



1 the pledge.

2 In addition to the foregoing, "reorganization" shall  
3 include for purposes of this Section any transaction which,  
4 regardless of the means by which it is accomplished, will  
5 have the effect of terminating the affiliated interest status  
6 of any entity as defined in paragraphs (a), (b), (c) or (d)  
7 of subsection (2) of Section 7-101 of this Act where such  
8 entity had transactions with the public utility, in the 12  
9 calendar months immediately preceding the date of termination  
10 of such affiliated interest status subject to subsection (3)  
11 of Section 7-101 of this Act with a value greater than 15% of  
12 the public utility's revenues for that same 12-month period.  
13 If the proposed transaction would have the effect of  
14 terminating the affiliated interest status of more than one  
15 Illinois public utility, the utility with the greatest  
16 revenues for the 12-month period shall be used to determine  
17 whether such proposed transaction is a reorganization for the  
18 purposes of this Section. The Commission shall have  
19 jurisdiction over any reorganization as defined herein.

20 (b) No reorganization shall take place without prior  
21 Commission approval. The Commission shall not approve any  
22 proposed reorganization if the Commission finds, after notice  
23 and hearing, that the reorganization will adversely affect  
24 the utility's ability to perform its duties under this Act.  
25 In reviewing any proposed reorganization, the Commission must  
26 find that:

27 (1) the proposed reorganization will not diminish  
28 the utility's ability to provide adequate, reliable,  
29 efficient, safe and least-cost public utility service;

30 (2) the proposed reorganization will not result in  
31 the unjustified subsidization of non-utility activities  
32 by the utility or its customers;

33 (3) costs and facilities are fairly and reasonably  
34 allocated between utility and non-utility activities in

1 such a manner that the Commission may identify those  
2 costs and facilities which are properly included by the  
3 utility for ratemaking purposes;

4 (4) the proposed reorganization will not  
5 significantly impair the utility's ability to raise  
6 necessary capital on reasonable terms or to maintain a  
7 reasonable capital structure;

8 (5) the utility will remain subject to all  
9 applicable laws, regulations, rules, decisions and  
10 policies governing the regulation of Illinois public  
11 utilities;

12 (6) the proposed reorganization is not likely to  
13 have a significant adverse effect on competition in those  
14 markets over which the Commission has jurisdiction;

15 (7) the proposed reorganization is not likely to  
16 result in any adverse rate impacts on retail customers.

17 (c) The Commission shall not approve a reorganization  
18 without ruling on: (i) the allocation of any savings  
19 resulting from the proposed reorganization; and (ii) whether  
20 the companies should be allowed to recover any costs incurred  
21 in accomplishing the proposed reorganization and, if so, the  
22 amount of costs eligible for recovery and how the costs will  
23 be allocated.

24 (d) The Commission shall issue its Order approving or  
25 denying the proposed reorganization within 11 months after  
26 the application is filed. The Commission may extend the  
27 deadline for a period equivalent to the length of any delay  
28 which the Commission finds to have been caused by the  
29 Applicant's failure to provide data or information requested  
30 by the Commission or that the Commission ordered the  
31 Applicant to provide to the parties. The Commission may also  
32 extend the deadline by an additional period not to exceed 3  
33 months to consider amendments to the Applicant's filing, or  
34 to consider reasonably unforeseeable changes in circumstances

1 subsequent to the Applicant's initial filing.

2 (e) Subsections (c) and (d) and subparagraphs (6) and  
3 (7) of subsection (b) of this Section shall apply only to  
4 merger applications submitted to the Commission subsequent to  
5 April 23, 1997. No other Commission approvals shall be  
6 required for mergers that are subject to this Section.

7 (f) In approving any proposed reorganization pursuant to  
8 this Section the Commission may impose such terms, conditions  
9 or requirements as, in its judgment, are necessary to protect  
10 the interests of the public utility and its customers.

11 (g) The Commission shall, within 9 months after an  
12 application is filed, but in no event later than one year  
13 after the effective date of this amendatory Act of the 93rd  
14 General Assembly, issue its Order approving or denying any  
15 proposed reorganization involving the acquisition by a public  
16 utility or its affiliate of all of the common stock or  
17 substantially all of the operating assets, whether by merger,  
18 creation and acquisition of a limited liability or other  
19 company, or otherwise, of another public utility that has  
20 secured debt which is, or was, within the year prior to the  
21 filing of the application, rated below investment grade by at  
22 least 3 nationally recognized rating agencies. The Commission  
23 shall in such a proceeding review and approve, with or  
24 without modification, the entries to be made as a result of  
25 such reorganization on the books and records of the  
26 reorganized public utility. The Commission shall further have  
27 the authority, consistent with State jurisdiction, to review  
28 and approve in such proceeding any purchased power agreement  
29 related to the reorganization agreement that is entered into  
30 by the reorganized utility, or by a public utility that  
31 becomes affiliated with such public utility as a result of  
32 the reorganization, and may condition its approval of any  
33 such agreement in such manner as it may deem necessary to  
34 safeguard the public interest. If the reorganization involves

1 the sale or transfer of operating assets, then the Commission  
2 shall also in such proceeding have the authority to make such  
3 other determinations and approvals as may be required to  
4 implement the reorganization and provide for an orderly  
5 transition, including, but not limited to, providing for the  
6 adoption by the reorganized public utility of existing rates,  
7 terms, and conditions (including those filed pursuant to  
8 Section 16-108 or Article XVIII of this Act), the  
9 abandonment, transfer or granting of certificates, or the  
10 assignment of service area agreements.

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

12 Section 99. Effective date. This Act takes effect upon  
13 becoming law."