

## § 250.12

(c) *Acquisitions by certain registered holding companies.* The exemptions provided by paragraph (b)(2) of this section shall also apply to any registered holding company which has been exempted from section 9(a)(1) of the Act (49 Stat. 817; 15 U.S.C. 79i) as to the acquisition of the securities therein specified.

(d) *Acquisitions by certain persons of securities issued by affiliates.* Any person which is not a holding company or a subsidiary of a registered holding company shall be exempt from section 9(a)(2) of the Act with respect to the acquisition of any securities issued by a public utility or holding company of which such person is, prior to such acquisition, an affiliate under section 2(a)(11)(A) of the Act.

[Rule U, 6 FR 2015, Apr. 19, 1941, as amended at 18 FR 6589, Oct. 16, 1953]

## § 250.12 Exemption of certain public utility companies from the definition of subsidiary companies of holding companies.

(a) *Exemption.* If voting securities of a public utility company are owned, controlled or held with power to vote by the trustee or trustees of an inter-vivos or testamentary trust created by an instrument executed prior to January 1, 1935, and if such trust was established for charitable, religious, educational or other nonbusiness purposes, or for the benefit of an individual or individuals, or for more than one of such purposes, and if the beneficial interest or interests in such trust are not represented by transferable certificates, and if such public utility company is not itself a holding company, then such public utility company and any subsidiary companies thereof shall not be deemed to be subsidiary companies of such trustees or trust within the meaning of the act or any rule or regulation thereunder, and such public utility company and any subsidiary companies thereof and such trustees and trust shall be exempt from any provisions of the act other than section 9(a)(2) thereof, from any rules and regulations thereunder and from any obligations, duties and liabilities thereunder to which they might otherwise be subject by reason of the ownership, control or holding

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with power to vote of such securities by such trustees.

[12 FR 5868, Sept. 8, 1947]

## § 250.14 Exemption of acquisitions of securities of power supply companies from section 9(a)(2) of the Act.

(a) An electric utility company which is not an “affiliate” of any other company under clause (B) of section 2(a)(11) shall be exempt from section 9(a)(2) of the Act with respect to the acquisition of any security of a power supply company, either directly or through a wholly-owned company organized solely for that purpose, provided that:

(1) The acquisition of any securities of the power supply company, including its voting securities, and any obligation by such electric utility company to provide funds to the power supply company pursuant to a capital funds agreement or guarantee of its debts, is authorized by a regulatory authority having jurisdiction over the rates and services of such electric utility company;

(2) All of the voting securities of the power supply company are owned by one or more electric utility companies to which the power supply company sells all of its electric energy, or as a transmission company provides all its transmission services to them or their customers (exclusive of any electric energy or transmission services which it sells to or provides to any person described in section 2(c) of the Act or to any rural electric cooperative association); and

(3) The issue of securities by the power supply company (other than any security maturing not more than one year after the date of issue) is subject to express authorization by a regulatory authority having jurisdiction over their issuance.

(b) If the voting securities of the power supply company are acquired by more than one electric utility company, the requirements of this rule shall apply independently to each (except that paragraph (a)(1) shall not apply to any person referred to in section 2(c) of the Act or to any rural electric cooperative association).

## Securities and Exchange Commission

## § 250.16

(c) *Definitions.* (1) The term *electric utility company*, as used in this rule, includes any person referred to in section 2(c) of the Act.

(2) The term *power supply company* means any company which owns and/or operates facilities for the generation or transmission of electric energy for sale to one or more electric utility companies, together with such other facilities as are incidental and functionally related thereto.

(3) The term *voting security* shall have the same meaning as in section 2(a)(17) of the Act, including any voting interest that serves the same defined purpose.

[46 FR 5869, Jan. 21, 1981]

### **§ 250.15 Exemption of holding company and subsidiary companies under section 3(a)(2) of the Act.**

(a) When an electric utility company becomes a holding company with respect to one or more power supply companies in a transaction or transactions exempted under § 250.14, the electric utility company, as such holding company, shall be exempt pursuant to section 3(a)(2) of the Act. If an electric utility company otherwise qualifies for an exemption pursuant to section 3(a)(2) of the Act, either by order or pursuant to § 250.2(a)(2) of these rules, that exemption shall not be affected by an acquisition exempt under § 250.14.

(b) The exemption under paragraph (a) of this section shall apply to an electric utility company whose acquisition, though not subject to section 9(a)(2) of the Act, satisfies all the requirements provided by § 250.14 for an exempt acquisition.

[46 FR 5870, Jan. 21, 1981]

### **§ 250.16 Exemption of non-utility subsidiaries and affiliates.**

(a) Any company, and each affiliate thereof, shall be exempt from all obligations, duties or liabilities imposed upon it by the Act, as a subsidiary company or as an affiliate of a registered holding company or of a subsidiary company thereof, as such terms are respectively defined in sections 2(a)(8)(A) and 2(a)(11) of the Act, if—

(1) Such company is not a public utility company as defined in section 2(a)(5) of the Act;

(2) Such company is or has been organized to engage primarily in the exploration, development, production, manufacture, storage, transportation or supply of natural or synthetic gas;

(3) No more than 50% of its voting securities or other voting interests are owned, directly or indirectly, by one or more registered holding companies; and

(4) The acquisition by the registered holding company or subsidiary thereof of its interest in such company has been approved by the Commission pursuant to sections 9(a)(1) and 10 of the Act and applicable rules thereunder upon a timely application to the Commission.

(b) The exemption provided by this rule shall continue in effect during the pendency of such application. If an acquisition is made subject to Commission approval, the exemption provided by this rule is not terminated if the Commission does not grant its approval. In that event any such acquisition shall be disposed of in accordance with the order of the Commission.

(c) If a registered holding company directly or indirectly acquires any voting securities of such company, or any other voting interest, pursuant to this rule, the holding company shall include as an exhibit to its annual report on Form U5S a copy of the annual report of such company. It may incorporate by reference the annual report such company is required to file pursuant to other statutes administered by the Commission.

NOTE: Exhibits filed under paragraph (c) shall be submitted to the Commission in paper only, whether or not the registrant is otherwise required to file in electronic format. An electronic filer must submit paper exhibits under cover of Form SE (§ 259.603).

(d) This rule does not affect the authority of any agency having jurisdiction over rates with respect to a company exempt under this rule, including authority over affiliate transactions by or with such company pursuant to the laws administered by that agency.

[45 FR 79024, Nov. 28, 1980, as amended at 58 FR 15005, Mar. 18, 1993]