

STATE OF ILLINOIS



HOUSE JOURNAL

HOUSE OF REPRESENTATIVES

NINETY-FOURTH GENERAL ASSEMBLY

139TH LEGISLATIVE DAY

REGULAR SESSION

THURSDAY, NOVEMBER 30, 2006

10:03 O'CLOCK A.M.

**HOUSE OF REPRESENTATIVES
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139th Legislative Day**

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The House met pursuant to adjournment.

Speaker of the House Madigan in the chair.

Prayer by Reverend Dr. Cecelia Harris, who is the Pastor of St. Matthew United Methodist Church in Chicago, IL.

Representative Chavez led the House in the Pledge of Allegiance.

By direction of the Speaker, a roll call was taken to ascertain the attendance of Members, as follows:

101 present. (ROLL CALL 1)

By unanimous consent, Representatives Black and Patterson were excused from attendance.

REQUESTS TO BE SHOWN ON QUORUM

Having been absent when the Quorum Roll Call for Attendance was taken, this is to advise you that I, Representative Flowers, should be recorded as present at the hour of 9:25 o'clock a.m.

Having been absent when the Quorum Roll Call for Attendance was taken, this is to advise you that I, Representative Jefferies, should be recorded as present at the hour of 10:19 o'clock a.m.

Having been absent when the Quorum Roll Call for Attendance was taken, this is to advise you that I, Representative Joyce, should be recorded as present at the hour of 10:20 o'clock a.m.

Having been absent when the Quorum Roll Call for Attendance was taken, this is to advise you that I, Representative Hoffman, should be recorded as present at the hour of 10:23 o'clock a.m.

Having been absent when the Quorum Roll Call for Attendance was taken, this is to advise you that I, Representative Cross, should be recorded as present at the hour of 10:25 o'clock a.m.

Having been absent when the Quorum Roll Call for Attendance was taken, this is to advise you that I, Representative Tracy, should be recorded as present at the hour of 10:26 o'clock a.m.

Having been absent when the Quorum Roll Call for Attendance was taken, this is to advise you that I, Representative Monique Davis, should be recorded as present at the hour of 10:30 o'clock a.m.

Having been absent when the Quorum Roll Call for Attendance was taken, this is to advise you that I, Representative Yarbrough, should be recorded as present at the hour of 10:30 o'clock a.m.

Having been absent when the Quorum Roll Call for Attendance was taken, this is to advise you that I, Representative McAuliffe, should be recorded as present at the hour of 10:45 o'clock a.m.

Having been absent when the Quorum Roll Call for Attendance was taken, this is to advise you that I, Representative Acevedo, should be recorded as present at the hour of 10:45 o'clock a.m.

Having been absent when the Quorum Roll Call for Attendance was taken, this is to advise you that I, Representative Rita, should be recorded as present at the hour of 10:50 o'clock a.m.

Having been absent when the Quorum Roll Call for Attendance was taken, this is to advise you that I, Representative Granberg, should be recorded as present at the hour of 10:55 o'clock a.m.

Having been absent when the Quorum Roll Call for Attendance was taken, this is to advise you that I, Representative Dunkin, should be recorded as present at the hour of 11:00 o'clock a.m.

TEMPORARY COMMITTEE ASSIGNMENT

Representative Lyons replaced Representative Hannig in the Committee on Rules on November 30, 2006.

Representative Schmitz replaced Representative Black in the Committee on Rules on November 30, 2006.

REPORT FROM THE COMMITTEE ON RULES

Representative Currie, Chairperson, from the Committee on Rules to which the following were referred, action taken on November 30, 2006, reported the same back with the following recommendations:

LEGISLATIVE MEASURES APPROVED FOR FLOOR CONSIDERATION:

That the Motion be reported "recommends be adopted" and placed on the House Calendar:
Motion to concur with Senate Amendment No. 1 to HOUSE JOINT RESOLUTION 107.
Motion to concur with Senate Amendment No. 1 to HOUSE JOINT RESOLUTION 139.

That the resolution be reported "recommends be adopted" and be placed on the House Calendar:
HOUSE JOINT RESOLUTION 150.

The committee roll call vote on the foregoing Legislative Measures is as follows:

5, Yeas; 0, Nays; 0, Answering Present.

Y Currie, Barbara(D), Chairperson
Y Lyons(D)(replacing Hannig)
Y Turner, Arthur(D)

Y Schmitz(R) (replacing Black)
Y Hassert, Brent(R)

MOTIONS SUBMITTED

Representative Howard submitted the following written motion, which was referred to the Committee on Rules:

MOTION

I move to concur with Senate Amendment No. 1 to HOUSE JOINT RESOLUTION 107.

Representative Meyer submitted the following written motion, which was referred to the Committee on Rules:

MOTION

I move to concur with Senate Amendment No. 1 to HOUSE JOINT RESOLUTION 139.

FISCAL NOTES SUPPLIED

Fiscal Notes have been supplied for HOUSE BILL 5839, and SENATE BILL 628.

MESSAGES FROM THE SENATE

A message from the Senate by
Ms. Hawker, Secretary:

Mr. Speaker -- I am directed to inform the House of Representatives that the Senate has adopted the following Senate Joint Resolution, in the adoption of which I am instructed to ask the concurrence of the House of Representatives, to-wit:

SENATE JOINT RESOLUTION NO. 94

WHEREAS, The State Board of Education has filed its Report on Waiver of School Code Mandates, dated September 29, 2006, with the Senate, the House of Representatives, and the Secretary of State of Illinois as required by Section 2-3.25g of the School Code; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-FOURTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE HOUSE OF REPRESENTATIVES CONCURRING HEREIN, that each of the school district waiver requests identified below by school district name and by the identifying number and subject area of the waiver request as summarized in the report filed by the State Board of Education is approved for only 2 years and disapproved for the remaining 3 years:

- (1) Ball-Chatham CUSD 5 - Sangamon, WM100-3854-1, physical education;
- (2) Addison SD 4 - DuPage, WM100-3868, physical education;
- (3) Cook County SD 130 - Cook, WM100-3959, physical education;
- (4) City of Chicago SD 299 - Cook, WM100-3961, physical education;
- (5) Champaign CUSD 4 - Champaign, WM100-3963; physical education; and
- (6) Schaumburg CCSD 54 - Cook, WM100-3966-1, substitute teachers.

Adopted by the Senate, November 30, 2006.

Linda Hawker, Secretary of the Senate

A message from the Senate by

Ms. Hawker, Secretary:

Mr. Speaker -- I am directed to inform the House of Representatives that the Senate has passed a bill of the following title, in the passage of which I am instructed to ask the concurrence of the House of Representatives, to-wit:

SENATE BILL NO. 1537

A bill for AN ACT concerning appropriations.

Passed by the Senate, November 30, 2006.

Linda Hawker, Secretary of the Senate

The foregoing SENATE BILL 1537 was ordered reproduced and placed on the order of Senate Bills - First Reading.

A message from the Senate by

Ms. Hawker, Secretary:

Mr. Speaker -- I am directed to inform the House of Representatives that the Senate has concurred with the House in the adoption of their amendments to a bill of the following title, to-wit:

SENATE BILL NO. 36

A bill for AN ACT concerning public employee benefits.

House Amendment No. 1 to SENATE BILL NO. 36.

House Amendment No. 2 to SENATE BILL NO. 36.

Action taken by the Senate, November 30, 2006.

Linda Hawker, Secretary of the Senate

A message from the Senate by

Ms. Hawker, Secretary:

Mr. Speaker -- I am directed to inform the House of Representatives that the Senate has concurred with the House in the adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 380

A bill for AN ACT concerning education.

House Amendment No. 1 to SENATE BILL NO. 380.

Action taken by the Senate, November 30, 2006.

Linda Hawker, Secretary of the Senate

A message from the Senate by

Ms. Hawker, Secretary:

Mr. Speaker -- I am directed to inform the House of Representatives that the Senate has concurred with the House in the adoption of their amendments to a bill of the following title, to-wit:

SENATE BILL NO. 505

A bill for AN ACT concerning regulation.

House Amendment No. 1 to SENATE BILL NO. 505.

House Amendment No. 2 to SENATE BILL NO. 505.

Action taken by the Senate, November 30, 2006.

Linda Hawker, Secretary of the Senate

A message from the Senate by

Ms. Hawker, Secretary:

Mr. Speaker -- I am directed to inform the House of Representatives that the Senate has concurred with the House in the adoption of their amendments to a bill of the following title, to-wit:

SENATE BILL NO. 821

A bill for AN ACT concerning local government.

House Amendment No. 1 to SENATE BILL NO. 821.

House Amendment No. 2 to SENATE BILL NO. 821.

House Amendment No. 3 to SENATE BILL NO. 821.

Action taken by the Senate, November 30, 2006.

Linda Hawker, Secretary of the Senate

A message from the Senate by

Ms. Hawker, Secretary:

Mr. Speaker -- I am directed to inform the House of Representatives that the Senate has concurred with the House in the adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 1268

A bill for AN ACT concerning employment.

House Amendment No. 3 to SENATE BILL NO. 1268.

Action taken by the Senate, November 30, 2006.

Linda Hawker, Secretary of the Senate

A message from the Senate by

Ms. Hawker, Secretary:

Mr. Speaker -- I am directed to inform the House of Representatives that the Senate has concurred with the House in the adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 1453

A bill for AN ACT concerning finance.

House Amendment No. 1 to SENATE BILL NO. 1453.

Action taken by the Senate, November 30, 2006.

Linda Hawker, Secretary of the Senate

A message from the Senate by

Ms. Hawker, Secretary:

Mr. Speaker -- I am directed to inform the House of Representatives that the Senate has concurred with the House in the passage of a bill of the following title to-wit:

HOUSE BILL NO. 1896

A bill for AN ACT concerning civil law.
Passed by the Senate, November 30, 2006.

Linda Hawker, Secretary of the Senate

A message from the Senate by
Ms. Hawker, Secretary:

Mr. Speaker -- I am directed to inform the House of Representatives that the Senate has concurred with the House in the passage of bills of the following titles to-wit:

HOUSE BILL NO. 4344

A bill for AN ACT concerning transportation.

HOUSE BILL NO. 4804

A bill for AN ACT concerning emergency management.

HOUSE BILL NO. 4895

A bill for AN ACT concerning local government.

Passed by the Senate, November 30, 2006.

Linda Hawker, Secretary of the Senate

A message from the Senate by
Ms. Hawker, Secretary:

Mr. Speaker -- I am directed to inform the House of Representatives that the Senate has concurred with the House in the passage of a bill of the following title to-wit:

HOUSE BILL NO. 5475

A bill for AN ACT concerning local government.

Passed by the Senate, November 30, 2006.

Linda Hawker, Secretary of the Senate

A message from the Senate by
Ms. Hawker, Secretary:

Mr. Speaker -- I am directed to inform the House of Representatives that the Senate has concurred with the House of Representatives in the passage of a bill of the following title to-wit:

HOUSE BILL 2197

A bill for AN ACT concerning regulation.

Together with the attached amendments thereto (which amendments have been printed by the Senate), in the adoption of which I am instructed to ask the concurrence of the House, to-wit:

Senate Amendment No. 1 to HOUSE BILL NO. 2197

Senate Amendment No. 2 to HOUSE BILL NO. 2197

Passed the Senate, as amended, November 30, 2006.

Linda Hawker, Secretary of the Senate

AMENDMENT NO. 1. Amend House Bill 2197 by replacing everything after the enacting clause with the following:

"Section 5. The Public Utilities Act is amended by adding Section 16-111.4 and the heading of Article XX and Sections 20-101, 20-105, 20-110, 20-115, 20-120, 20-125, 20-127, 20-130, 20-135, 20-140, 20-145, 20-150, 20-155, 20-160, 20-165, 20-170, 20-175, and 20-180 as follows:

(220 ILCS 5/16-111.4 new)

Sec. 16-111.4. Provisions relating to rates following the mandatory transition period.

(a) The General Assembly finds that although competition in the electric services market is creating opportunities for new products and services for retail customers and lower costs for many users of electricity, additional steps should be taken in order to mitigate the rate impacts associated with the end of the mandatory transition period on those residential customers that are served by the State's largest utilities.

encourage the use of renewable resources and energy efficiency in competitive markets, and provide the revenues needed to ensure reliable service, while still allowing for the development of an effectively competitive electricity market that operates efficiently and is equitable to all consumers. Accordingly, if the residential customer electric service rates that have been approved by the Commission to take effect at the end of the mandatory transition period for an electric utility reflect a projected increase of more than 15% in the electric utility's average rate charged to residential customers for bundled electric service, such electric utility shall be required to implement for all of its residential customers a rate mitigation plan. If such electric utility serves two million or more residential customers in its service area, its rate mitigation plan shall incorporate a three-phase rate increase with the following limitations on the increases in the electric service rates to customers: (i) in 2007, no more than 7% over the average rate charged to residential customers in 2006; (ii) in 2008, no more than an additional 7% over the average rate charged to residential customers in 2006; and (iii) in 2009, no more than an additional 8% over the average rate charged to residential customers in 2006. If such electric utility serves more than 100,000 and fewer than two million residential customers in its service area, its rate mitigation plan shall incorporate a three-phase rate increase with the following limitations on the increases in the electric service rates to customers: (i) in 2007, no more than 14% over the average rate charged to residential customers in 2006; (ii) in 2008, no more than an additional 14% over the average rate charged to residential customers in 2006; and (iii) in 2009, no more than an additional 14% over the average rate charged to residential customers in 2006. The above limitations on the increases to customers shall be separately calculated for each residential class of service. Such limitations on the increase shall be calculated using the same data used in the electric utility's most recent rate case. Each electric utility required to implement a mitigation plan under this Section shall submit tariffs reflecting such plan to the Commission no later than 30 days after the effective date of this amendatory Act of the 94th General Assembly. The tariffs shall provide for the first credit that implements the rate mitigation plan and offsets the otherwise applicable rate to appear on the customer's bill no later than bills issued in May 2007 billing period. The Commission shall issue an order with regard to such tariffs no later than April 1, 2007, and may in that order require such amendments as are necessary to bring the tariffs in compliance with the provisions of this subsection (a). The order approving the tariff shall authorize the utility to defer, record as a regulatory asset, and collect over the period 2010 through 2012, the amounts that would have otherwise been recovered but for this subsection (a). Such collections shall not include carrying costs.

This subsection (a) shall not apply to electric service rates for classes other than the residential customer class. For purposes of this Section, "residential customer" means any customer who takes utility residential service, regardless of the customer's choice of electric supplier.

Nothing in this subsection (a) shall be interpreted to limit the Commission's authority over ratemaking or to preclude the Commission from reviewing or approving other or supplemental rate mitigation or phase-in plans or rate designs proposed by an electric utility; or increasing, decreasing, or changing an electric utility's rates; or reviewing or approving individual rates and riders; to the extent otherwise allowed under this Act.

(b) An electric utility that is required to file a rate mitigation plan as provided in subsection (a) of this Section and that serves two million or more residential customers in this State, shall, notwithstanding any other provisions of this Act, and without obtaining any approvals from the Commission other than those set forth below, make the following payments or incur the following costs associated with the development of energy efficiency and renewable resources for the benefit of its residential customers, and assistance to those residential customers least able to afford utility services:

(1) costs of \$3 million prior to December 31, 2007, associated with either customer education that promotes the use of energy efficiency programs and services by residential customers, maintenance and upgrades of a website that allows such customers to analyze their energy usage and provides incentives for the purchase of energy efficient products, or the provision of energy efficient lightbulbs to residential customers at a discount;

(2) payments of \$10 million in aggregate during the period January 2, 2007 through December 31, 2009 toward energy efficiency programs, including demand response programs, that are proposed by the electric utility for its residential customers and approved by the Commission as consistent with the goals and objectives stated in this Section and in Section 16-101A of this Act. The electric utility shall file a description of the programs it proposes to implement under this item (2) with the Commission within 30 days of the effective date of this amendatory Act, and the Commission shall enter its order approving or modifying such programs within 150 days of the date on which the utility's proposal is filed. The Commission may approve a request to continue such a program beyond December 31, 2009, provided that

in any order approving such continuation the Commission shall provide for recovery of the ongoing costs associated with such program and specify how such costs will be recovered by the utility;

(3) incremental costs associated with the purchase of renewable energy of \$10 million in total aggregate costs during the period beginning January 2, 2007 and ending December 31, 2009, provided that the Commission approve any contract for such purchase that extends beyond December 31, 2009 as consistent with the goals and objectives stated in this Section and in Section 16-101A of this Act, and that if the contract for such purchase extends beyond December 31, 2009 the Commission shall in its order approving such a purchase provide for recovery of the ongoing costs associated with such purchase and specify how such costs will be recovered by the utility;

(4) payments of \$1 million per year for each of the years 2007, 2008, and 2009 associated with a pilot program within the electric utility's service area that is proposed and designed by the utilities for residential customers eligible to participate in the State-administered Low Income Home Energy Assistance Program that has been reviewed and accepted by the Department of Healthcare and Family Services and that provides for the provision of electric service under a percentage of income payment plan;

(5) payments of \$1 million per year for each of the years 2007, 2008, and 2009 into a working families assistance fund that is administered in coordination with the Illinois Department of Healthcare and Family Services and provides assistance to residential households within the electric utility's service area that are not eligible for the State-administered Low Income Home Energy Assistance Program and that have household income less than twice the poverty level; and

(6) costs of \$4 million during the period January 2, 2007 through December 31, 2009 that are associated with a program that provides senior citizens who live in subsidized housing and pay their own electric bills with monthly bill credits in each of the July, August, and September billing periods.

(c) An electric utility that is required to file a rate mitigation plan as provided in subsection (a) of this Section and that serves more than 100,000 but fewer than two million residential customers in this State, shall, notwithstanding any other provisions of this Act and without obtaining any approvals from the Commission other than those set forth below, make the following payments or incur the following costs associated with the development of energy efficiency and renewable resources for the benefit of its residential customers and assistance to those residential customers least able to afford utility services:

(1) payments of at least \$6 million prior to December 31, 2008, toward energy efficiency programs that are proposed by the electric utility for its residential customers and approved by the Commission as consistent with the goals and objectives stated in this Section and in Section 16-101A of this Act. The electric utility shall file a description of the programs it proposes to implement under this item (1) with the Commission within 30 days of the effective date of this amendatory Act, and the Commission shall enter its order approving or modifying such programs within 150 days of the date on which the utility's proposal is filed. The Commission may approve a request to continue such a program beyond December 31, 2008, provided that in any order approving such continuation, the Commission shall provide for recovery of the ongoing costs associated with such program and specify how such costs will be recovered by the utility; and

(2) costs, of at least a total of \$9 million during the period January 2, 2007 through December 31, 2008, that are associated with programs that assist low income residential customers pay their electric bills, which may include programs similar to those described in subsection (b) of this Section.

(d) The Commission shall, on or before December 31, 2009, adopt rules governing the recovery through rates of the costs associated with an electric utility's discretionary investment in programs that promote the use of energy efficiency and renewable resources, other than those specific costs identified in subsections (b) and (c) of this Section.

(e) (i) In the event that an electric utility that serves two million or more residential customers in its service area and that is required to file a rate mitigation plan as provided in subsection (a) of this Section is assigned a noninvestment grade credit rating on its senior unsecured debt from three nationally recognized credit rating agencies, the limitations in such rate mitigation plan shall cease to apply, rates reflecting the full residential revenue requirement previously approved for the utility shall be fully in effect, and the utility shall begin recovering all amounts that have been deferred on the terms set forth in the tariff approved by the Commission. In addition, in such event the provisions of subsections (b) and (c) of this Section shall cease to apply and shall be of no further force and effect except for any provision for cost recovery that has been made for the costs, including ongoing costs, of such programs and purchases.

(ii) In the event that an electric utility that serves over 100,000 and fewer than two million residential customers in its service area and that is required to file a rate mitigation plan as provided in subsection (a) of this Section is assigned a noninvestment grade corporate credit rating or issuer rating from either

Standard & Poor's or Moody's Investor Service, the limitations in such rate mitigation plan shall cease to apply, rates reflecting the full residential revenue requirement previously approved for the utility shall be fully in effect, and the utility shall begin recovering all amounts that have been deferred on the terms set forth in the tariff approved by the Commission. In addition, in such event the provisions of subsections (b) and (c) of this Section shall cease to apply and shall be of no further force and effect except for any provisions for cost recovery that has been made for the costs, including ongoing costs, of such programs and purchases.

(f) In order to facilitate the recovery of amounts deferred under this Section, the electric utility may issue rate mitigation bonds pursuant to Article XX of this Act.

(220 ILCS 5/Art. XX heading new)

ARTICLE XX. RATE MITIGATION

(220 ILCS 5/20-101 new)

Sec. 20-101. Short title. This Article may be cited as the Rate Mitigation Law of 2006.

(220 ILCS 5/20-105 new)

Sec. 20-105. Definitions. As used in this Article:

"Assignee" means a person to whom an electric utility or another assignee assigns, sells, or transfers, other than as security, all or a portion of its right to or interest in bondable property. Except as specifically provided in this Article, an assignee shall not be subject to the provisions of this Act and any rules adopted under this Act.

"Bond charge" means a charge, expressed as an amount per kilowatt hour, that is imposed on residential customers, pursuant to Section 16-111.4 and Section 20-130 of this Act, to implement a financing order, as modified at any time pursuant to the provisions of this Article.

"Bondable property" means property consisting of the irrevocable right to impose, charge, collect, and receive, and be paid from collections of, bond charges, in the amount necessary to provide for the full recovery of all qualified bondable costs as set forth in the related financing order, all rights of the related electric utility under the financing order, including, without limitation, all rights to obtain periodic adjustments of the related bond charges pursuant to subsection (b) of Section 20-115, and all revenues, collections, payments, money, and proceeds arising under, or with respect to, all of the foregoing.

"Commission" means the Illinois Commerce Commission or any successor agency.

"Customer" means any person that is an end user taking tariffed service as defined in Section 16-102 of this Act from an electric utility and that is connected to any part of the transmission and distribution system within an electric utility's service territory within this State.

"Deferred power supply amounts" means the power supply costs incurred by an electric utility (or for the purposes of this Article estimated to be incurred during the years 2007, 2008, and 2009) through any power procurement process approved by the Federal Energy Regulatory Commission or the Illinois Commerce Commission and that would have been recovered through rates approved by the Commission but that are not recovered during the years 2007 through 2009 as a result of the limitations stated in Section 16-111.4.

"Electric utility" has the meaning set forth in Section 16-102 of the Public Utilities Act.

"Financing entity" means an electric utility, a special purpose entity, or any other assignee of bondable property that issues rate mitigation bonds. Except as specifically provided in this Act, a financing entity that is not an electric utility shall not be subject to the provisions of this Act and any rules adopted under this Act.

"Financing order" means one or more irrevocable written orders issued by the Commission pursuant to this Article that determines the amount or method of calculating the amount of qualified bondable costs and the initial amount or method of calculating the initial amount of bond charges authorized to be imposed to recover qualified bondable costs, including the costs to be financed from the proceeds of the rate mitigation bonds, as well as on-going costs associated with servicing and credit enhancing the rate mitigation bonds, and provides the electric utility specific authority to issue or cause to be issued, directly or indirectly, rate mitigation bonds through a financing entity and related matters, as provided in this Article. The order shall become effective immediately upon the written consent of the electric utility related to the order, as provided in this Article.

"Issuance date" means the date on which any rate mitigation bonds are issued and sold.

"Non-bypassable" means, with regard to the right of a financing party, or an electric utility on its behalf, to impose and collect bond charges from all existing and future residential customers, the ability to collect such charges from all such customers located within an electric utility's service territory even if those customers elect to purchase electricity from another supplier or choose to operate new on-site generation, or even if the utility goes out of business and its service area is acquired by another utility, including a

municipal utility.

"Pledgee" means any entity to which bondable property is pledged or in favor of which a security interest or other lien in bondable property is created to secure the payment of rate mitigation bonds and related costs and expenses, such as costs of collection and enforcement.

"Qualified bondable costs" means an amount equal to or less than the amount of any deferred power supply amounts of an electric utility that are identified in a financing order, together with:

(1) the cost of retiring existing debt or equity capital of the electric utility, including accrued interest, premium, and other fees, costs, and charges relating thereto, with the proceeds of the financing of bondable property;

(2) if requested by an electric utility in its application for a financing order, federal, State, and local tax liabilities associated with the recovery of qualified regulatory assets and deferred power supply amounts; and

(3) the costs incurred to issue, service, or refinance rate mitigation bonds, including interest, acquisition, or redemption premium, and other financing costs, whether paid upon issuance or over the life of the rate mitigation bonds, including, but not limited to, legal, accounting, rating agency, trustee, and underwriting fees, credit enhancements, service charges, overcollateralization, interest rate cap, swap or collar, yield maintenance, maturity guarantee, or other hedging agreements, equity investments, operating costs, and other related fees, costs and charges, or to assign, sell, or otherwise transfer bondable property; provided that the total amount of qualified bondable costs for an electric utility shall not exceed its deferred power supply amounts.

"Rate mitigation bonds" means bonds, notes, certificates of participation or beneficial interest, or other evidences of indebtedness or ownership issued pursuant to an indenture, contract, or other agreement of an electric utility or a financing entity, the proceeds of which are used, directly or in-directly, to recover, finance, or refinance qualified bondable costs and which are, directly or indirectly, secured by or payable from bondable property. References in this Article to principal, interest, and acquisition or redemption premium with respect to rate mitigation bonds that are issued in the form of certificates of participation or beneficial interest or other evidences of ownership shall refer to the comparable payments on such securities.

"Residential customer" means any customer who takes any bundled or unbundled tariffed service, including delivery service, from the utility which service is classified as "residential" for ratemaking purposes, and thus receives utility goods or services through the utility's transmission and distribution system.

"Transmission and distribution system" means, with respect to an electric utility, any facility or equipment that is used for the transmission, distribution, or delivery of electricity to the customers of the electric utility, including, but not limited to, the land, structures, meters, lines, switches, and all other appurtenances thereof and thereto, owned or controlled by the electric utility within this State.

(220 ILCS 5/20-110 new)

Sec. 20-110. Authorization for issuance of rate mitigation bonds.

(a) For purposes of recovering qualified bondable costs, the Commission shall authorize the issuance of rate mitigation bonds by an electric utility or other financing entity designated by the electric utility. Rate mitigation bonds shall be secured through an irrevocable financing order imposing a non-bypassable bond charge, as provided in Section 20-130, and shall provide for collection of the bond charge by the electric utility, an assignee, a financing entity, or a pledgee of bondable property. The net proceeds of the rate mitigation bonds shall be used by or on behalf of the electric utility for the purposes of recovering qualified bondable costs. Notwithstanding any other provision of law to the contrary, except for adjustments authorized under subsection (b) of Section 20-115, bond charges permitted by a financing order shall not be offset, reduced, adjusted, or otherwise diminished either directly or indirectly, and the obligation of customers to pay bond charges shall not be subject to any offset, defense, reduction, or counterclaims, including any resulting from the utility's failure to perform past, present, or future services.

(b) For the purposes of recovering qualified bondable costs, the issuance of rate mitigation bonds for an electric utility shall be authorized by the Commission if the issuance of the rate mitigation bonds and the imposition of the bond charge authorized by the financing order are reasonably expected to provide the electric utility with access to lower cost financing than would otherwise be available using traditional utility financing methods.

(c) The financing order shall authorize the issuance of rate mitigation bonds with scheduled amortization upon issuance of not less than three and not more than 6 years, as determined by the electric utility pursuant to item (2) of subsection (a) of Section 20-115, with a legal final maturity up to 2 years after the end of the

scheduled amortization period, provided however that the scheduled amortization period shall not extend beyond December 31, 2012.

(d) The financing order shall specify how the proceeds of the bonds shall be used to recover deferred power supply amounts and also specify the procedures to be used to ensure that customers do not pay more than the deferred power supply amounts as a result of recovering such amounts through the issuance of rate mitigation bonds.

(e) Rate mitigation bonds may be issued in one or more series, in one or more offerings, and each such series may consist of one or more classes of rate mitigation bonds.

(f) The Commission shall impose no conditions in its financing order other than those authorized in this Article.

(g) The Commission's findings under this Section shall be final and not subject to change or collateral attack in any other proceeding.

(220 ILCS 5/20-115 new)

Sec. 20-115. Financing orders.

(a) A financing order issued by the Commission pursuant to this Article shall:

(1) authorize the electric utility or other financing entity designated by the electric utility to issue rate mitigation bonds to finance the qualified bondable costs and to pledge or assign, sell, or otherwise transfer the related bondable property without further order of the Commission;

(2) afford the electric utility substantial flexibility in establishing the terms and conditions of any rate mitigation bonds and authorize the electric utility, prior to the closing of the issuance and sale of the related rate mitigation bonds, to fix the amount of the initial bond charge to be imposed upon, charged to, and collected and received from the residential customers of the electric utility in an amount not less than the amount necessary to fully recover qualified bondable costs, reflecting the actual rate of interest thereon and all other actual qualified bondable costs, including any required overcollateralization, associated with the issuance of such rate mitigation bonds;

(3) require the electric utility to file a notice with the Commission, not later than 5 business days after the issuance date of the rate mitigation bonds, of the terms and conditions of any rate mitigation bonds secured by or payable from the bond charges, including information as to the servicing fees, if any, imposed with respect to the collection of the bond charges and the schedule for payments of principal and interest on the rate mitigation bonds. Notwithstanding any other provision of law, (i) the Commission shall not have authority to disapprove the terms and conditions of the rate mitigation bonds as set forth in the notice, which terms and conditions shall not be subject to change or modification, and (ii) the notice to the Commission required to be given by the electric utility under this item (3) and the issuance and sale of rate mitigation bonds shall not be subject to the provisions of this Act or any other law or regulation regulating the sale of property or assets or the issuance of securities by an electric utility and no such law shall affect the rights of bondholders; and

(4) require that the electric utility's tariffs implementing any nonbypassable bond charge shall provide that the amount of such charge be stated separately from the amounts otherwise billed by such electric utility for the rates applicable to the utility service taken by such residential customers, including bundled service rates and delivery service rates.

(b) Each financing order shall provide for mandatory periodic adjustments of the bond charges that are the subject of the financing order, upon filing by the affected electric utility, an assignee, a financing entity, or pledgee, to conform the bond charges to the schedule of payments of principal and interest on the rate mitigation bonds provided to the Commission by the electric utility pursuant to item (3) of subsection (a) of this Section. The adjustments shall be made at least annually. Each adjustment shall be formula-based, shall be in the amount required to ensure receipt of revenues sufficient to provide for the timely payment of qualified bondable costs, including, without limitation, the timely payment of principal and interest and acquisition or redemption premium on rate mitigation bonds issued to finance qualified bondable costs, which shall be recovered over the term of the rate mitigation bonds and in accordance with the schedule of payments of principal and interest on the rate mitigation bonds provided to the Commission by the electric utility pursuant to item (3) of subsection (a) of this Section. Each adjustment shall become effective on the date it is requested to be effective by the electric utility, provided that date is no less than 45 days after the filing of the request for adjustment with the Commission. Each request for an adjustment shall become effective as filed absent a determination by the Commission of manifest error. The Commission shall make a determination as to manifest error with respect to the request within 30 days after its filing and, if the Commission makes a determination of manifest error, the Commission shall resolve the error in a timely manner so that the appropriate adjustment will become effective on the date it was requested to be

effective. Periodic adjustments shall not in any way affect the validity or irrevocability of the financing order or any sale, assignment, or other transfer of or any pledge or security interest granted with respect to the related bondable property and shall not affect rights of bondholders. For purposes of this subsection (b), "manifest error" means an arithmetic error evident on the face of the filing.

(c) A financing order and the authority to impose, charge, collect, and receive the bond charges authorized thereby shall remain in effect until the related qualified bondable costs, including, without limitation, the principal of, and accrued interest and acquisition or redemption premium on any rate mitigation bonds issued to finance such qualified bondable costs, have been paid in full and all other obligations and undertakings with respect thereto have been fully satisfied. Until the qualified bondable costs, including, without limitation, the principal of and accrued interest and acquisition or redemption premium on any rate mitigation bonds issued to finance such qualified bondable costs, have been paid in full and all other obligations and undertakings with respect thereto have been fully satisfied, the electric utility shall be obligated to provide or deliver electricity through its transmission and distribution system to its customers and shall have the right to impose, charge, collect, and receive the bond charges arising therefrom from its residential customers, which rights and obligations may be assignable solely within the discretion of the electric utility.

(d) Each financing order shall provide that any bond charges collected and held by the assignee or trustee of the related rate mitigation bonds after the related qualified bondable costs, including, without limitation, the principal of and accrued interest and acquisition or redemption premium on any rate mitigation bonds issued to finance such qualified bondable costs, have been paid in full and all other obligations and undertakings with respect thereto have been fully satisfied shall be applied as a credit to reduce charges to residential customers of the electric utility, except that all qualified bondable costs as quantified in the financing orders with respect to the electric utility shall be aggregated for purposes of determining whether or not the total bond charges held exceed the total qualified bondable costs attributable to such electric utility and provided, further, that the electric utility need not make the credit if the credit will result in a recharacterization of the tax, accounting, and other intended characteristics of the rate mitigation bonds, including, but not limited to, a re-characterization of the following intended characteristics:

(1) the recognition of rate mitigation bonds as debt on the balance sheet of the electric utility for financial accounting purposes;

(2) treatment of the rate mitigation bonds as debt of the electric utility or its affiliates for federal income tax purposes; and

(3) treatment of the transfer of bondable property by the electric utility as a true sale for bankruptcy purposes.

(e) An electric utility may commingle the revenues received from amounts charged, collected, and received under bond charges for qualified bondable costs approved in any one or more financing orders with other funds of the electric utility, which shall in no way affect the validity or irrevocability of any financing order issued in connection therewith or any sale, assignment, or other transfer of or any pledge or security interest granted with respect to the bondable property created thereby.

(f) Except as provided otherwise in this Article, all proceedings in connection with the determination of qualified bondable costs, bond charges, and financing orders shall be exempt from the other provisions of this Act and any rules adopted under this Act.

(220 ILCS 5/20-120 new)

Sec. 20-120. Financing orders become irrevocable upon issuance.

(a) Notwithstanding any other provision of law, each financing order and the bond charges authorized therein shall become irrevocable upon the issuance of the order and its becoming effective pursuant to Section 20-135. The financing order shall constitute a vested, presently existing property right when it becomes effective and the bond charges, and the bondable property shall constitute vested, presently existing property rights upon their creation, pledge and transfer. Following the transfer and receipt of consideration, the property right in bondable property shall be vested ab initio in such assignee.

(b) Neither the Commission nor any other governmental entity shall have the authority, directly or indirectly, legally or equitably, to rescind, alter, repeal, modify, or amend a final financing order nor, following the vesting of property rights as provided in subsection (a) of this Section, to revalue, re-evaluate, or revise the amount of qualified bondable costs, to determine that the bond charges or the revenues required to recover qualified bondable costs are unjust or unreasonable, or in any way to reduce or impair the value of bondable property, nor shall the amount of revenues arising with respect thereto be subject to reduction, impairment, postponement, or termination, provided, however, that nothing in this Section precludes adjustments of the bond charges in accordance with the provisions of subsection (b) of Section

20-115.

(220 ILCS 5/20-125 new)

Sec. 20-125. State pledge to holders of rate mitigation bonds; orders not pledge of State's credit; guarantee adjustments.

(a) The State does hereby pledge and agree with the holders of any rate mitigation bonds issued under the authority of this Article, with the pledgee, owner, or assignee of bondable property, with any financing entity that has issued rate mitigation bonds with respect to which a financing order has been issued, and with any person who may enter into agreements with an electric utility or an assignee or pledgee thereof or a financing entity pursuant to this Article, that the State will not limit, alter, or impair any bondable property or other rights vested in an electric utility or an assignee or pledgee thereof or a financing entity or vested in the holders of any rate mitigation bonds pursuant to a financing order until the rate mitigation bonds, together with the interest and acquisition or redemption premium, if any, thereon, are fully paid and discharged or until the agreements are fully performed on the part of the electric utility, any assignee or pledgee thereof, or the financing entity, or in any way limit, alter, impair, or reduce the value or amount of the bondable property approved by a financing order or of the bond charges authorized therein, provided, however, that nothing in this Section precludes the adjustment of the bond charges in accordance with subsection (b) of Section 20-115. Any financing entity is authorized to include this covenant and undertaking of the State in any documentation with respect to the rate mitigation bonds issued by the financing entity.

(b) Neither the rate mitigation bonds nor the related financing order issued under this Article shall constitute a debt or liability of the State or of any political subdivision of the State, nor shall they constitute a pledge of the full faith and credit of the State or any of its political subdivisions. The issuance of rate mitigation bonds under this Article shall not directly, indirectly, or contingently obligate the State or any political subdivision of the State to levy or pledge any form of taxation therefor or to make an appropriation for their payment, and any rate mitigation bonds shall be payable solely from the bondable property and other proceeds or property as may be pledged therefor.

(220 ILCS 5/20-127 new)

Sec. 20-127. Proceeds of rate mitigation bonds. All proceeds received from the issuance of rate mitigation bonds shall not be considered income or revenue to the electric utility for any State tax purposes.

(220 ILCS 5/20-130 new)

Sec. 20-130. Residential customers assessed for bond charges. The bond charges established pursuant to financing orders shall be assessed against all residential customers of the electric utility, regardless of whether such customers take bundled tariff services from the utility or purchase power from other suppliers. Bond charges shall be established in accordance with Sections 20-110 and 20-115 and shall apply equally to each such residential customer of the electric utility based on the amount of electricity delivered to the residential customer through the transmission and distribution system of the electric utility or any successor.

(220 ILCS 5/20-135 new)

Sec. 20-135. Effectiveness of financing order. Each financing order shall be effective only in accordance with the terms of that financing order and upon the written consent of the petitioning electric utility to all of those terms.

(220 ILCS 5/20-140 new)

Sec. 20-140. Recourse against issuer only. Rate mitigation bonds shall be recourse only to the credit and assets of the issuer of the rate mitigation bonds.

(220 ILCS 5/20-145 new)

Sec. 20-145. Electric utility to maintain records of bond charges. An electric utility shall maintain or cause to be maintained records of bond charges that have been assessed and collected by the electric utility for each financing order applicable to the electric utility. The electric utility records and any records of a financing entity shall be made available by the electric utility for inspection and examination within a reasonable time upon demand therefor by the Commission or the related financing entity.

(220 ILCS 5/20-150 new)

Sec. 20-150. Security.

(a) An electric utility or its assignee may sell, assign, or otherwise transfer all or portions of its interest in bondable property to assignees or financing entities in connection with the issuance of rate mitigation bonds. In addition, an electric utility, an assignee, or a financing entity may pledge, grant a security interest in, or encumber bondable property as collateral for rate mitigation bonds.

(b) Upon the transfer to an assignee and receipt of consideration therefor, bondable property shall

constitute presently existing property for all purposes, including for contracts securing rate mitigation bonds, whether or not the revenues and proceeds arising with respect thereto have accrued and notwithstanding the fact that the value of the property right may depend upon consumers using electricity or, in those instances where consumers are customers of a particular electric utility, the electric utility performing certain services. The validity of any sale, assignment, or other transfer of bondable property shall not be defeated or adversely affected by the commingling by the electric utility of revenues received from amounts charged, collected, and received as bond charges with other funds of the electric utility. Any description of the bondable property in a security agreement or financing statement filed with respect to the transfer of bondable property in accordance with Section 9-501 of the Uniform Commercial Code shall be sufficient if it refers to the financing order establishing the bondable property.

(c) A perfected security interest in bondable property is a continuously perfected security interest in all revenues and proceeds arising with respect thereto, whether or not the revenues and proceeds shall have accrued. The validity and relative priority of a pledge of or security interest in bondable property shall not be defeated or adversely affected by the commingling by the electric utility of revenues received from amounts charged, collected, and received as bond charges with other funds of the electric utility. Any description of the bondable property in a security agreement or financing statement filed with respect to the granting of a security interest in bondable property in accordance with Section 9-501 of the Uniform Commercial Code shall be sufficient if it refers to the financing order establishing the bondable property, as provided by subsection (f) of Section 9-108 of the Uniform Commercial Code.

(d) In the event of default by the electric utility or its assignee in payment of revenues arising with respect to the bondable property and upon the application by the pledgees or transferees of the bondable property, the Commission or any court of competent jurisdiction shall order the sequestration and payment to the pledgees or transferees of revenues arising with respect to the bondable property. The application shall not limit any other remedies available to the pledgees or transferees by reason of the default. The order shall remain in full force and effect, notwithstanding any bankruptcy, reorganization, or other insolvency proceedings with respect to the debtor, pledgor, or transferor of the bondable property. Any amounts in excess of amounts necessary to satisfy obligations then outstanding on or related to rate mitigation bonds shall be applied in the manner set forth in subsection (d) of Section 20-115.

(e) To the extent that any interest in bondable property is sold or assigned, or is pledged as collateral, the electric utility shall be authorized to enter into a contract with the pledgee, the assignee, or the financing entity providing that the electric utility: (i) shall continue to operate its transmission and distribution system to provide service to its customers, (ii) shall impose, charge, collect, and receive bond charges in respect of the bondable property for the benefit and account of the pledgee, the assignee, or the financing entity, and (iii) shall account for and remit those amounts to and for the account of the pledgee, the assignee, or the financing entity. In the event of a default by the electric utility in respect of charging, collecting, and receiving revenues derived from bond charges and upon the application by the pledgee, the assignee, or the financing entity, the Commission or any court of competent jurisdiction shall, by order, designate a trustee or other entity to act in the place of the electric utility to impose, meter, charge, collect, and receive bond charges in respect of the bondable property for the benefit and account of the pledgee, the assignee, or the financing entity. The Commission may, at its discretion, establish criteria in its financing order for the selection of any entity that may become a servicer of bondable property upon the default of the electric utility. The Commission may also, at its discretion, establish in its financing order financial or other criteria that must be met by any other entity, including an alternative retail electric supplier, that is or may be authorized to collect bond charges on behalf of the electric utility or any assignee or financing entity.

(f) An agreement by an assignor of bondable property not to assert any defense, claim, or set-off against an assignee of the bondable property shall be enforceable against the assignor by the assignee and by any successor or subsequent assignee thereof.

(220 ILCS 5/20-155 new)

Sec. 20-155. Transfer of bondable property.

(a) If an agreement by an electric utility or its assignee to transfer bondable property expressly states that the transfer is a sale or other absolute transfer, then, notwithstanding any other provisions of law:

(1) the transfer shall constitute a sale by the electric utility or its assignee of all right, title, and interest of the electric utility or its assignee, as applicable, in and to the bondable property;

(2) the transfer shall constitute a sale or other absolute transfer of, and not a borrowing secured by, the bondable property;

(3) upon execution and delivery of the agreement, the electric utility or its assignee shall have no right, title, or interest in or to the bondable property, except to the extent of any retained equity permitted by the

provisions of this Article; and

(4) the characterization of a transfer as a sale or other absolute transfer shall not be affected or impaired in any manner by, without limitation: (i) the assignor's retention, or acquisition as part of the assignment transaction or otherwise, of a pari passu equity interest in bondable property or the fact that only a portion of the bondable property is otherwise transferred; (ii) the assignor's retention, or acquisition as part of the assignment transaction or otherwise, of a subordinate equity interest or other provision of credit enhancement on terms substantially commensurate with market practices; (iii) the fact that the electric utility acts as the collector or servicer of bond charges; (iv) the assignor's retention of bare legal title to bondable property for the purpose of servicing or supervising the servicing of such property and collections with respect thereto; (v) the treatment of the electric utility as the "issuer" of any rate mitigation bonds for purposes of the United States securities laws; or (vi) the treatment of such transfer as a financing for federal, State, or local tax purposes or financial accounting purposes.

(b) The transfer shall be perfected against any third party if:

(1) the Commission has issued a financing order with respect to the bondable property;

(2) the agreement has been executed and delivered by the electric utility or its assignee; and

(3) a financing statement has been filed with respect to the transfer of the bondable property in accordance with Article 9 of the Uniform Commercial Code.

(220 ILCS 5/20-160 new)

Sec. 20-160. Successor to electric utility. Any successor to an electric utility, whether pursuant to any bankruptcy, reorganization, or other insolvency proceedings or pursuant to any merger, consolidation, or sale or transfer of assets of the electric utility, by operation of law, as a result of electric power industry restructuring, or otherwise, shall perform and satisfy all obligations and be entitled to the same rights of its predecessor electric utility under this Article or the financing order or any contract entered into pursuant to this Article in the same manner and to the same extent as the predecessor electric utility, including, but not limited to, charging, collecting, receiving, and paying to the person entitled thereto the revenues in respect of the bond charges relating to the bondable property. Bondable property and any payments in respect of bondable property, including, without limitation, bond charges, shall not be subject to any setoffs, counterclaims, surcharges, or defenses by the electric utility, any customer, or any other person, in connection with the bankruptcy, insolvency, or default of the electric utility or otherwise.

(220 ILCS 5/20-165 new)

Sec. 20-165. Application for financing order; estimation of deferred power supply amounts; treatment of over-estimate or under-estimate.

(a) The electric utility may file one or more applications for a financing order at any time after January 2, 2007 and prior to December 31, 2009. In any such application, the electric utility shall provide the total deferred power supply amounts that are estimated to be accrued as a result of Section 16-111.4 of this Act, and the total amount of such deferred power supply amounts actually accrued through the calendar year just prior to the year in which the application is filed. Any financing order application may request the recovery of qualified bondable costs through the issuance of rate mitigation bonds in an amount equal to or less than the sum of (i) all deferred power supply amounts accrued or projected to accrue through the projected date of issuance of the rate mitigation bonds, together with (ii) deferred power supply amounts projected to be incurred from the projected date of issuance of the rate mitigation bonds through a period ending not later than twelve months following the projected issuance date of the rate mitigation bonds which are the subject of the financing order, or if earlier, December 31, 2009. Any financing order application also shall specify how the proceeds of the bonds will be used to recover the deferred power supply amounts (including the retirement of debt or equity incurred or issued to pay such amounts) related to the qualified bondable costs.

(b) Whether or not the electric utility has filed an application pursuant to subsection (a) of this Section, the electric utility may also file an application for a financing order no later than January 31, 2010. In such application, the electric utility shall provide the total deferred power supply amounts accrued through December 31, 2009 to the extent not included in an application filed pursuant to subsection (a) and related to rate mitigation bonds issued and sold pursuant to such prior application.

(c) To the extent that the actual amount of qualified bondable costs, as determined after the issuance of the rate mitigation bonds, exceeds the principal amount of the rate mitigation bonds issued and sold, the electric utility shall be entitled to recover the difference in a subsequent rate or other proceeding. To the extent that the actual amount of qualified bondable costs, as determined after the issuance of the rate mitigation bonds, is less than the principal amount of the rate mitigation bonds issued and sold, the electric utility must apply the difference in a subsequent rate or other proceeding as a credit to reduce charges to residential customers.

(220 ILCS 5/20-170 new)

Sec. 20-170. Expedited procedure for processing petitions for and judicial review of financing orders. The following procedures shall apply to the processing of petitions and judicial review of the resulting financing orders:

(1) Notwithstanding any other provision of law, the Commission shall render a written financing order approving a petition seeking a financing order that meets the requirements of this Article not later than 35 days after the date the petition is filed.

(2) Upon the issuance of a financing order, the Commission shall forthwith cause a certified copy of the order to be served upon each party entitled to a copy of the order. The electric utility shall, within 10 days after service upon it, file with the Commission its written consent to the order or its objections to the order.

(3) Any party to the proceedings resulting in a financing order who claims to be aggrieved by the order, including but not limited to, any electric utility that has withheld its consent and objected to the order, may seek judicial review of the order before the Illinois Supreme Court in accordance with the applicable Illinois Supreme Court rules and the provisions of this Article. Review on appeal shall be based solely on the record before the Commission and briefs to the court and, at the court's discretion, oral argument, and shall be the exclusive remedy for the parties involved in a proceeding resulting in a financing order.

(220 ILCS 5/20-175 new)

Sec. 20-175. Subsequent ratemaking. The consideration or approval by the Commission of a petition by any electric utility under this Article, including the periodic adjustment provided in subsection (b) of Section 20-115, shall be wholly separate from and shall not be used in the Commission's consideration of, any ratemaking or other proceeding involving the electric utility, except as otherwise provided in this Article. Without limiting the generality of the foregoing, in all ratemaking proceedings following the issuance of rate mitigation bonds, and except as provided in Section 16-111.4 and in this Article XX, for ratemaking purposes the qualified bondable costs recovered through the issuance of the rate mitigation bonds shall be excluded from rate base and the rate mitigation bonds shall be excluded from the electric utility's capitalization and weighted average cost of the capital calculation and shall not otherwise be taken into account for any purpose.

(220 ILCS 5/20-180 new)

Sec. 20-180. Severability. Effective on the date that rate mitigation bonds are first issued under this Article, if any provision of this Article is held to be invalid or is invalidated, superseded, replaced, repealed, or expires for any reason, that occurrence shall not affect the validity of any transfer or action taken under this Article by an electric utility, an assignee, or a financing entity, or any rights previously created under a financing order under this Article. Any such transfer, action or rights shall remain in full force and effect with respect to all rate mitigation bonds issued or authorized in a financing order to be issued under this Article prior to the date that the provision is held to be invalid or is invalidated, superseded, replaced, or repealed, or that expires for any reason.

Section 10. The Uniform Commercial Code is amended by changing Sections 9-102, 9-108, 9-203, 9-301, and 9-515 as follows:

(810 ILCS 5/9-102) (from Ch. 26, par. 9-102)

Sec. 9-102. Definitions and index of definitions.

(a) Article 9 definitions. In this Article:

(1) "Accession" means goods that are physically united with other goods in such a manner that the identity of the original goods is not lost.

(2) "Account", except as used in "account for", means a right to payment of a monetary obligation, whether or not earned by performance, (i) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (ii) for services rendered or to be rendered, (iii) for a policy of insurance issued or to be issued, (iv) for a secondary obligation incurred or to be incurred, (v) for energy provided or to be provided, (vi) for the use or hire of a vessel under a charter or other contract, (vii) arising out of the use of a credit or charge card or information contained on or for use with the card, or (viii) as winnings in a lottery or other game of chance operated or sponsored by a State, governmental unit of a State, or person licensed or authorized to operate the game by a State or governmental unit of a State. The term includes health-care-insurance receivables. The term does not include (i) rights to payment evidenced by chattel paper or an instrument, (ii) commercial tort claims, (iii) deposit accounts, (iv) investment property, (v) letter-of-credit rights or letters of credit, or (vi) rights to payment for money or funds advanced or sold, other than rights arising out of the use of a credit or charge card or

information contained on or for use with the card.

(3) "Account debtor" means a person obligated on an account, chattel paper, or general intangible. The term does not include persons obligated to pay a negotiable instrument, even if the instrument constitutes part of chattel paper.

(4) "Accounting", except as used in "accounting for", means a record:

(A) authenticated by a secured party;

(B) indicating the aggregate unpaid secured obligations as of a date not more than 35 days earlier or 35 days later than the date of the record; and

(C) identifying the components of the obligations in reasonable detail.

(5) "Agricultural lien" means an interest, other than a security interest, in farm products:

(A) which secures payment or performance of an obligation for goods or services furnished in connection with a debtor's farming operation;

(B) which is created by statute in favor of a person that in the ordinary course of its business furnished goods or services to a debtor in connection with a debtor's farming operation; and

(C) whose effectiveness does not depend on the person's possession of the personal property.

(6) "As-extracted collateral" means:

(A) oil, gas, or other minerals that are subject to a security interest that:

(i) is created by a debtor having an interest in the minerals before extraction; and

(ii) attaches to the minerals as extracted; or

(B) accounts arising out of the sale at the wellhead or minehead of oil, gas, or other minerals in which the debtor had an interest before extraction.

(7) "Authenticate" means:

(A) to sign; or

(B) to execute or otherwise adopt a symbol, or encrypt or similarly process a record in whole or in part, with the present intent of the authenticating person to identify the person and adopt or accept a record.

(8) "Bank" means an organization that is engaged in the business of banking. The term includes savings banks, savings and loan associations, credit unions, and trust companies.

(8.5) "Bondable property" has the meaning set forth in Section 20-105 of the Public Utilities Act.

(9) "Cash proceeds" means proceeds that are money, checks, deposit accounts, or the like.

(10) "Certificate of title" means a certificate of title with respect to which a statute provides for the security interest in question to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral.

(11) "Chattel paper" means a record or records that evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specified goods and a license of software used in the goods. In this paragraph, "monetary obligation" means a monetary obligation secured by the goods or owed under a lease of the goods and includes a monetary obligation with respect to software used in the goods. The term does not include (i) charters or other contracts involving the use or hire of a vessel or (ii) records that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card. If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper.

(12) "Collateral" means the property subject to a security interest or agricultural lien. The term includes:

(A) proceeds to which a security interest attaches;

(B) accounts, chattel paper, payment intangibles, and promissory notes that have been sold; and

(C) goods that are the subject of a consignment.

(13) "Commercial tort claim" means a claim arising in tort with respect to which:

(A) the claimant is an organization; or

- (B) the claimant is an individual and the claim:
- (i) arose in the course of the claimant's business or profession; and
 - (ii) does not include damages arising out of personal injury to or the death of an individual.
- (14) "Commodity account" means an account maintained by a commodity intermediary in which a commodity contract is carried for a commodity customer.
- (15) "Commodity contract" means a commodity futures contract, an option on a commodity futures contract, a commodity option, or another contract if the contract or option is:
- (A) traded on or subject to the rules of a board of trade that has been designated as a contract market for such a contract pursuant to federal commodities laws; or
 - (B) traded on a foreign commodity board of trade, exchange, or market, and is carried on the books of a commodity intermediary for a commodity customer.
- (16) "Commodity customer" means a person for which a commodity intermediary carries a commodity contract on its books.
- (17) "Commodity intermediary" means a person that:
- (A) is registered as a futures commission merchant under federal commodities law; or
 - (B) in the ordinary course of its business provides clearance or settlement services for a board of trade that has been designated as a contract market pursuant to federal commodities law.
- (18) "Communicate" means:
- (A) to send a written or other tangible record;
 - (B) to transmit a record by any means agreed upon by the persons sending and receiving the record; or
 - (C) in the case of transmission of a record to or by a filing office, to transmit a record by any means prescribed by filing-office rule.
- (19) "Consignee" means a merchant to which goods are delivered in a consignment.
- (20) "Consignment" means a transaction, regardless of its form, in which a person delivers goods to a merchant for the purpose of sale and:
- (A) the merchant:
 - (i) deals in goods of that kind under a name other than the name of the person making delivery;
 - (ii) is not an auctioneer; and
 - (iii) is not generally known by its creditors to be substantially engaged in selling the goods of others;
 - (B) with respect to each delivery, the aggregate value of the goods is \$1,000 or more at the time of delivery;
 - (C) the goods are not consumer goods immediately before delivery; and
 - (D) the transaction does not create a security interest that secures an obligation.
- (21) "Consignor" means a person that delivers goods to a consignee in a consignment.
- (22) "Consumer debtor" means a debtor in a consumer transaction.
- (23) "Consumer goods" means goods that are used or bought for use primarily for personal, family, or household purposes.
- (24) "Consumer-goods transaction" means a consumer transaction in which:
- (A) an individual incurs an obligation primarily for personal, family, or household purposes; and
 - (B) a security interest in consumer goods secures the obligation.
- (25) "Consumer obligor" means an obligor who is an individual and who incurred the obligation as part of a transaction entered into primarily for personal, family, or household purposes.
- (26) "Consumer transaction" means a transaction in which (i) an individual incurs an obligation primarily for personal, family, or household purposes, (ii) a security interest secures the obligation, and (iii) the collateral is held or acquired primarily for personal, family, or household purposes. The term includes consumer-goods transactions.
- (27) "Continuation statement" means an amendment of a financing statement which:
- (A) identifies, by its file number, the initial financing statement to which it relates; and
 - (B) indicates that it is a continuation statement for, or that it is filed to continue the effectiveness of, the identified financing statement.

(28) "Debtor" means:

- (A) a person having an interest, other than a security interest or other lien, in the collateral, whether or not the person is an obligor;
 - (B) a seller of accounts, chattel paper, payment intangibles, or promissory notes;
- or

(C) a consignee.

(29) "Deposit account" means a demand, time, savings, passbook, nonnegotiable certificates of deposit, uncertificated certificates of deposit, nontransferrable certificates of deposit, or similar account maintained with a bank. The term does not include investment property or accounts evidenced by an instrument.

(30) "Document" means a document of title or a receipt of the type described in Section 7-201(2).

(31) "Electronic chattel paper" means chattel paper evidenced by a record or records consisting of information stored in an electronic medium.

(32) "Encumbrance" means a right, other than an ownership interest, in real property. The term includes mortgages and other liens on real property.

(33) "Equipment" means goods other than inventory, farm products, or consumer goods.

(34) "Farm products" means goods, other than standing timber, with respect to which the debtor is engaged in a farming operation and which are:

- (A) crops grown, growing, or to be grown, including:
 - (i) crops produced on trees, vines, and bushes; and
 - (ii) aquatic goods produced in aquacultural operations;
- (B) livestock, born or unborn, including aquatic goods produced in aquacultural operations;
- (C) supplies used or produced in a farming operation; or
- (D) products of crops or livestock in their unmanufactured states.

(35) "Farming operation" means raising, cultivating, propagating, fattening, grazing, or any other farming, livestock, or aquacultural operation.

(36) "File number" means the number assigned to an initial financing statement pursuant to Section 9-519(a).

(37) "Filing office" means an office designated in Section 9-501 as the place to file a financing statement.

(38) "Filing-office rule" means a rule adopted pursuant to Section 9-526.

(39) "Financing statement" means a record or records composed of an initial financing statement and any filed record relating to the initial financing statement.

(40) "Fixture filing" means the filing of a financing statement covering goods that are or are to become fixtures and satisfying Section 9-502(a) and (b). The term includes the filing of a financing statement covering goods of a transmitting utility which are or are to become fixtures.

(41) "Fixtures" means goods that have become so related to particular real property that an interest in them arises under real property law.

(42) "General intangible" means any personal property, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or other minerals before extraction. The term includes payment intangibles and software.

(43) "Good faith" means honesty in fact and the observance of reasonable commercial standards of fair dealing.

(44) "Goods" means all things that are movable when a security interest attaches. The term includes (i) fixtures, (ii) standing timber that is to be cut and removed under a conveyance or contract for sale, (iii) the unborn young of animals, (iv) crops grown, growing, or to be grown, even if the crops are produced on trees, vines, or bushes, and (v) manufactured homes. The term also includes a computer program embedded in goods and any supporting information provided in connection with a transaction relating to the program if (i) the program is associated with the goods in such a manner that it customarily is considered part of the goods, or (ii) by becoming the owner of the goods, a person acquires a right to use the program in connection with the goods. The term does not include a computer program embedded in goods that consist solely of the medium in which the program is embedded. The term also does not include accounts, chattel paper, commercial tort claims, deposit accounts, documents, general intangibles, instruments, investment property, letter-of-credit rights, letters of credit, money, or

oil, gas, or other minerals before extraction.

(45) "Governmental unit" means a subdivision, agency, department, county, parish, municipality, or other unit of the government of the United States, a State, or a foreign country. The term includes an organization having a separate corporate existence if the organization is eligible to issue debt on which interest is exempt from income taxation under the laws of the United States.

(46) "Health-care-insurance receivable" means an interest in or claim under a policy of insurance which is a right to payment of a monetary obligation for health-care goods or services provided.

(47) "Instrument" means a negotiable instrument or any other writing that evidences a right to the payment of a monetary obligation, is not itself a security agreement or lease, and is of a type that in ordinary course of business is transferred by delivery with any necessary indorsement or assignment. The term does not include (i) investment property, (ii) letters of credit, (iii) nonnegotiable certificates of deposit, (iv) uncertificated certificates of deposit, (v) nontransferable certificates of deposit, or (vi) writings that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

(48) "Inventory" means goods, other than farm products, which:

(A) are leased by a person as lessor;

(B) are held by a person for sale or lease or to be furnished under a contract of service;

(C) are furnished by a person under a contract of service; or

(D) consist of raw materials, work in process, or materials used or consumed in a business.

(49) "Investment property" means a security, whether certificated or uncertificated, security entitlement, securities account, commodity contract, or commodity account.

(50) "Jurisdiction of organization", with respect to a registered organization, means the jurisdiction under whose law the organization is organized.

(51) "Letter-of-credit right" means a right to payment or performance under a letter of credit, whether or not the beneficiary has demanded or is at the time entitled to demand payment or performance. The term does not include the right of a beneficiary to demand payment or performance under a letter of credit.

(52) "Lien creditor" means:

(A) a creditor that has acquired a lien on the property involved by attachment, levy, or the like;

(B) an assignee for benefit of creditors from the time of assignment;

(C) a trustee in bankruptcy from the date of the filing of the petition; or

(D) a receiver in equity from the time of appointment.

(53) "Manufactured home" means a structure, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or 40 body feet or more in length, or, when erected on site, is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. The term includes any structure that meets all of the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the United States Secretary of Housing and Urban Development and complies with the standards established under Title 42 of the United States Code.

(54) "Manufactured-home transaction" means a secured transaction:

(A) that creates a purchase-money security interest in a manufactured home, other than a manufactured home held as inventory; or

(B) in which a manufactured home, other than a manufactured home held as inventory, is the primary collateral.

(55) "Mortgage" means a consensual interest in real property, including fixtures, which secures payment or performance of an obligation.

(56) "New debtor" means a person that becomes bound as debtor under Section 9-203(d) by a security agreement previously entered into by another person.

(57) "New value" means (i) money, (ii) money's worth in property, services, or new credit, or (iii) release by a transferee of an interest in property previously transferred to the transferee. The term does not include an obligation substituted for another obligation.

(58) "Noncash proceeds" means proceeds other than cash proceeds.

(59) "Obligor" means a person that, with respect to an obligation secured by a security interest in or an agricultural lien on the collateral, (i) owes payment or other performance of the obligation, (ii) has provided property other than the collateral to secure payment or other performance of the obligation, or (iii) is otherwise accountable in whole or in part for payment or other performance of the obligation. The term does not include issuers or nominated persons under a letter of credit.

(60) "Original debtor", except as used in Section 9-310(c), means a person that, as debtor, entered into a security agreement to which a new debtor has become bound under Section 9-203(d).

(61) "Payment intangible" means a general intangible under which the account debtor's principal obligation is a monetary obligation.

(62) "Person related to", with respect to an individual, means:

- (A) the spouse of the individual;
- (B) a brother, brother-in-law, sister, or sister-in-law of the individual;
- (C) an ancestor or lineal descendant of the individual or the individual's spouse;

or

- (D) any other relative, by blood or marriage, of the individual or the individual's spouse who shares the same home with the individual.

(63) "Person related to", with respect to an organization, means:

- (A) a person directly or indirectly controlling, controlled by, or under common control with the organization;
- (B) an officer or director of, or a person performing similar functions with respect to, the organization;
- (C) an officer or director of, or a person performing similar functions with respect to, a person described in subparagraph (A);
- (D) the spouse of an individual described in subparagraph (A), (B), or (C); or
- (E) an individual who is related by blood or marriage to an individual described in subparagraph (A), (B), (C), or (D) and shares the same home with the individual.

(64) "Proceeds", except as used in Section 9-609(b), means the following property:

- (A) whatever is acquired upon the sale, lease, license, exchange, or other disposition of collateral;
- (B) whatever is collected on, or distributed on account of, collateral;
- (C) rights arising out of collateral;
- (D) to the extent of the value of collateral, claims arising out of the loss, nonconformity, or interference with the use of, defects or infringement of rights in, or damage to, the collateral; or
- (E) to the extent of the value of collateral and to the extent payable to the debtor or the secured party, insurance payable by reason of the loss or nonconformity of, defects or infringement of rights in, or damage to, the collateral.

(65) "Promissory note" means an instrument that evidences a promise to pay a monetary obligation, does not evidence an order to pay, and does not contain an acknowledgment by a bank that the bank has received for deposit a sum of money or funds.

(66) "Proposal" means a record authenticated by a secured party which includes the terms on which the secured party is willing to accept collateral in full or partial satisfaction of the obligation it secures pursuant to Sections 9-620, 9-621, and 9-622.

(67) "Public-finance transaction" means a secured transaction in connection with which:

- (A) debt securities are issued;
- (B) all or a portion of the securities issued have an initial stated maturity of at least 20 years; and
- (C) the debtor, obligor, secured party, account debtor or other person obligated on collateral, assignor or assignee of a secured obligation, or assignor or assignee of a security interest is a State or a governmental unit of a State.

(68) "Pursuant to commitment", with respect to an advance made or other value given by a secured party, means pursuant to the secured party's obligation, whether or not a subsequent event of default or other event not within the secured party's control has relieved or may relieve the secured party from its obligation.

(69) "Record", except as used in "for record", "of record", "record or legal title",

and "record owner", means information that is inscribed on a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form.

(70) "Registered organization" means an organization organized solely under the law of a single State or the United States and as to which the State or the United States must maintain a public record showing the organization to have been organized.

(71) "Secondary obligor" means an obligor to the extent that:

- (A) the obligor's obligation is secondary; or
- (B) the obligor has a right of recourse with respect to an obligation secured by collateral against the debtor, another obligor, or property of either.

(72) "Secured party" means:

- (A) a person in whose favor a security interest is created or provided for under a security agreement, whether or not any obligation to be secured is outstanding;
- (B) a person that holds an agricultural lien;
- (C) a consignor;
- (D) a person to which accounts, chattel paper, payment intangibles, or promissory notes have been sold;
- (E) a trustee, indenture trustee, agent, collateral agent, or other representative in whose favor a security interest or agricultural lien is created or provided for; or
- (F) a person that holds a security interest arising under Section 2-401, 2-505, 2-711(3), 2A-508(5), 4-210, or 5-118.

(73) "Security agreement" means an agreement that creates or provides for a security interest.

(74) "Send", in connection with a record or notification, means:

- (A) to deposit in the mail, deliver for transmission, or transmit by any other usual means of communication, with postage or cost of transmission provided for, addressed to any address reasonable under the circumstances; or
- (B) to cause the record or notification to be received within the time that it would have been received if properly sent under subparagraph (A).

(75) "Software" means a computer program and any supporting information provided in connection with a transaction relating to the program. The term does not include a computer program that is included in the definition of goods.

(76) "State" means a State of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

(77) "Supporting obligation" means a letter-of-credit right or secondary obligation that supports the payment or performance of an account, chattel paper, a document, a general intangible, an instrument, or investment property.

(78) "Tangible chattel paper" means chattel paper evidenced by a record or records consisting of information that is inscribed on a tangible medium.

(79) "Termination statement" means an amendment of a financing statement which:

- (A) identifies, by its file number, the initial financing statement to which it relates; and
- (B) indicates either that it is a termination statement or that the identified financing statement is no longer effective.

(80) "Transmitting utility" means a person primarily engaged in the business of:

- (A) operating a railroad, subway, street railway, or trolley bus;
- (B) transmitting communications electrically, electromagnetically, or by light;
- (C) transmitting goods by pipeline or sewer; or
- (D) transmitting or producing and transmitting electricity, steam, gas, or water.

(b) Definitions in other Articles. The following definitions in other Articles apply to this Article:

"Applicant". Section 5-102.

"Beneficiary". Section 5-102.

"Broker". Section 8-102.

"Certificated security". Section 8-102.

"Check". Section 3-104.

"Clearing corporation". Section 8-102.

"Contract for sale". Section 2-106.

"Customer". Section 4-104.
 "Entitlement holder". Section 8-102.
 "Financial asset". Section 8-102.
 "Holder in due course". Section 3-302.
 "Issuer" (with respect to a letter of credit or letter-of-credit right). Section 5-102.
 "Issuer" (with respect to a security). Section 8-201.
 "Lease". Section 2A-103.
 "Lease agreement". Section 2A-103.
 "Lease contract". Section 2A-103.
 "Leasehold interest". Section 2A-103.
 "Lessee". Section 2A-103.
 "Lessee in ordinary course of business". Section 2A-103.
 "Lessor". Section 2A-103.
 "Lessor's residual interest". Section 2A-103.
 "Letter of credit". Section 5-102.
 "Merchant". Section 2-104.
 "Negotiable instrument". Section 3-104.
 "Nominated person". Section 5-102.
 "Note". Section 3-104.
 "Proceeds of a letter of credit". Section 5-114.
 "Prove". Section 3-103.
 "Sale". Section 2-106.
 "Securities account". Section 8-501.
 "Securities intermediary". Section 8-102.
 "Security". Section 8-102.
 "Security certificate". Section 8-102.
 "Security entitlement". Section 8-102.
 "Uncertificated security". Section 8-102.

(c) Article 1 definitions and principles. Article 1 contains general definitions and principles of construction and interpretation applicable throughout this Article.

(Source: P.A. 91-893, eff. 7-1-01; 92-819, eff. 8-21-02.)

(810 ILCS 5/9-108) (from Ch. 26, par. 9-108)

Sec. 9-108. Sufficiency of description.

(a) Sufficiency of description. Except as otherwise provided in subsections (c), (d), and (e), a description of personal or real property is sufficient, whether or not it is specific, if it reasonably identifies what is described.

(b) Examples of reasonable identification. Except as otherwise provided in subsection (d), a description of collateral reasonably identifies the collateral if it identifies the collateral by:

- (1) specific listing;
- (2) category;
- (3) except as otherwise provided in subsection (e), a type of collateral defined in the Uniform Commercial Code;
- (4) quantity;
- (5) computational or allocational formula or procedure; or
- (6) except as otherwise provided in subsection (c), any other method, if the identity of the collateral is objectively determinable.

(c) Supergeneric description not sufficient. A description of collateral as "all the debtor's assets" or "all the debtor's personal property" or using words of similar import does not reasonably identify the collateral.

(d) Investment property. Except as otherwise provided in subsection (e), a description of a security entitlement, securities account, or commodity account is sufficient if it describes:

- (1) the collateral by those terms or as investment property; or
- (2) the underlying financial asset or commodity contract.

(e) When description by type insufficient. A description only by type of collateral defined in the Uniform Commercial Code is an insufficient description of:

- (1) a commercial tort claim; or
- (2) in a consumer transaction, consumer goods, a security entitlement, a securities account, or a commodity account.

(f) A description of bondable property is sufficient if it refers to the financing order establishing the bondable property, as defined in Section 20-105 of the Public Utilities Act.

(Source: P.A. 91-893, eff. 7-1-01.)

(810 ILCS 5/9-203) (from Ch. 26, par. 9-203)

Sec. 9-203. Attachment and enforceability of security interest; proceeds; supporting obligations; formal requisites.

(a) Attachment. A security interest attaches to collateral when it becomes enforceable against the debtor with respect to the collateral, unless an agreement expressly postpones the time of attachment.

(b) Enforceability. Except as otherwise provided in subsections (c) through (i), a security interest is enforceable against the debtor and third parties with respect to the collateral only if:

(1) value has been given;

(2) the debtor has rights in the collateral or the power to transfer rights in the collateral to a secured party; and

(3) one of the following conditions is met:

(A) the debtor has authenticated a security agreement that provides a description of the collateral and, if the security interest covers timber to be cut, a description of the land concerned;

(B) the collateral is not a certificated security and is in the possession of the secured party under Section 9-313 pursuant to the debtor's security agreement;

(C) the collateral is a certificated security in registered form and the security certificate has been delivered to the secured party under Section 8-301 pursuant to the debtor's security agreement; or

(D) the collateral is deposit accounts, electronic chattel paper, investment property, or letter-of-credit rights, and the secured party has control under Section 9-104, 9-105, 9-106, or 9-107 pursuant to the debtor's security agreement.

(c) Other UCC provisions. Subsection (b) is subject to Section 4-210 on the security interest of a collecting bank, Section 5-118 on the security interest of a letter-of-credit issuer or nominated person, Section 9-110 on a security interest arising under Article 2 or 2A, and Section 9-206 on security interests in investment property and Section 9-515 on security interests in bondable property.

(d) When person becomes bound by another person's security agreement. A person becomes bound as debtor by a security agreement entered into by another person if, by operation of law other than this Article or by contract:

(1) the security agreement becomes effective to create a security interest in the person's property; or

(2) the person becomes generally obligated for the obligations of the other person, including the obligation secured under the security agreement, and acquires or succeeds to all or substantially all of the assets of the other person.

(e) Effect of new debtor becoming bound. If a new debtor becomes bound as debtor by a security agreement entered into by another person:

(1) the agreement satisfies subsection (b)(3) with respect to existing or

after-acquired property of the new debtor to the extent the property is described in the agreement; and

(2) another agreement is not necessary to make a security interest in the property enforceable.

(f) Proceeds and supporting obligations. The attachment of a security interest in collateral gives the secured party the rights to proceeds provided by Section 9-315 and is also attachment of a security interest in a supporting obligation for the collateral.

(g) Lien securing right to payment. The attachment of a security interest in a right to payment or performance secured by a security interest or other lien on personal or real property is also attachment of a security interest in the security interest, mortgage, or other lien.

(h) Security entitlement carried in securities account. The attachment of a security interest in a securities account is also attachment of a security interest in the security entitlements carried in the securities account.

(i) Commodity contracts carried in commodity account. The attachment of a security interest in a commodity account is also attachment of a security interest in the commodity contracts carried in the commodity account.

(j) The attachment of a security interest in bondable transition property shall attach automatically to such bondable property at the time that such bondable transition property comes into existence in accordance with Section 20-150 of the Public Utilities Act.

(Source: P.A. 91-893, eff. 7-1-01.)

(810 ILCS 5/9-301) (from Ch. 26, par. 9-301)

Sec. 9-301. Law governing perfection and priority of security interests. Except as otherwise provided in Sections 9-303 through 9-306.1, the following rules determine the law governing perfection, the effect of perfection or nonperfection, and the priority of a security interest in collateral:

(1) Except as otherwise provided in this Section, while a debtor is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in collateral.

(2) While collateral is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a possessory security interest in that collateral.

(3) Except as otherwise provided in paragraph (4), while negotiable documents, goods, instruments, money, or tangible chattel paper is located in a jurisdiction, the local law of that jurisdiction governs:

(A) perfection of a security interest in the goods by filing a fixture filing;

(B) perfection of a security interest in timber to be cut; and

(C) the effect of perfection or nonperfection and the priority of a nonpossessory security interest in the collateral.

(4) The local law of the jurisdiction in which the wellhead or minehead is located governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in as-extracted collateral.

(5) Notwithstanding item (1), the local laws of this State shall govern the perfection, the effect of perfection or nonperfection, and the priority of a security interest in bondable property, as defined in Section 20-105 of the Public Utilities Act.

(Source: P.A. 91-893, eff. 7-1-01; 92-234, eff. 1-1-02.)

(810 ILCS 5/9-515)

Sec. 9-515. Duration and effectiveness of financing statement; effect of lapsed financing statement.

(a) Five-year effectiveness. Except as otherwise provided in subsections (b), (e), (f), and (g), a filed financing statement is effective for a period of five years after the date of filing.

(b) Public-finance or manufactured-home transaction. Except as otherwise provided in subsections (e), (f), and (g), an initial financing statement filed in connection with a public-finance transaction or manufactured-home transaction is effective for a period of 30 years after the date of filing if it indicates that it is filed in connection with a public-finance transaction or manufactured-home transaction.

(c) Lapse and continuation of financing statement. The effectiveness of a filed financing statement lapses on the expiration of the period of its effectiveness unless before the lapse a continuation statement is filed pursuant to subsection (d). Upon lapse, a financing statement ceases to be effective and any security interest or agricultural lien that was perfected by the financing statement becomes unperfected, unless the security interest is perfected otherwise. If the security interest or agricultural lien becomes unperfected upon lapse, it is deemed never to have been perfected as against a purchaser of the collateral for value.

(d) When continuation statement may be filed. A continuation statement may be filed only within six months before the expiration of the five-year period specified in subsection (a) or the 30-year period specified in subsection (b), whichever is applicable.

(e) Effect of filing continuation statement. Except as otherwise provided in Section 9-510, upon timely filing of a continuation statement, the effectiveness of the initial financing statement continues for a period of five years commencing on the day on which the financing statement would have become ineffective in the absence of the filing. Upon the expiration of the five-year period, the financing statement lapses in the same manner as provided in subsection (c), unless, before the lapse, another continuation statement is filed pursuant to subsection (d). Succeeding continuation statements may be filed in the same manner to continue the effectiveness of the initial financing statement.

(f) Transmitting utility financing statement. If a debtor is a transmitting utility and a filed financing statement so indicates, the financing statement is effective until a termination statement is filed.

(g) Record of mortgage as financing statement. A record of a mortgage that is effective as a financing statement filed as a fixture filing under Section 9-502(c) remains effective as a financing statement filed as a fixture filing until the mortgage is released or satisfied of record or its effectiveness otherwise terminates as to the real property.

(h) Bondable property. If a filed financing statement relates to a security interest in bondable property and the financing statement so states, it is effective until a termination statement is filed.

(i) Without in any way detracting from the characterization of bondable property as a vested property right under Section 20-120 of the Public Utilities Act, for purposes of this Article 9 of the Uniform Commercial Code, bondable property, as defined in item (8.5) of subsection (a) of Section 9-102, shall constitute a general intangible. For purposes of this Article, bondable property shall be in existence whether or not the revenues or proceeds in respect thereof have accrued, in accordance with Section 20-150 of the Public Utilities Act. The validity, perfection, or priority of any security interest in bondable property shall not be defeated or adversely affected by changes to the financing order or to the bond charges payable by any residential customer or by the commingling, by an electric utility (as defined in Section 16-102 of the Public Utilities Act) or by any other person responsible for collecting bondable property under Section 20-150 of the Public Utilities Act, of revenues received from bondable property with any other funds. Any description of bondable property in a security agreement or other agreement or a financing statement shall be sufficient if it refers to the financing order establishing the bondable property.

(j) In addition to the other rights and remedies provided or authorized by the Public Utilities Act and by this Article, when a debtor is in default under a security agreement and the collateral is bondable property, then, upon application by the pledgee, the Illinois Commerce Commission or any court of competent jurisdiction shall order the sequestration and payment to the pledgee of all collections and other proceeds of such bondable property up to the value of the property. In the event of any conflicts, priority among pledgees or transferees shall be determined under this Article. The pledgee shall account to the debtor for any surplus and, unless otherwise agreed, the debtor shall be liable for any deficiency.

(Source: P.A. 91-893, eff. 7-1-01.)

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

AMENDMENT NO. 2. Amend House Bill 2197, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 1, on page 7, by deleting lines 3 through 34; and on page 8, line 1, by replacing "(f)" with "(e)".

The foregoing message from the Senate reporting Senate Amendments numbered 1 and 2 to HOUSE BILL 2197 were placed on the Calendar on the order of Concurrence.

AGREED RESOLUTIONS

The following resolutions were offered and placed on the Calendar on the order of Agreed Resolutions.

HOUSE RESOLUTION 1549

Offered by Representative Coulson:

Congratulates the McCracken Middle School Symphonic Band in Skokie, Illinois, on being invited to present a concert at the 2006 "60th Anniversary" Midwest Clinic in Chicago, Illinois.

HOUSE RESOLUTION 1550

Offered by Representative Myers:

Congratulates Judge Kent Slater on his retirement.

HOUSE RESOLUTION 1551

Offered by Representative Burke:

Honors Carl R. Hansen on his retirement from the Board of Commissioners of Cook County.

HOUSE RESOLUTION 1552

Offered by Representative Black:

Honors State Representative Lee Daniels on his retirement from the Illinois House of Representatives.

HOUSE RESOLUTION 1553

Offered by Representative Granberg:
Congratulates Dr. Secundino Rubio of Salem on receiving the Rural Physician of Excellence Award from the Illinois Rural Health Association.

HOUSE RESOLUTION 1554

Offered by Representative Daniels:
Congratulates the Driscoll Catholic High School Football Team on winning the 2006 Class 4A State Championship Title.

DISTRIBUTION OF SUPPLEMENTAL CALENDAR

Supplemental Calendar No. 1 was distributed to the Members at 10:27 o'clock a.m.

**CONCURRENCES AND NON-CONCURRENCES
IN SENATE AMENDMENTS TO HOUSE JOINT RESOLUTIONS**

Senate Amendment No. 1 to HOUSE JOINT RESOLUTION 107, having been reproduced, was taken up for consideration.

Representative Howard moved that the House concur with the Senate in the adoption of Senate Amendment No. 1.

And on that motion, a vote was taken resulting as follows:

105, Yeas; 0, Nays; 0, Answering Present.

(ROLL CALL 2)

The motion prevailed and the House concurred with the Senate in the adoption of Senate Amendment No. 1 to HOUSE JOINT RESOLUTION 107.

Ordered that the Clerk inform the Senate.

Senate Amendment No. 1 to HOUSE JOINT RESOLUTION 139, having been reproduced, was taken up for consideration.

Representative Meyer moved that the House concur with the Senate in the adoption of Senate Amendment No. 1.

And on that motion, a vote was taken resulting as follows:

105, Yeas; 0, Nays; 0, Answering Present.

(ROLL CALL 3)

The motion prevailed and the House concurred with the Senate in the adoption of Senate Amendment No. 1 to HOUSE JOINT RESOLUTION 139.

Ordered that the Clerk inform the Senate.

RESOLUTIONS

Having been reported out of the Committee on Rules on November 30, 2006, HOUSE JOINT RESOLUTION 150 was taken up for consideration.

Representative Reis moved the adoption of the resolution.

And on that motion, a vote was taken resulting as follows:

105, Yeas; 0, Nays; 0, Answering Present.

(ROLL CALL 4)

The motion prevailed and the Resolution was adopted.

Ordered that the Clerk inform the Senate and ask their concurrence.

Having been reported out of the Committee on Rules on November 6, 2006, HOUSE RESOLUTION 1346 was taken up for consideration.

Representative Poe moved the adoption of the resolution.
The motion prevailed and the Resolution was adopted.

Having been reported out of the Committee on Rules on November 29, 2006, HOUSE RESOLUTION 1504 was taken up for consideration.

Representative Lang moved the adoption of the resolution.
The motion prevailed and the Resolution was adopted.

Having been reported out of the Committee on Rules on November 29, 2006, HOUSE RESOLUTION 1545 was taken up for consideration.

Representative Rose moved the adoption of the resolution.
The motion prevailed and the Resolution was adopted.

AGREED RESOLUTIONS

HOUSE RESOLUTION 1552 was taken up for consideration.
Representative Currie moved the adoption of the agreed resolution.
The motion prevailed and the agreed resolution was adopted.

HOUSE RESOLUTIONS 1549, 1550, 1551, 1553 and 1554 were taken up for consideration.
Representative Currie moved the adoption of the agreed resolutions.
The motion prevailed and the agreed resolutions were adopted.

ADJOURNMENT RESOLUTION HOUSE JOINT RESOLUTION 152

Representative Currie offered the following resolution:

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-FOURTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE CONCURRING HEREIN, that when the two Houses adjourn on Thursday, November 30, 2006, the House of Representatives stands adjourned until Sunday, January 07, 2007 at 3:00 o'clock p.m.; and the Senate stands adjourned until Sunday, January 07, 2007.

Representative Currie moved the adoption of the resolution.
The motion prevailed and the resolution was adopted.
Ordered that the Clerk inform the Senate and ask their concurrence.

AGREED RESOLUTION

HOUSE RESOLUTION 1326 was taken up for consideration.
Representative Currie moved the adoption of the agreed resolution.
The motion prevailed and the agreed resolution was adopted.

At the hour of 12:39 o'clock p.m., Representative Currie moved that the House do now adjourn.
The motion prevailed.

[November 30, 2006]

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And in accordance therewith and pursuant to HOUSE JOINT RESOLUTION 152, the House stood adjourned until Sunday, January 7, 2007, at 3:00 o'clock p.m.

STATE OF ILLINOIS
NINETY-FOURTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
QUORUM ROLL CALL FOR ATTENDANCE

November 30, 2006

0 YEAS

0 NAYS

114 PRESENT

P Acevedo (ADDED)	P Dugan	P Krause	P Pritchard
P Bassi	P Dunkin(ADDED)	P Lang	P Ramey
P Beaubien	P Dunn	P Leitch	P Reis
P Beiser	P Durkin	P Lindner	P Reitz
P Bellock	P Eddy	P Lyons	P Rita (ADDED)
P Berrios	P Feigenholtz	P Mathias	P Rose
P Biggins	P Flider	P Mautino	P Ryg
E Black	P Flowers (ADDED)	P May	P Sacia
P Boland	P Franks	P McAuliffe (ADDED)	A Saviano
P Bost	A Fritchey	P McCarthy	P Schmitz
P Bradley, John	P Froehlich	P McGuire	P Schock
P Bradley, Richard	P Giles	P McKeon	P Scully
P Brady	P Golar	P Mendoza	P Smith
P Brauer	P Gordon	P Meyer	P Sommer
P Brosnahan	P Graham	P Miller	P Soto
P Burke	P Granberg (ADDED)	P Mitchell, Bill	P Stephens
P Chapa LaVia	P Hamos	P Mitchell, Jerry	P Sullivan
P Chavez	P Hannig	P Moffitt	P Tracy (ADDED)
P Churchill	P Hassert	P Molaro	P Tryon
P Collins	P Hoffman (ADDED)	P Mulligan	P Turner
P Colvin	P Holbrook	P Munson	P Verschoore
P Coulson	P Howard	P Myers	P Wait
P Cross (ADDED)	P Hultgren	P Nekritz	P Washington
P Cultra	P Jakobsson	P Osmond	P Watson
P Currie	P Jefferies (ADDED)	P Osterman	P Winters
P D'Amico	P Jefferson	P Parke	P Yarbrough (ADDED)
P Daniels	P Jenisch	E Patterson	P Younge
P Davis, M (ADDED)	P Joyce (ADDED)	P Phelps	P Mr. Speaker
P Davis, William	P Kelly	P Pihos	
P Delgado	P Kosel	P Poe	

E - Denotes Excused Absence

STATE OF ILLINOIS
 NINETY-FOURTH
 GENERAL ASSEMBLY
 HOUSE ROLL CALL
 HOUSE JOINT RESOLUTION 107
 TASK FORCE EMPLOYMENT
 MOTION TO CONCUR IN SENATE AMENDMENT NO. 1
 CONCURRED

November 30, 2006

105 YEAS

0 NAYS

0 PRESENT

A Acevedo	Y Dugan	Y Krause	Y Pritchard
Y Bassi	A Dunkin	Y Lang	Y Ramey
Y Beaubien	Y Dunn	Y Leitch	Y Reis
Y Beiser	Y Durkin	Y Lindner	Y Reitz
Y Bellock	Y Eddy	Y Lyons	A Rita
Y Berrios	Y Feigenholtz	Y Mathias	Y Rose
Y Biggins	Y Flider	Y Mautino	Y Ryg
E Black	Y Flowers	Y May	Y Sacia
Y Boland	Y Franks	Y McAuliffe	A Saviano
Y Bost	A Fritchey	Y McCarthy	A Schmitz
Y Bradley, John	Y Froehlich	Y McGuire	Y Schock
Y Bradley, Richard	Y Giles	Y McKeon	Y Scully
Y Brady	Y Golar	Y Mendoza	Y Smith
Y Brauer	Y Gordon	Y Meyer	Y Sommer
Y Brosnahan	Y Graham	Y Miller	Y Soto
Y Burke	A Granberg	Y Mitchell, Bill	A Stephens
Y Chapa LaVia	Y Hamos	Y Mitchell, Jerry	Y Sullivan
Y Chavez	Y Hannig	Y Moffitt	Y Tracy
Y Churchill	Y Hassert	Y Molaro	Y Tryon
Y Collins	Y Hoffman	Y Mulligan	Y Turner
A Colvin	Y Holbrook	Y Munson	Y Verschoore
Y Coulson	Y Howard	Y Myers	Y Wait
A Cross	Y Hultgren	Y Nekritz	Y Washington
Y Cultra	Y Jakobsson	A Osmond	Y Watson
Y Currie	Y Jefferies	Y Osterman	Y Winters
Y D'Amico	Y Jefferson	Y Parke	Y Yarbrough
Y Daniels	Y Jenisch	E Patterson	Y Younge
Y Davis, Monique	Y Joyce	Y Phelps	Y Mr. Speaker
Y Davis, William	Y Kelly	Y Pihos	
Y Delgado	Y Kosel	Y Poe	

E - Denotes Excused Absence

STATE OF ILLINOIS
 NINETY-FOURTH
 GENERAL ASSEMBLY
 HOUSE ROLL CALL
 HOUSE JOINT RESOLUTION 139
 DEAF ED OPTIONS TSK FRC EXTEND
 MOTION TO CONCUR IN SENATE AMENDMENT NO. 1
 CONCURRED

November 30, 2006

105 YEAS

0 NAYS

0 PRESENT

A Acevedo	Y Dugan	Y Krause	Y Pritchard
Y Bassi	A Dunkin	Y Lang	Y Ramey
Y Beaubien	Y Dunn	Y Leitch	Y Reis
Y Beiser	Y Durkin	Y Lindner	Y Reitz
Y Bellock	Y Eddy	Y Lyons	A Rita
Y Berrios	Y Feigenholtz	Y Mathias	Y Rose
Y Biggins	Y Flider	Y Mautino	Y Ryg
E Black	Y Flowers	Y May	Y Sacia
Y Boland	Y Franks	Y McAuliffe	A Saviano
Y Bost	A Fritchey	Y McCarthy	A Schmitz
Y Bradley, John	Y Froehlich	Y McGuire	Y Schock
Y Bradley, Richard	Y Giles	Y McKeon	Y Scully
Y Brady	Y Golar	Y Mendoza	Y Smith
Y Brauer	Y Gordon	Y Meyer	Y Sommer
Y Brosnahan	Y Graham	Y Miller	Y Soto
Y Burke	A Granberg	Y Mitchell, Bill	A Stephens
Y Chapa LaVia	Y Hamos	Y Mitchell, Jerry	Y Sullivan
Y Chavez	Y Hannig	Y Moffitt	Y Tracy
Y Churchill	Y Hassert	Y Molaro	Y Tryon
Y Collins	Y Hoffman	Y Mulligan	Y Turner
A Colvin	Y Holbrook	Y Munson	Y Verschoore
Y Coulson	Y Howard	Y Myers	Y Wait
A Cross	Y Hultgren	Y Nekritz	Y Washington
Y Cultra	Y Jakobsson	A Osmond	Y Watson
Y Currie	Y Jefferies	Y Osterman	Y Winters
Y D'Amico	Y Jefferson	Y Parke	Y Yarbrough
Y Daniels	Y Jenisch	E Patterson	Y Younge
Y Davis, Monique	Y Joyce	Y Phelps	Y Mr. Speaker
Y Davis, William	Y Kelly	Y Pihos	
Y Delgado	Y Kosel	Y Poe	

E - Denotes Excused Absence

STATE OF ILLINOIS
NINETY-FOURTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
HOUSE JOINT RESOLUTION 150
JOINT TASK FORCE ON MEAT
ADOPTED

November 30, 2006

105 YEAS

0 NAYS

0 PRESENT

A Acevedo	Y Dugan	Y Krause	Y Pritchard
Y Bassi	A Dunkin	Y Lang	Y Ramey
Y Beaubien	Y Dunn	Y Leitch	Y Reis
Y Beiser	Y Durkin	Y Lindner	Y Reitz
Y Bellock	Y Eddy	Y Lyons	A Rita
Y Berrios	Y Feigenholtz	Y Mathias	Y Rose
Y Biggins	Y Flider	Y Mautino	Y Ryg
E Black	Y Flowers	Y May	Y Sacia
Y Boland	Y Franks	Y McAuliffe	A Saviano
Y Bost	A Fritchey	Y McCarthy	A Schmitz
Y Bradley, John	Y Froehlich	Y McGuire	Y Schock
Y Bradley, Richard	Y Giles	Y McKeon	Y Scully
Y Brady	Y Golar	Y Mendoza	Y Smith
Y Brauer	Y Gordon	Y Meyer	Y Sommer
Y Brosnahan	Y Graham	Y Miller	Y Soto
Y Burke	A Granberg	Y Mitchell, Bill	A Stephens
Y Chapa LaVia	Y Hamos	Y Mitchell, Jerry	Y Sullivan
Y Chavez	Y Hannig	Y Moffitt	Y Tracy
Y Churchill	Y Hassert	Y Molaro	Y Tryon
A Collins	Y Hoffman	Y Mulligan	Y Turner
Y Colvin	Y Holbrook	Y Munson	Y Verschoore
Y Coulson	Y Howard	Y Myers	Y Wait
A Cross	Y Hultgren	Y Nekritz	Y Washington
Y Cultra	Y Jakobsson	A Osmond	Y Watson
Y Currie	Y Jefferies	Y Osterman	Y Winters
Y D'Amico	Y Jefferson	Y Parke	Y Yarbrough
Y Daniels	Y Jenisch	E Patterson	Y Younge
Y Davis, Monique	Y Joyce	Y Phelps	Y Mr. Speaker
Y Davis, William	Y Kelly	Y Pihos	
Y Delgado	Y Kosel	Y Poe	

E - Denotes Excused Absence