

Bond Case Briefs

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ANNEXATION - ILLINOIS

City of Springfield v. Ameren Illinois Company

Appellate Court of Illinois, Fourth District - November 13, 2018 - N.E.3d - 2018 IL App (4th) 170755 - 2018 WL 5919479

City brought action against electric utility, seeking declaration that city had exclusive right to provide electricity to residents living in an area city had recently annexed.

The Circuit Court granted summary judgment for city. Utility appealed.

The Appellate Court held that:

- Utility had statutory right to continue serving residents in the annexed area, and
- City's franchise agreement with utility did not preclude utility from serving the residents.

Electric utility was entitled by statute to continue serving customers living in an area recently annexed by city; utility was an investor-owned public utility, and the Municipal Code was amended to permit such a utility to continue serving customers in locations annexed by a municipality after the amendment's effective date.

City's franchise agreement with electric utility did not preclude utility from serving customers living in an area annexed by city, where, despite language limiting utility's right under the Municipal Code to continue serving such customers, the agreement's 20-year term had expired, and there was indication the parties sought to renew the agreement.