**Section 340.30 Minimum Requirements for Short-Term Loans from Affiliates to Utilities**

Incumbent local exchange carriers shall not be subject to the requirements of this Section pursuant to Section 13-601 of the Act [220 ILCS 5/13-601]. Electing providers shall not be subject to the requirements of this Section pursuant to Section 13-506.2(j) of the Act. Utilities may borrow funds on a day-to-day basis from affiliates subject to the following restrictions:

a) The money pool agreement shall set forth a form of promissory note to be used for loans to the utility or shall itself set out the terms of the loans. All short-term loans may be prepaid by the utility without premium or penalty.

b) No utility shall borrow through or from an affiliate if the utility determines that it can borrow at lower cost directly from banks or other financial institutions or through the sale of its own commercial paper.

c) Interest. The interest rate on borrowings made by the utility from the affiliate shall not exceed the affiliate’s actual interest cost, including issuance costs, for the funds obtained or used to provide the funds borrowed by the utility.

(Source: Amended at 36 Ill. Reg. 3884, effective March 1, 2012)