COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

97TH GENERAL ASSEMBLY

BILL NO: **SB 1652, as amended by HA #3** May 29, 2011

SPONSOR(S): Harmon – Noland, et al (McCarthy – Bost, et al)

SYSTEM(S): None

FISCAL IMPACT: SB 1652, as amended by HA #3, will have no fiscal impact on any pension funds or retirement systems in Illinois.

SUBJECT MATTER: SB 1652, as amended by HA #3, amends the Public Utilities Act to make various technical changes. In addition, SB 1652, as amended by HA #3, makes changes concerning infrastructure investment and modernization and regulatory reform by adding that the Commission shall, after notice and hearing, enter an order within 120 days after the metrics are filed approving, or approving with modification, a participating utility's tariff or mechanism to satisfy the metrics set forth. On June 1 of each subsequent year, each participating utility must file a report with the Commission that includes, among other things, a description of how the participating utility performed under each metric and an identification of any extraordinary events that adversely impacted the utility's performance. Whenever a participating utility does not satisfy the metrics required, the Commission shall, after notice and hearing, enter an order approving financial penalties. The Commission-approved financial penalties must be applied beginning with the next rate year. SB 1652, as amended by HA #3, clarifies that the Commission is not authorized to reduce or otherwise obviate the imposition of financial penalties for failing to achieve one or more of the metrics established.

FISCAL IMPACT: SB 1652, as amended by HA #3, will have no fiscal impact on any pension funds or retirement systems in Illinois.

COMMENT: SB 1652, as amended by HA #3, does not affect any retirement system or pension fund in Illinois.

MDM:bj
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