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PART 38. REORGANIZATIONS

§ 38.1 General

Applications under sections 69-a, 82-a, 89-g and 101-a of the Public Service Law are treated as capitalization matters (see Part 48 of this Subchapter) and there shall be filed a petition to which shall be annexed a copy of the proposed reorganization agreement. As a part of the petition, there shall be full information with reference to the matters which by such sections are specifically required to be considered by the commission before reorganization can be had.

§ 38.2 Contents of petition

The petition shall include the following:

- (a) The facts called for in subdivisions (f), (g), (h), and (k) of section 37.1 of this Article.
- (b) Non-operating property and its present market value.
- (c) Estimate of the maximum amount for reorganization costs.
- (d) Balance sheets for the last five years.
- (e) Income statement for the last five years.

§ 38.3 Reorganization pursuant to the Federal Bankruptcy Act

Reorganizations of New York State public utilities pursuant to the provisions of the Federal Bankruptcy Act require the approval of the Public Service Commission. Upon the submission of such a plan of reorganization, the commission will determine if the public interest is involved. When such a determination is made, the Federal court will be duly notified. Thereafter, public hearings will be held at which the reorganization committee of the utility must establish by competent proof that the proposed plan is in the public interest. It should appear that the securities proposed to be issued by the reorganized company do not exceed the value of the property to be held by such corporation and that the prospective earnings are sufficient to pay a return on the new securities. The approval of the commission to a reorganization plan does not relieve the reorganized company from securing necessary consents to the transfer of property, amendments of its certificate of incorporation or the issuance of securities.