery services" means those services provided by the
11 electric utility that are necessary in order for the
12 transmission and distribution systems to function so that
13 retail customers located in the electric utility's service
14 area can receive electric power and energy from suppliers
15 other than the electric utility, and shall include, without
16 limitation, standard metering and billing services.

17 "Electric utility" means a public utility, as defined in
18 Section 3-105 of this Act, that has a franchise, license,
19 permit or right to furnish or sell electricity to retail
20 customers within a service area.

21 "Mandatory transition period" means the period from the
22 effective date of this amendatory Act of 1997 through January
23 1, 2007 2005.

24 "Municipal system" shall have the meaning set forth in
25 Section 17-100.

26 "Real-time pricing" means charges for delivered electric
27 power and energy that vary on an hour-to-hour basis for
28 nonresidential retail customers and that vary on a periodic
29 basis during the day for residential retail customers.

30 "Retail customer" means a single entity using electric
31 power or energy at a single premises and that (A) either (i)
32 is receiving or is eligible to receive tariffed services from
33 an electric utility, or (ii) that is served by a municipal
34 system or electric cooperative within any area in which the

1 municipal system or electric cooperative is or would be
2 entitled to provide service under the law in effect
3 immediately prior to the effective date of this amendatory
4 Act of 1997, or (B) an entity which on the effective date of
5 this Act was receiving electric service from a public utility
6 and (i) was engaged in the practice of resale and
7 redistribution of such electricity within a building prior to
8 January 2, 1957, or (ii) was providing lighting services to
9 tenants in a multi-occupancy building, but only to the extent
10 such resale, redistribution or lighting service is authorized
11 by the electric utility's tariffs that were on file with the
12 Commission on the effective date of this Act.

13 "Service area" means (i) the geographic area within which
14 an electric utility was lawfully entitled to provide electric
15 power and energy to retail customers as of the effective date
16 of this amendatory Act of 1997, and includes (ii) the
17 location of any retail customer to which the electric utility
18 was lawfully providing electric utility services on such
19 effective date.

20 "Small commercial retail customer" means those
21 nonresidential retail customers of an electric utility
22 consuming 15,000 kilowatt-hours or less of electricity
23 annually in its service area.

24 "Tariffed service" means services provided to retail
25 customers by an electric utility as defined by its rates on
26 file with the Commission pursuant to the provisions of
27 Article IX of this Act, but shall not include competitive
28 services.

29 "Transition charge" means a charge expressed in cents per
30 kilowatt-hour that is calculated for a customer or class of
31 customers as follows for each year in which an electric
32 utility is entitled to recover transition charges as provided
33 in Section 16-108:

34 (1) the amount of revenue that an electric utility

1 would receive from the retail customer or customers if it
2 were serving such customers' electric power and energy
3 requirements as a tariffed service based on (A) all of
4 the customers' actual usage during the 3 years ending 90
5 days prior to the date on which such customers were first
6 eligible for delivery services pursuant to Section
7 16-104, and (B) on (i) the base rates in effect on
8 October 1, 1996 (adjusted for the reductions required by
9 subsection (b) of Section 16-111, for any reduction
10 resulting from a rate decrease under Section 16-101(b),
11 for any restatement of base rates made in conjunction
12 with an elimination of the fuel adjustment clause
13 pursuant to subsection (b), (d), or (f) of Section 9-220
14 and for any removal of decommissioning costs from base
15 rates pursuant to Section 16-114) and any separate
16 automatic rate adjustment riders (other than a
17 decommissioning rate as defined in Section 16-114) under
18 which the customers were receiving or, had they been
19 customers, would have received electric power and energy
20 from the electric utility during the year immediately
21 preceding the date on which such customers were first
22 eligible for delivery service pursuant to Section 16-104,
23 or (ii) to the extent applicable, any contract rates,
24 including contracts or rates for consolidated or
25 aggregated billing, under which such customers were
26 receiving electric power and energy from the electric
27 utility during such year;

28 (2) less the amount of revenue, other than revenue
29 from transition charges and decommissioning rates, that
30 the electric utility would receive from such retail
31 customers for delivery services provided by the electric
32 utility, assuming such customers were taking delivery
33 services for all of their usage, based on the delivery
34 services tariffs in effect during the year for which the

1 transition charge is being calculated and on the usage
2 identified in paragraph (1);

3 (3) less the market value for the electric power
4 and energy that the electric utility would have used to
5 supply all of such customers' electric power and energy
6 requirements, as a tariffed service, based on the usage
7 identified in paragraph (1), with such market value
8 determined in accordance with Section 16-112 of this Act;

9 (4) less the following amount which represents the
10 amount to be attributed to new revenue sources and cost
11 reductions by the electric utility through the end of the
12 period for which transition costs are recovered pursuant
13 to Section 16-108, referred to in this Article XVI as a
14 "mitigation factor":

15 (A) for nonresidential retail customers, an
16 amount equal to the greater of (i) 0.5 cents per
17 kilowatt-hour during the period October 1, 1999
18 through December 31, 2004, 0.6 cents per
19 kilowatt-hour in calendar year 2005, and 0.9 cents
20 per kilowatt-hour in calendar year 2006, multiplied
21 in each year by the usage identified in paragraph
22 (1), or (ii) an amount equal to the following
23 percentages of the amount produced by applying the
24 applicable base rates (adjusted as described in
25 subparagraph (1)(B)) or contract rate to the usage
26 identified in paragraph (1): 8% for the period
27 October 1, 1999 through December 31, 2002, 10% in
28 calendar years 2003 and 2004, 11% in calendar year
29 2005 and 12% in calendar year 2006; and

30 (B) for residential retail customers, an
31 amount equal to the following percentages of the
32 amount produced by applying the base rates in effect
33 on October 1, 1996 (adjusted as described in
34 subparagraph (1)(B)) to the usage identified in

1 paragraph (1): (i) 6% from May 1, 2002 through
2 December 31, 2002, (ii) 7% in calendar years 2003
3 and 2004, (iii) 8% in calendar year 2005, and (iv)
4 10% in calendar year 2006;

5 (5) divided by the usage of such customers
6 identified in paragraph (1),
7 provided that the transition charge shall never be less than
8 zero.

9 "Unbundled service" means a component or constituent part
10 of a tariffed service which the electric utility subsequently
11 offers separately to its customers.

12 (Source: P.A. 90-561, eff. 12-16-97; 91-50, eff. 6-30-99.)".