**Section 451.740 Financial Reporting Requirements**

The ARES shall provide a copy of only those documents that the ARES requires to demonstrate that it continues to possess sufficient financial resources to serve the retail customers for which it has received a certificate of service authority. The applicable documents shall be submitted at the times specified below:

a) An ARES that seeks to demonstrate that it maintains sufficient financial resources to provide the services for which it has received a certificate of service authority using the criteria set forth in subsection (a)(1), (a)(4) or (a)(5) of Section 451.110, 451.220 or 451.320 or Section 451.510(b), (c) or (d) shall submit a copy of the latest ratings report presenting the commercial paper or long-term credit or obligation ratings of the ARES, creditors or guarantors, as applicable, from the ratings agencies between April 1 and April 30 of each year and within 15 days following any downgrade of such ratings previously filed with the Commission to a rating below A-1 or A-, if issued from Standard & Poor's or its successor, P-1 or A3, if issued from Moody's Investors Service or its successor, or F-1 or A-, if issued from Fitch Ratings or its successor. Within 30 days after a downgrade of the commercial paper or long-term credit or obligation ratings of the ARES or its creditors, affiliates, or guarantors, as applicable, to a level below the minimum required under this Part, the ARES shall submit a report that identifies the subsection under which the ARES is seeking to demonstrate that its financial resources remain sufficient for providing the services for which it has received a certificate of service authority and includes the information and documents that subsection requires.

b) An ARES that seeks to demonstrate that it maintains sufficient financial resources to provide the services for which it has received a certificate of service authority using the criteria set forth in subsection (a)(2), (a)(4) or (a)(5) of Section 451.110, 451.220 or 451.320 or Section 451.510(a) or (b) shall submit a copy of any modified, replacement or additional credit agreements; unconditional guarantees; lines of credit; revolving credit agreements; payment bonds; and letters of credit, as applicable. This documentation shall be submitted at least 15 days in advance of any modification, cancellation or expiration of the financial agreements.

c) Between April 1 and April 30 of each year, an ARES that seeks to use the criteria specified in Section 451.110(a)(4), 451.220(a)(4), or 451.320(a)(4) to demonstrate that it maintains sufficient financial resources to provide the services for which it has received a certificate of service authority shall provide the peak hourly demand expressed in MWsscheduled during the previous calendar year and the date on which that amount was scheduled, as well as the applicant's expected peak hourly demand expressed in MWs over the next 12 months.

d) Between April 1 and April 30 of each year, an ARES that seeks to demonstrate that it maintains sufficient financial resources to provide single billing services under Section 451.510(a) or (b) shall submit an updated good faith estimate of the amount the ARES expects to be obligated to remit to the utility under single billing tariffs adopted pursuant to Section 16-118(b) of the Act between April 1 and April 30 of each year.

e) An ARES that seeks to demonstrate that it maintains sufficient financial resources to provide the services for which it has received a certificate of service authority using the criteria set forth in subsection (a)(2) or (a)(5) of Section 451.110, 451.220, or 451.320 shall submit a copy of its certified financial statements, or those of its parent, and accountant's report, as applicable, within 120 days after the close of its fiscal year.

f) An ARES that seeks to maintain its certificate of service authority under Section 451.220(b) or 451.320(b) shall submit an updated version of the annual financial statements and accountant's report, if available, within 120 days after the close of its fiscal year.

g) An ARES that seeks to demonstrate that it maintains sufficient financial resources to provide the services for which it has received a certificate of service authority using the criteria set forth in subsection (a)(2) of Section 451.110, 451.220 or 451.320 shall provide

1) A copy of the security or agreement that was provided and approved by the RTO used to serve as collateral for the energy the applicant procures from generation asset owners directly through the RTO, including any updates, revisions or modifications that may occur, within 15 days after filing the document with the RTO.

2) Using the alternative method, the applicant's revenue from sales to Illinois retail customers may be used. In these circumstances, the revenue from sales to Illinois retail customers must be provided in the certified financial statements or in internal documents accompanied by a verified statement from a company officer.

h) An ARES that seeks to demonstrate that it maintains sufficient financial resources to provide the services for which it has received a certificate of service authority using the criteria set forth in subsection (a)(3) of Section 451.110, 451.220 or 451.320 shall demonstrate and certify it is a member of one or more RTOs and purchases 100% of its physical electric energy from the RTOs for delivery to the service territories of the utilities for which the applicant is seeking a certificate.

i) Each ARES is required to certify that the most recent copy of its license or permit bond on file with the Commission is current and in full effect. In the event the original license or permit bond on file with the Commission is replaced or modified, the ARES shall submit the new copy of its license or permit bond pursuant to Section 451.50.

j) Insurance. Between April 1 and April 30 of each year, an ARES required to have in force commercial general liability insurance pursuant to Section 451.110(b) shall submit proof of that insurance in an amount not less than that in force when the ARES was granted its certificate of service authority. In addition, the ARES shall demonstrate that its commercial general liability insurance is effective for a period of not less than one year.

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