

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
5 changing Section 16-119A as follows:

6 (220 ILCS 5/16-119A)

7 Sec. 16-119A. Functional separation.

8 (a) Within 90 days after the effective date of this
9 amendatory Act of 1997, the Commission shall open a
10 rulemaking proceeding to establish standards of conduct for
11 every electric utility described in subsection (b). To
12 create efficient competition between suppliers of generating
13 services and sellers of such services at retail and
14 wholesale, the rules shall allow all customers of a public
15 utility that distributes electric power and energy to
16 purchase electric power and energy from the supplier of their
17 choice in accordance with the provisions of Section 16-104.
18 In addition, the rules shall address relations between
19 providers of any 2 services described in subsection (b) to
20 prevent undue discrimination and promote efficient
21 competition. Provided, however, that a proposed rule shall
22 not be published prior to May 15, 1999.

23 (b) The Commission shall also have the authority to
24 investigate the need for, and adopt rules requiring,
25 functional separation between the generation services and the
26 delivery services of those electric utilities whose principal
27 service area is in Illinois as necessary to meet the
28 objective of creating efficient competition between suppliers
29 of generating services and sellers of such services at retail
30 and wholesale. After January 1, 2003, the Commission shall
31 also have the authority to investigate the need for, and

1 adopt rules requiring, functional separation between an
2 electric utility's competitive and non-competitive services.

3 (b-5) If there is a change in ownership of a majority of
4 the voting capital stock of an electric utility or the
5 ownership or control of any entity that owns or controls a
6 majority of the voting capital stock of an electric utility,
7 the electric utility shall have the right to file with the
8 Commission a new plan. The newly filed plan shall supersede
9 any plan previously approved by the Commission pursuant to
10 this Section for that electric utility, subject to Commission
11 approval. This subsection only applies to the extent that the
12 Commission rules for the functional separation of delivery
13 services and generation services provide an electric utility
14 with the ability to select from 2 or more options to comply
15 with this Section. The electric utility may file its revised
16 plan with the Commission up to one calendar year after the
17 conclusion of the sale, purchase, or any other transfer of
18 ownership described in this subsection. In all other
19 respects, an electric utility must comply with the Commission
20 rules in effect under this Section. The Commission may
21 promulgate rules to implement this subsection. This
22 subsection shall have no legal effect after January 1, 2005.

23 (c) In establishing or considering the need for rules
24 under subsections (a) and (b), the Commission shall take into
25 account the effects on the cost and reliability of service
26 and the obligation of the utility to provide bundled service
27 under this Act. The Commission shall adopt rules that are a
28 cost effective means to ensure compliance with this Section.

29 (d) Nothing in this Section shall be construed as
30 imposing any requirements or obligations that are in conflict
31 with federal law.

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

33 Section 99. Effective date. This Act takes effect upon

1 becoming law.