



Sen. James F. Clayborne, Jr.

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1 AMENDMENT TO SENATE BILL 2660

2 AMENDMENT NO. _____. Amend Senate Bill 2660 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Public Utilities Act is amended by changing
5 Section 9-220 as follows:

6 (220 ILCS 5/9-220) (from Ch. 111 2/3, par. 9-220)

7 Sec. 9-220. Rate changes based on changes in fuel costs.

8 (a) Notwithstanding the provisions of Section 9-201, the
9 Commission may authorize the increase or decrease of rates and
10 charges based upon changes in the cost of fuel used in the
11 generation or production of electric power, changes in the cost
12 of purchased power, or changes in the cost of purchased gas
13 through the application of fuel adjustment clauses or purchased
14 gas adjustment clauses. The Commission may also authorize the
15 increase or decrease of rates and charges based upon
16 expenditures or revenues resulting from the purchase or sale of

1 emission allowances created under the federal Clean Air Act
2 Amendments of 1990, through such fuel adjustment clauses, as a
3 cost of fuel. For the purposes of this paragraph, cost of fuel
4 used in the generation or production of electric power shall
5 include the amount of any fees paid by the utility for the
6 implementation and operation of a process for the
7 desulfurization of the flue gas when burning high sulfur coal
8 at any location within the State of Illinois irrespective of
9 the attainment status designation of such location; but shall
10 not include transportation costs of coal (i) except to the
11 extent that for contracts entered into on and after the
12 effective date of this amendatory Act of 1997, the cost of the
13 coal, including transportation costs, constitutes the lowest
14 cost for adequate and reliable fuel supply reasonably available
15 to the public utility in comparison to the cost, including
16 transportation costs, of other adequate and reliable sources of
17 fuel supply reasonably available to the public utility, or (ii)
18 except as otherwise provided in the next 3 sentences of this
19 paragraph. Such costs of fuel shall, when requested by a
20 utility or at the conclusion of the utility's next general
21 electric rate proceeding, whichever shall first occur, include
22 transportation costs of coal purchased under existing coal
23 purchase contracts. For purposes of this paragraph "existing
24 coal purchase contracts" means contracts for the purchase of
25 coal in effect on the effective date of this amendatory Act of
26 1991, as such contracts may thereafter be amended, but only to

1 the extent that any such amendment does not increase the
2 aggregate quantity of coal to be purchased under such contract.
3 Nothing herein shall authorize an electric utility to recover
4 through its fuel adjustment clause any amounts of
5 transportation costs of coal that were included in the revenue
6 requirement used to set base rates in its most recent general
7 rate proceeding. Cost shall be based upon uniformly applied
8 accounting principles. Annually, the Commission shall initiate
9 public hearings to determine whether the clauses reflect actual
10 costs of fuel, gas, power, or coal transportation purchased to
11 determine whether such purchases were prudent, and to reconcile
12 any amounts collected with the actual costs of fuel, power,
13 gas, or coal transportation prudently purchased. In each such
14 proceeding, the burden of proof shall be upon the utility to
15 establish the prudence of its cost of fuel, power, gas, or coal
16 transportation purchases and costs. The Commission shall issue
17 its final order in each such annual proceeding for an electric
18 utility by December 31 of the year immediately following the
19 year to which the proceeding pertains, provided, that the
20 Commission shall issue its final order with respect to such
21 annual proceeding for the years 1996 and earlier by December
22 31, 1998.

23 (b) A public utility providing electric service, other than
24 a public utility described in subsections (e) or (f) of this
25 Section, may at any time during the mandatory transition period
26 file with the Commission proposed tariff sheets that eliminate

1 the public utility's fuel adjustment clause and adjust the
2 public utility's base rate tariffs by the amount necessary for
3 the base fuel component of the base rates to recover the public
4 utility's average fuel and power supply costs per kilowatt-hour
5 for the 2 most recent years for which the Commission has issued
6 final orders in annual proceedings pursuant to subsection (a),
7 where the average fuel and power supply costs per kilowatt-hour
8 shall be calculated as the sum of the public utility's prudent
9 and allowable fuel and power supply costs as found by the
10 Commission in the 2 proceedings divided by the public utility's
11 actual jurisdictional kilowatt-hour sales for those 2 years.
12 Notwithstanding any contrary or inconsistent provisions in
13 Section 9-201 of this Act, in subsection (a) of this Section or
14 in any rules or regulations promulgated by the Commission
15 pursuant to subsection (g) of this Section, the Commission
16 shall review and shall by order approve, or approve as
17 modified, the proposed tariff sheets within 60 days after the
18 date of the public utility's filing. The Commission may modify
19 the public utility's proposed tariff sheets only to the extent
20 the Commission finds necessary to achieve conformance to the
21 requirements of this subsection (b). During the 5 years
22 following the date of the Commission's order, but in any event
23 no earlier than January 1, 2007, a public utility whose fuel
24 adjustment clause has been eliminated pursuant to this
25 subsection shall not file proposed tariff sheets seeking, or
26 otherwise petition the Commission for, reinstatement of a fuel

1 adjustment clause.

2 (c) Notwithstanding any contrary or inconsistent
3 provisions in Section 9-201 of this Act, in subsection (a) of
4 this Section or in any rules or regulations promulgated by the
5 Commission pursuant to subsection (g) of this Section, a public
6 utility providing electric service, other than a public utility
7 described in subsection (e) or (f) of this Section, may at any
8 time during the mandatory transition period file with the
9 Commission proposed tariff sheets that establish the rate per
10 kilowatt-hour to be applied pursuant to the public utility's
11 fuel adjustment clause at the average value for such rate
12 during the preceding 24 months, provided that such average rate
13 results in a credit to customers' bills, without making any
14 revisions to the public utility's base rate tariffs. The
15 proposed tariff sheets shall establish the fuel adjustment rate
16 for a specific time period of at least 3 years but not more
17 than 5 years, provided that the terms and conditions for any
18 reinstatement earlier than 5 years shall be set forth in the
19 proposed tariff sheets and subject to modification or approval
20 by the Commission. The Commission shall review and shall by
21 order approve the proposed tariff sheets if it finds that the
22 requirements of this subsection are met. The Commission shall
23 not conduct the annual hearings specified in the last 3
24 sentences of subsection (a) of this Section for the utility for
25 the period that the factor established pursuant to this
26 subsection is in effect.

1 (d) A public utility providing electric service, or a
2 public utility providing gas service may file with the
3 Commission proposed tariff sheets that eliminate the public
4 utility's fuel or purchased gas adjustment clause and adjust
5 the public utility's base rate tariffs to provide for recovery
6 of power supply costs or gas supply costs that would have been
7 recovered through such clause; provided, that the provisions of
8 this subsection (d) shall not be available to a public utility
9 described in subsections (e) or (f) of this Section to
10 eliminate its fuel adjustment clause. Notwithstanding any
11 contrary or inconsistent provisions in Section 9-201 of this
12 Act, in subsection (a) of this Section, or in any rules or
13 regulations promulgated by the Commission pursuant to
14 subsection (g) of this Section, the Commission shall review and
15 shall by order approve, or approve as modified in the
16 Commission's order, the proposed tariff sheets within 240 days
17 after the date of the public utility's filing. The Commission's
18 order shall approve rates and charges that the Commission,
19 based on information in the public utility's filing or on the
20 record if a hearing is held by the Commission, finds will
21 recover the reasonable, prudent and necessary jurisdictional
22 power supply costs or gas supply costs incurred or to be
23 incurred by the public utility during a 12 month period found
24 by the Commission to be appropriate for these purposes,
25 provided, that such period shall be either (i) a 12 month
26 historical period occurring during the 15 months ending on the

1 date of the public utility's filing, or (ii) a 12 month future
2 period ending no later than 15 months following the date of the
3 public utility's filing. The public utility shall include with
4 its tariff filing information showing both (1) its actual
5 jurisdictional power supply costs or gas supply costs for a 12
6 month historical period conforming to (i) above and (2) its
7 projected jurisdictional power supply costs or gas supply costs
8 for a future 12 month period conforming to (ii) above. If the
9 Commission's order requires modifications in the tariff sheets
10 filed by the public utility, the public utility shall have 7
11 days following the date of the order to notify the Commission
12 whether the public utility will implement the modified tariffs
13 or elect to continue its fuel or purchased gas adjustment
14 clause in force as though no order had been entered. The
15 Commission's order shall provide for any reconciliation of
16 power supply costs or gas supply costs, as the case may be, and
17 associated revenues through the date that the public utility's
18 fuel or purchased gas adjustment clause is eliminated. During
19 the 5 years following the date of the Commission's order, a
20 public utility whose fuel or purchased gas adjustment clause
21 has been eliminated pursuant to this subsection shall not file
22 proposed tariff sheets seeking, or otherwise petition the
23 Commission for, reinstatement or adoption of a fuel or
24 purchased gas adjustment clause. Nothing in this subsection (d)
25 shall be construed as limiting the Commission's authority to
26 eliminate a public utility's fuel adjustment clause or

1 purchased gas adjustment clause in accordance with any other
2 applicable provisions of this Act.

3 (e) Notwithstanding any contrary or inconsistent
4 provisions in Section 9-201 of this Act, in subsection (a) of
5 this Section, or in any rules promulgated by the Commission
6 pursuant to subsection (g) of this Section, a public utility
7 providing electric service to more than 1,000,000 customers in
8 this State may, within the first 6 months after the effective
9 date of this amendatory Act of 1997, file with the Commission
10 proposed tariff sheets that eliminate, effective January 1,
11 1997, the public utility's fuel adjustment clause without
12 adjusting its base rates, and such tariff sheets shall be
13 effective upon filing. To the extent the application of the
14 fuel adjustment clause had resulted in net charges to customers
15 after January 1, 1997, the utility shall also file a tariff
16 sheet that provides for a refund stated on a per kilowatt-hour
17 basis of such charges over a period not to exceed 6 months;
18 provided however, that such refund shall not include the
19 proportional amounts of taxes paid under the Use Tax Act,
20 Service Use Tax Act, Service Occupation Tax Act, and Retailers'
21 Occupation Tax Act on fuel used in generation. The Commission
22 shall issue an order within 45 days after the date of the
23 public utility's filing approving or approving as modified such
24 tariff sheet. If the fuel adjustment clause is eliminated
25 pursuant to this subsection, the Commission shall not conduct
26 the annual hearings specified in the last 3 sentences of

1 subsection (a) of this Section for the utility for any period
2 after December 31, 1996 and prior to any reinstatement of such
3 clause. A public utility whose fuel adjustment clause has been
4 eliminated pursuant to this subsection shall not file a
5 proposed tariff sheet seeking, or otherwise petition the
6 Commission for, reinstatement of the fuel adjustment clause
7 prior to January 1, 2007.

8 (f) Notwithstanding any contrary or inconsistent
9 provisions in Section 9-201 of this Act, in subsection (a) of
10 this Section, or in any rules or regulations promulgated by the
11 Commission pursuant to subsection (g) of this Section, a public
12 utility providing electric service to more than 500,000
13 customers but fewer than 1,000,000 customers in this State may,
14 within the first 6 months after the effective date of this
15 amendatory Act of 1997, file with the Commission proposed
16 tariff sheets that eliminate, effective January 1, 1997, the
17 public utility's fuel adjustment clause and adjust its base
18 rates by the amount necessary for the base fuel component of
19 the base rates to recover 91% of the public utility's average
20 fuel and power supply costs for the 2 most recent years for
21 which the Commission, as of January 1, 1997, has issued final
22 orders in annual proceedings pursuant to subsection (a), where
23 the average fuel and power supply costs per kilowatt-hour shall
24 be calculated as the sum of the public utility's prudent and
25 allowable fuel and power supply costs as found by the
26 Commission in the 2 proceedings divided by the public utility's

1 actual jurisdictional kilowatt-hour sales for those 2 years,
2 provided, that such tariff sheets shall be effective upon
3 filing. To the extent the application of the fuel adjustment
4 clause had resulted in net charges to customers after January
5 1, 1997, the utility shall also file a tariff sheet that
6 provides for a refund stated on a per kilowatt-hour basis of
7 such charges over a period not to exceed 6 months. Provided
8 however, that such refund shall not include the proportional
9 amounts of taxes paid under the Use Tax Act, Service Use Tax
10 Act, Service Occupation Tax Act, and Retailers' Occupation Tax
11 Act on fuel used in generation. The Commission shall issue an
12 order within 45 days after the date of the public utility's
13 filing approving or approving as modified such tariff sheet. If
14 the fuel adjustment clause is eliminated pursuant to this
15 subsection, the Commission shall not conduct the annual
16 hearings specified in the last 3 sentences of subsection (a) of
17 this Section for the utility for any period after December 31,
18 1996 and prior to any reinstatement of such clause. A public
19 utility whose fuel adjustment clause has been eliminated
20 pursuant to this subsection shall not file a proposed tariff
21 sheet seeking, or otherwise petition the Commission for,
22 reinstatement of the fuel adjustment clause prior to January 1,
23 2007.

24 (g) The Commission shall have authority to promulgate rules
25 and regulations to carry out the provisions of this Section.

26 (h) Any Illinois gas utility may enter into a contract for

1 up to 10 ~~20~~ years of supply with any company for the purchase
2 of substitute natural gas (SNG) produced from coal through the
3 gasification process if the company has commenced construction
4 of a coal gasification facility by July 1, 2012 in Jefferson
5 County and commencement of construction shall mean that
6 material physical site work has occurred, such as site clearing
7 and excavation, water runoff prevention, water retention
8 reservoir preparation, or foundation development ~~2010~~. The
9 contract shall contain the following provisions ~~cost for the~~
10 ~~SNG is reasonable and prudent and recoverable through the~~
11 ~~purchased gas adjustment clause for years one through 10 of the~~
12 ~~contract if:~~ (i) the only coal to be used in the gasification
13 process has high volatile bituminous rank and greater than 1.7
14 pounds of sulfur per million Btu content; (ii) at the time the
15 contract term commences, the price per million Btu may ~~does~~ not
16 exceed \$7.95 in 2008 dollars, adjusted annually based on the
17 change in the Annual Consumer Price Index for All Urban
18 Consumers for the Midwest Region as published in April by the
19 United States Department of Labor, Bureau of Labor Statistics
20 (or a suitable Consumer Price Index calculation if this
21 Consumer Price Index is not available) for the previous
22 calendar year; provided that the price per million Btu shall
23 not exceed \$9.95 at any time during the contract; (iii) the
24 utility's aggregate long-term supply contracts for the
25 purchase of SNG does not exceed 25% of the annual system supply
26 requirements of the utility as of 2008 ~~at the time the contract~~

1 ~~is entered into~~ and the quantity of SNG supplied to a utility
2 may not exceed 16 million MMBtus; and (iv) contract costs
3 pursuant to subsection (h-10) of this Section shall not include
4 any lobbying expenses, charitable contributions, advertising,
5 organizational memberships, or marketing expenses by any one
6 producer may not exceed 20 billion cubic feet per year; and
7 ~~(iv) the contract is entered into within 120 days after the~~
8 ~~effective date of this amendatory Act of the 95th General~~
9 ~~Assembly and terminates no more than 20 years after the~~
10 ~~commencement of the commercial production of SNG at the~~
11 ~~facility. Contracts greater than 10 years shall provide that~~
12 ~~if, at any time during supply years 11 through 20 of the~~
13 ~~contract, the Commission determines that the cost for the~~
14 ~~synthetic natural gas purchased under the contract during~~
15 ~~supply years 11 through 20 is not reasonable and prudent, then~~
16 ~~the company shall reimburse the utility for the difference~~
17 ~~between the cost deemed reasonable and prudent by the~~
18 ~~Commission and the cost imposed under the contract.~~

19 (h-5) The Attorney General, on behalf of the people of the
20 State of Illinois, may specifically enforce the requirements of
21 this subsection (h-5). All ~~such~~ contracts, regardless of
22 duration, shall require the owner of any facility supplying SNG
23 under the contract to provide documentation to the Commission
24 each year, starting in the facility's first year of commercial
25 operation, accurately reporting the quantity of carbon dioxide
26 emissions from the facility that have been captured and

1 sequestered and reporting any quantities of carbon dioxide
2 released from the site or sites at which carbon dioxide
3 emissions were sequestered in prior years, based on continuous
4 monitoring of those sites. If, in any year, the owner of the
5 facility fails to demonstrate that the SNG facility captured
6 and sequestered at least 90% of the total carbon dioxide
7 emissions that the facility would otherwise emit or that
8 sequestration of emissions from prior years has failed,
9 resulting in the release of carbon dioxide into the atmosphere,
10 then the owner of the facility must offset excess emissions.
11 Any such carbon dioxide offsets must be permanent, additional,
12 verifiable, real, located within the State of Illinois, and
13 legally and practicably enforceable; provided that the owner of
14 the facility shall not be obligated to acquire carbon dioxide
15 emission offsets to the extent that the cost of acquiring. ~~The~~
16 ~~costs of~~ such offsets would ~~shall not~~ exceed \$40 million in any
17 given year. No costs of any purchases of carbon offsets may be
18 recovered from a utility or its customers. All carbon offsets
19 purchased for this purpose must be permanently retired. In
20 addition, carbon dioxide emission credits equivalent to 50% of
21 the amount of credits associated with the required
22 sequestration of carbon dioxide from the facility must be
23 permanently retired. Compliance with the sequestration
24 requirements and the offset purchase requirements specified in
25 this subsection (h-5) ~~(h)~~ shall be assessed annually by an
26 independent expert retained by the owner of the SNG facility,

1 with the advance written approval of the Attorney General. ~~A An~~
2 SNG facility operating pursuant to this subsection (h-5) ~~(h)~~
3 shall not forfeit its designation as a clean coal SNG facility
4 if the facility fails to fully comply with the applicable
5 carbon sequestration requirements in any given year, provided
6 the requisite offsets are purchased. ~~However, the Attorney~~
7 ~~General, on behalf of the People of the State of Illinois, may~~
8 ~~specifically enforce the facility's sequestration~~
9 ~~requirements.~~

10 (h-10) All contract costs for SNG incurred by any utility
11 are reasonable and prudent and recoverable through the
12 purchased gas adjustment clause and are not subject to review
13 or disallowance by the Commission. Contract costs are any costs
14 incurred by the utility under the terms of any contract that
15 incorporates the terms stated in subsection (h) of this Section
16 as confirmed in writing by the Illinois Power Agency as set
17 forth in subsection (h-20) of this Section, which confirmation
18 shall be deemed conclusive, or as a consequence of or condition
19 to its performance under the contract, including without
20 limitation, (i) amounts paid under the SNG contract; (ii) costs
21 incurred in its performance of any obligation, its resolution
22 of any claim or dispute, or its waiver, amendment, or
23 modification of any provision of such contract; and (iii) costs
24 of transportation, storage, and gas supply back-up services
25 purchased by a utility to receive, transport, and deliver SNG
26 pursuant to this subsection (h-10). Any contract, the terms of

1 which have been confirmed in writing by the Illinois Power
2 Agency as set forth in subsection (h-20) of this Section and
3 the performance of the parties under such contract cannot be
4 grounds for challenging prudence or cost recovery by the
5 utility through the purchased gas adjustment clause, and in
6 such cases, the Commission is directed not to consider, and has
7 no authority to consider, any attempted challenges.

8 Transportation and storage services purchased from
9 interstate pipelines will be provided under federally approved
10 tariffs. Any storage and gas supply back-up services not
11 purchased under federally approved tariffs shall be purchased
12 under arms-length transactions and shall in no instance be
13 purchased from an affiliate of the Illinois utility making said
14 purchase.

15 The contracts entered into by Illinois gas utilities shall
16 provide that the utility retains the right to terminate the
17 contract without further obligation or liability to any party
18 if the contract has been impaired as a result of any
19 legislative, administrative, judicial, or other governmental
20 action that is taken that eliminates all or part of the
21 prudence protection of this subsection (h-10) or denies the
22 recoverability of all or part of the contract costs through the
23 purchased gas adjustment clause. Should any utility exercise
24 its right under this subsection (h-10) to terminate the
25 contract, all contract costs incurred prior to termination are
26 and will be deemed reasonable, prudent, and recoverable as and

1 when incurred and not subject to review or disallowance by the
2 Commission. Any act of or by the State of Illinois, the
3 Illinois Finance Authority, or any agency or agents thereof
4 that gives rise to the right of a utility to terminate a
5 contract pursuant to this subsection (h-10) constitutes an
6 impermissible impairment in violation of subsection (h-25) of
7 this Section.

8 (h-15) With respect to each contract entered into by the
9 company with an Illinois utility in accordance with the terms
10 stated in subsection (h) of this Section, within 60 days
11 following the completion of purchases of SNG, the Illinois
12 Power Agency shall conduct an analysis to determine (i) the
13 average contract SNG cost, which shall be calculated as the
14 total amount paid to a company for SNG over the contract term,
15 plus the cost to the utility of required transportation,
16 storage, and gas supply back-up service costs for such SNG,
17 divided by the total number of MMBtus of SNG actually purchased
18 under the utility contract; (ii) the average natural gas
19 purchase cost, which shall be calculated as the total annual
20 supply costs paid for natural gas (excluding SNG) purchased by
21 such utility over the contract term, plus the cost of all
22 transportation, storage, and gas supply back-up service costs
23 for such natural gas (excluding such costs for SNG), divided by
24 the total number of MMBtus of natural gas (excluding SNG)
25 actually purchased by the utility during the contract term;
26 (iii) the cost differential, which shall be the difference

1 between the average contract SNG cost and the average natural
2 gas purchase cost; and (iv) the revenue share target, which
3 shall be the cost differential multiplied by the total amount
4 of SNG purchased under such utility contract. If the average
5 contract SNG cost is equal to or less than the average natural
6 gas purchase cost, then the company shall have no further
7 obligation to the utility. If the average contract SNG cost for
8 such SNG contract is greater than the average natural gas
9 purchase cost for such utility, then the company shall market
10 the daily production of SNG and distribute on a monthly basis
11 5% of amounts collected with respect to such future sales to
12 the utilities in proportion to each utility's SNG purchases
13 from the company during the term of the SNG contract to be used
14 to reduce the utility's natural gas costs through the purchased
15 gas adjustment clause; such payments to the utility shall
16 continue until such time as the sum of such payments equals the
17 revenue share target of that utility. The company or utilities
18 shall have no obligation to repay the revenue share target
19 except as provided for in this subsection (h-15).

20 (h-20) The General Assembly authorizes the Illinois
21 Finance Authority to issue bonds to the maximum extent
22 permitted to finance coal gasification facilities described in
23 this Section, which constitute both "industrial projects"
24 under of Article 801 of the Illinois Finance Authority Act and
25 "clean coal and energy projects" under Sections 825-65 through
26 825-75 of the Illinois Finance Authority Act. The General

1 Assembly further authorizes the Illinois Power Agency to become
2 party to agreements and take such actions as necessary to
3 enable the Illinois Power Agency or its designate to (i) review
4 and confirm in writing that the terms stated in subsection (h)
5 of this Section are incorporated in the SNG contract, and (ii)
6 conduct an analysis pursuant to subsection (h-15) of this
7 Section. Administrative costs incurred by the Illinois Finance
8 Authority and Illinois Power Agency in performance of this
9 subsection (h-20) shall be subject to reimbursement by the
10 company on terms as the Illinois Finance Authority, the
11 Illinois Power Agency, and the company may agree. The utility
12 and its customers shall have no obligation to reimburse the
13 company, the Illinois Finance Authority, or the Illinois Power
14 Agency for any such costs.

15 (h-25) The State of Illinois, including, but not limited
16 to, the Commission and the Illinois Finance Authority pledges,
17 covenants, and agrees with the company, Illinois utilities
18 entering into SNG contracts under or in accordance with this
19 Section, the Illinois Finance Authority, as well as the holders
20 of the bonds and notes issued by the Illinois Finance Authority
21 pursuant to Sections 801-40 and 825-65 through 825-75 of the
22 Illinois Finance Authority Act, which bonds or notes are
23 expected to be paid in whole or in part from revenues derived
24 from any contract entered into pursuant to or in accordance
25 with this Section, that, notwithstanding any change in law
26 subsequent to the making of such contract in accordance with

1 this Section, until all of such bonds and notes have been paid
2 in full, the State will not take or permit any action to be
3 taken that would (i) impair any contract entered into pursuant
4 to this Section causing financial harm to the company, Illinois
5 utilities entering into SNG contracts under or in accordance
6 with this Section, the Illinois Finance Authority, or the
7 holders of the bonds and notes issued by the Illinois Finance
8 Authority pursuant to Sections 801-40 and 825-65 through 825-75
9 of the Illinois Finance Authority Act, which bonds or notes are
10 expected to be paid in whole or in part from revenues derived
11 from any contract entered into pursuant to or in accordance
12 with this Section, including, without limitation, any action of
13 or by the State of Illinois, the Illinois Finance Authority, or
14 any agency or agents thereof which gives rise to the right of a
15 utility to terminate a contract as provided under subsection
16 (h-10) of this Section, (ii) limit, alter, or impair the
17 ability of the Illinois Finance Authority, the company, or any
18 Illinois utility to satisfy its contractual obligations, or in
19 the case of any utility, to continue purchasing SNG, pursuant
20 to or in accordance with this Section, or (iii) issue an order
21 requiring or authorizing the discontinuation of the merchant
22 function in a manner that limits, reduces, or impairs the value
23 of any contract hereunder over its full term. The Illinois
24 Finance Authority is authorized to include these pledges,
25 covenants, and agreements of the State of Illinois in any
26 contract with the holders of bonds or notes, which bonds or

1 notes are expected to be paid in whole or in part from revenues
2 derived from any contract entered into pursuant to or in
3 accordance with this Section, the company, and Illinois gas
4 utilities.

5 (h-30) The company, Illinois utilities entering into SNG
6 contracts under or in accordance with this Section, as well as
7 the holders of the bonds and notes issued by the Illinois
8 Finance Authority pursuant to Sections 801-40 and 825-65
9 through 825-75 of the Illinois Finance Authority Act, which
10 bonds or notes are expected to be paid in whole or in part from
11 revenues derived from any contract entered into pursuant to or
12 in accordance with this Section, may bring suits at law or
13 proceedings in equity to compel the performance and observance
14 by any person or by the State of Illinois, or the Illinois
15 Finance Authority or any of their respective agents, officers,
16 or employees of any contract, covenant, or pledge made in this
17 Section or entered into pursuant to or in accordance with this
18 Section and to compel such person or the State of Illinois or
19 the Illinois Finance Authority and any of their respective
20 agents, officers, or employees to perform any duties required
21 to be performed pursuant to any such contract, covenant, or
22 pledge, and to enjoin such person or the State of Illinois or
23 the Illinois Finance Authority and any of their respective
24 agents, officers, or employees from taking any action in
25 conflict with any such contract, covenant, or pledge.

26 (i) If a gas utility or an affiliate of a gas utility has

1 an ownership interest in any entity that produces or sells
2 synthetic natural gas, Article VII of this Act shall apply.
3 (Source: P.A. 94-63, eff. 6-21-05; 95-1027, eff. 6-1-09.)

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.".