**Section 451.10 Definitions and Incorporations**

 "Accountant's report" has the same meaning as in 17 CFR 210.1-02 and 210.2-02 as of April 1, 2001. No incorporation of the Code of Federal Regulations in this Section 451.10 includes any later amendment or edition.

 "Act" means the Public Utilities Act [220 ILCS 5].

 "Alternative retail electric supplier" or "ARES" has the same meaning as in Section 16-102 of the Act.

 "Applicant" means an entity that files an application with the Illinois Commerce Commission to provide electric service as an alternative retail electric supplier under Section 16-115 of the Act.

 "Best's financial size category" refers to a numerical value that A.M. Best or its successor assigns to an insurance company based on the amount of that insurance company's policyholders' surplus and reserve funds.

 "Best's rating" refers to a rating from A.M. Best or its successor that provides an overall opinion of an insurance company's ability to meet its obligations to policyholders.

 "Business enterprise" means a commercial enterprise or establishment.

 "Certified", when used in regard to financial statements, has the same meaning as in 17 CFR 210.1-02 as of April 1, 2001. No incorporation of the Code of Federal Regulations in this Section 451.10 includes any later amendment or edition.

 "Commercial general liability insurance" means insurance that covers suits against the insured for personal injury and property damages.

 "Commission" means the Illinois Commerce Commission.

 "Electric cooperative" means the same as that term is defined in Section 3.4 of the Electric Supplier Act [220 ILCS 30/3.4].

 "Financial statements" has the same meaning as in 17 CFR 210.3-01 to 210.3-05 as of April 1, 2001. No incorporation of the Code of Federal Regulations in this Section 451.10 includes any later amendment or edition.

 "Guarantee" means an undertaking by a guarantor to pay or fulfill the obligation upon failure of the principal obligor to fulfill its contractual obligations. A guarantee shall contain the following provisions:

 The guarantee is one of payment and not of collection;

 The guarantor's obligations under the guarantee are weighed equally with other guarantees;

 The obligations from transactions entered into under the original guarantee must be the subject of an ongoing guarantee;

 The guarantee reinstates if any guaranteed payment made by the primary obligor is recaptured as a result of bankruptcy or insolvency; and

 The guarantee is binding on successors of the guarantor.

 "Letter of credit" means an instrument issued by a bank guaranteeing the payment of a customer's (i.e., the applicant or ARES) drafts in favor of a third party up to a stated amount for a specified period.

 "License bond" means an obligation of a surety to pay the monies that the licensee owes the State of Illinois for violations of the duties and obligations imposed on it as an ARES.

 "Management position" means an employed position whereby an individual is responsible for directing, supervising, or administering the activities of a group of two or more people with fiscal responsibility and authority over that group.

 "Material" has the same meaning as in 17 CFR 210.1-02 as of April 1, 2001. No incorporation of the Code of Federal Regulations in this Section 451.10 includes any later amendment or edition.

 "Municipal system" means any public utility owned and operated by any political subdivision or municipal corporation of the State of Illinois, or owned by such an entity and operated by any lessee or agent thereof.

 "Parent" has the same meaning as in 17 CFR 210.1-2 as of April 1, 2001. No incorporation of the Code of Federal Regulations in this Section 451.10 includes any later amendment or edition.

 "Payment bond" means an obligation of a surety to pay the monies that the principal (i.e., the applicant or ARES) owes another party in the event that the applicant fails for whatever reason to perform its contract or contracts.

 "Permit bond" has the same meaning as "license bond".

 "Qualifying surety" means a surety or insurer that is authorized by the U.S. Department of Treasury pursuant to 31 USC 9305. A qualifying surety or insurer may not underwrite more than the amount specified by the U.S. Department of Treasury on a single bond.

 "Ratings agency" means Standard & Poor's or its successor, Moody's Investors Service or its successor, or Fitch Ratings or its successor.

 "Retail customer", as used in this Part, means the same as the term is defined in Section 16-102 of the Act.

 "RTO" means a Regional Transmission Organization.

"Segment" refers to a component of an entity whose activities represent a separate major line of business or class of customer.

 "Small commercial retail customer" means the same as the term is defined in Section 16-102 of the Act.

 "Surplus Line Association of Illinois" is an organization of Illinois surplus line producers as defined in Section 445.1 of the Illinois Insurance Code [215 ILCS 5/445.1].

 "Technical staff" means a staff of trained technical experts in electric power and energy supply, including persons who have completed an accredited or otherwise recognized apprenticeship program or a formal education program and persons who possess no less than four years of experience working in a similar position with a utility, ARES or related business. This shall also include those persons registered as professional engineers as required by the Professional Engineering Practice Act of 1989 [225 ILCS 325].

"Unconditional guarantee" has the same meaning as "guarantee" with these additional provisions:

 The guarantor has subjected itself to jurisdiction and service of process in accordance with the laws of the State of Illinois, and the guarantee will be construed in accordance with the laws of the State of Illinois without reference to conflict of laws principles; and

 The guaranteed obligations are unconditional, irrespective of value, genuineness, validity, waiver, release, alteration, amendment, and enforceability of the guaranteed obligations.

(Source: Amended at 34 Ill. Reg. 15283, effective September 25, 2010)