

SENATE SUBSTITUTE
FOR
SENATE COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 745
AN ACT

To repeal sections 137.010, 137.122, 386.890, and 393.1700, RSMo, and to enact in lieu thereof six new sections relating to utilities.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 137.010, 137.122, 386.890, and
2 393.1700, RSMo, are repealed and six new sections enacted in
3 lieu thereof, to be known as sections 137.010, 137.122, 386.885,
4 386.890, 393.1275, and 393.1700, to read as follows:

137.010. The following words, terms and phrases when
2 used in laws governing taxation and revenue in the state of
3 Missouri shall have the meanings ascribed to them in this
4 section, except when the context clearly indicates a
5 different meaning:

6 (1) "Grain and other agricultural crops in an
7 unmanufactured condition" shall mean grains and feeds
8 including, but not limited to, soybeans, cow peas, wheat,
9 corn, oats, barley, kafir, rye, flax, grain sorghums,
10 cotton, and such other products as are usually stored in
11 grain and other elevators and on farms; but excluding such
12 grains and other agricultural crops after being processed
13 into products of such processing, when packaged or sacked.
14 The term "processing" shall not include hulling, cleaning,
15 drying, grating, or polishing;

16 (2) "Hydroelectric power generating equipment", very-
17 low-head turbine generators with a nameplate generating
18 capacity of at least four hundred kilowatts but not more

19 than six hundred kilowatts and machinery and equipment used
20 directly in the production, generation, conversion, storage,
21 or conveyance of hydroelectric power to land-based devices
22 and appurtenances used in the transmission of electrical
23 energy;

24 (3) "Intangible personal property", for the purpose of
25 taxation, shall include all property other than real
26 property and tangible personal property, as defined by this
27 section;

28 (4) "Real property" includes land itself, whether laid
29 out in town lots or otherwise, and all growing crops,
30 buildings, structures, improvements and fixtures of whatever
31 kind thereon, hydroelectric power generating equipment, the
32 installed poles used in the transmission or reception of
33 electrical energy, audio signals, video signals or similar
34 purposes, provided the owner of such installed poles is also
35 an owner of a fee simple interest, possessor of an easement,
36 holder of a license or franchise, or is the beneficiary of a
37 right-of-way dedicated for public utility purposes for the
38 underlying land; and attached wires, transformers,
39 amplifiers, substations, and other such devices and
40 appurtenances used in the transmission or reception of
41 electrical energy, audio signals, video signals or similar
42 purposes when owned by the owner of the installed poles,
43 otherwise such items are considered personal property; and
44 stationary property used for transportation or storage of
45 [liquid and gaseous products, including, but not limited
46 to,] petroleum products[, natural gas,] and propane or LP
47 gas equipment[, water, and sewage];

48 (5) "Reliever airport", any land and improvements,
49 exclusive of structures, on privately owned airports that
50 qualify as reliever airports under the National Plan of
51 Integrated Airport Systems that may receive federal airport

52 improvement project funds through the Federal Aviation
53 Administration;

54 (6) "Tangible personal property" includes every
55 tangible thing being the subject of ownership or part
56 ownership whether animate or inanimate, other than money,
57 and not forming part or parcel of real property as herein
58 defined, but does not include household goods, furniture,
59 wearing apparel and articles of personal use and adornment,
60 as defined by the state tax commission, owned and used by a
61 person in his home or dwelling place. Stationary property
62 used for transportation or storage of liquid and gaseous
63 products, including, but not limited to, natural gas that is
64 not propane or LP gas, water, and sewage shall be considered
65 tangible personal property.

137.122. 1. As used in this section, the following
2 terms mean:

3 (1) "Business personal property", tangible personal
4 property which is used in a trade or business or used for
5 production of income and which has a determinable life of
6 longer than one year except that supplies used by a business
7 shall also be considered business personal property, but
8 shall not include livestock, farm machinery, grain and other
9 agricultural crops in an unmanufactured condition, property
10 subject to the motor vehicle registration provisions of
11 chapter 301, property assessed under section 137.078, the
12 property of rural electric cooperatives under chapter 394,
13 or property assessed by the state tax commission under
14 chapters 151, 153, and 155, section 137.022, and sections
15 137.1000 to 137.1030;

16 (2) "Class life", the class life of property as set
17 out in the federal Modified Accelerated Cost Recovery System
18 life tables or their successors under the Internal Revenue
19 Code as amended;

20 (3) "Economic or functional obsolescence", a loss in
21 value of personal property above and beyond physical
22 deterioration and age of the property. Such loss may be the
23 result of economic or functional obsolescence or both;

24 (4) "Original cost", the price the current owner, the
25 taxpayer, paid for the item without freight, installation,
26 or sales or use tax. In the case of acquisition of items of
27 personal property as part of an acquisition of an entity,
28 the original cost shall be the historical cost of those
29 assets remaining in place and in use and the placed-in-
30 service date shall be the date of acquisition by the entity
31 being acquired;

32 (5) "Placed in service", property is placed in service
33 when it is ready and available for a specific use, whether
34 in a business activity, an income-producing activity, a tax-
35 exempt activity, or a personal activity. Even if the
36 property is not being used, the property is in service when
37 it is ready and available for its specific use;

38 (6) "Recovery period", the period over which the
39 original cost of depreciable tangible personal property
40 shall be depreciated for property tax purposes and shall be
41 the same as the recovery period allowed for such property
42 under the Internal Revenue Code.

43 2. To establish uniformity in the assessment of
44 depreciable tangible personal property, each assessor shall
45 use the standardized schedule of depreciation in this
46 section to determine the assessed valuation of depreciable
47 tangible personal property for the purpose of estimating the
48 value of such property subject to taxation under this
49 chapter.

50 3. For purposes of this section, and to estimate the
51 value of depreciable tangible personal property for mass
52 appraisal purposes, each assessor shall value depreciable

53 tangible personal property by applying the class life and
 54 recovery period to the original cost of the property
 55 according to the following depreciation schedule. The
 56 percentage shown for the first year shall be the percentage
 57 of the original cost used for January first of the year
 58 following the year of acquisition of the property, and the
 59 percentage shown for each succeeding year shall be the
 60 percentage of the original cost used for January first of
 61 the respective succeeding year as follows:

62	Year	Recovery Period in Years					
63		3	5	7	10	15	20
64	1	75.00	85.00	89.29	92.50	95.00	96.25
65	2	37.50	59.50	70.16	78.62	85.50	89.03
66	3	12.50	41.65	55.13	66.83	76.95	82.35
67	4	5.00	24.99	42.88	56.81	69.25	76.18
68	5		10.00	30.63	48.07	62.32	70.46
69	6			18.38	39.33	56.09	65.18
70	7			10.00	30.59	50.19	60.29
71	8				21.85	44.29	55.77
72	9				15.00	38.38	51.31
73	10					32.48	46.85
74	11					26.57	42.38
75	12					20.67	37.92
76	13					15.00	33.46
77	14						29.00
78	15						24.54
79	16						20.08
80	17						20.00

81 Depreciable tangible personal property in all recovery
82 periods shall continue in subsequent years to have the
83 depreciation factor last listed in the appropriate column so
84 long as it is owned or held by the taxpayer. The state tax
85 commission shall study and analyze the values established by
86 this method of assessment and in every odd-numbered year
87 make recommendations to the joint committee on tax policy
88 pertaining to any changes in this methodology, if any, that
89 are warranted.

90 4. Such estimate of value determined under this
91 section shall be presumed to be correct for the purpose of
92 determining the true value in money of the depreciable
93 tangible personal property, but such estimation may be
94 disproved by a taxpayer by substantial and persuasive
95 evidence of the true value in money under any method
96 determined by the state tax commission to be correct,
97 including, but not limited to, an appraisal of the tangible
98 personal property specifically utilizing generally accepted
99 appraisal techniques, and contained in a narrative appraisal
100 report in accordance with the Uniform Standards of
101 Professional Appraisal Practice or by proof of economic or
102 functional obsolescence or evidence of excessive physical
103 deterioration. For purposes of appeal of the provisions of
104 this section, the salvage or scrap value of depreciable
105 tangible personal property may only be considered if the
106 property is not in use as of the assessment date.

107 5. This section shall not apply to business personal
108 property placed in service before January 2, 2006. Nothing
109 in this section shall create a presumption as to the proper
110 method of determining the assessed valuation of business
111 personal property placed in service before January 2, 2006,
112 provided, however, that as of January 1, 2022, this section
113 shall apply to all stationary property used for

114 transportation or storage of liquid and gaseous products,
115 including, but not limited to, natural gas that is not
116 propane or LP gas, water, and sewage that was or will be
117 placed in service at any time.

118 6. The provisions of this section are not intended to
119 modify the definition of tangible personal property as
120 defined in section 137.010.

386.885. 1. There is hereby established the "Task
2 Force on Distributed Energy Resources and Net Metering",
3 which shall be composed of the following members:

4 (1) Two members of the senate, with one appointed by
5 the president pro tempore of the senate and one appointed by
6 the minority floor leader of the senate;

7 (2) Two members of the house of representatives, with
8 one appointed by the speaker of the house of representatives
9 and one appointed by the minority floor leader of the house
10 of representatives;

11 (3) The director of the division of energy, or his or
12 her designee, to serve as a member and to provide technical
13 assistance to the task force;

14 (4) The chair of the public service commission, or his
15 or her designee, to serve as a member and to provide
16 technical assistance;

17 (5) The director of the office of public counsel, or
18 his or her designee, to serve as a member and to provide
19 technical assistance;

20 (6) A representative from each of the three segments
21 of the retail electric energy industry appointed by the
22 president pro tempore of the senate from the respective
23 nominees submitted by the statewide associations of the
24 investor-owned electric utilities, rural electric
25 cooperatives, and municipally-owned electric utilities;

26 (7) One representative of the retail distributed
27 energy resources industry appointed by the chair of the
28 public service commission;

29 (8) One representative from an organization that
30 advocates for policy supporting renewable energy development
31 appointed by the chair of the public service commission; and

32 (9) One representative from an organization that
33 advocates for the interests of low-income utility customers
34 appointed by the chair of the public service commission.

35 2. The task force shall conduct public hearings and
36 research, and shall compile a report for delivery to the
37 general assembly by no later than December 31, 2022. Such
38 report shall include information on the following:

39 (1) A distributed energy resources study, which shall
40 include a value of solar study along with the practical and
41 economic benefits, challenges, and drawbacks of increased
42 distributed energy generation in the state;

43 (2) Potential legislation regarding community solar as
44 operated by non-utility entities and the fair and equitable
45 setting of rates between distributed generation and non-
46 distributed generation consumers; and

47 (3) Potential legislation, including but not limited
48 to changes to the Net Metering and Easy Connection Act, if
49 any, that would promote the overall public interest.

50 3. The task force shall meet within thirty days after
51 its creation and shall organize by selecting a chairperson
52 and vice chairperson, one of whom shall be a member of the
53 senate and the other a member of the house of
54 representatives. Thereafter, the task force may meet as
55 often as necessary in order to accomplish the tasks assigned
56 to it. A majority of the task force shall constitute a
57 quorum, and a majority vote of such quorum shall be required
58 for any action.

59 4. The staff of house research and senate research
60 shall provide necessary clerical, research, fiscal, and
61 legal services to the task force, as the task force may
62 request.

63 5. The division of energy shall oversee the
64 distributed energy resources study to be selected and
65 conducted by an independent and objective expert with input
66 from the members of the task force. The cost of such study
67 shall be paid for through funds available from federal and
68 state grants applied for by the division of energy. The
69 division of energy shall establish procedures for the
70 submission and non-public disclosure of confidential and
71 propriety information.

72 6. The members of the task force shall serve without
73 compensation, but may be reimbursed for any actual and
74 necessary expenses incurred in the performance of the task
75 force's official duties.

76 7. This section shall expire on June 30, 2023, or at
77 the conclusion of the task force's work, whichever is sooner.

386.890. 1. This section shall be known and may be
2 cited as the "Net Metering and Easy Connection Act".

3 2. As used in this section, the following terms shall
4 mean:

5 (1) "Avoided fuel cost", the current average cost of
6 fuel for the entity generating electricity, as defined by
7 the governing body with jurisdiction over any municipal
8 electric utility, rural electric cooperative as provided in
9 chapter 394, or electrical corporation as provided in this
10 chapter;

11 (2) "Commission", the public service commission of the
12 state of Missouri;

13 (3) "Customer-generator", the owner or operator of a
14 qualified electric energy generation unit which:

- 15 (a) Is powered by a renewable energy resource;
- 16 (b) Has an electrical generating system with a
17 capacity of not more than one hundred kilowatts;
- 18 (c) Is located on a premises owned, operated, leased,
19 or otherwise controlled by the customer-generator;
- 20 (d) Is interconnected and operates in parallel phase
21 and synchronization with a retail electric supplier and has
22 been approved by said retail electric supplier;
- 23 (e) Is intended [primarily to offset part or all] and
24 designed not to exceed one hundred percent of the customer-
25 generator's own electrical energy requirements;
- 26 (f) Meets all applicable safety, performance,
27 interconnection, and reliability standards established by
28 the National Electrical Code, the National Electrical Safety
29 Code, the Institute of Electrical and Electronics Engineers,
30 Underwriters Laboratories, the Federal Energy Regulatory
31 Commission, and any local governing authorities; and
- 32 (g) Contains a mechanism that automatically disables
33 the unit and interrupts the flow of electricity back onto
34 the supplier's electricity lines in the event that service
35 to the customer-generator is interrupted;
- 36 (4) "Department", the department of [economic
37 development] natural resources;
- 38 (5) "Net metering", using metering equipment
39 sufficient to measure the difference between the electrical
40 energy supplied to a customer-generator by a retail electric
41 supplier and the electrical energy supplied by the customer-
42 generator to the retail electric supplier over the
43 applicable billing period;
- 44 (6) "Renewable energy resources", electrical energy
45 produced from wind, solar thermal sources, hydroelectric
46 sources, photovoltaic cells and panels, fuel cells using
47 hydrogen produced by one of the above-named electrical

48 energy sources, and other sources of energy that become
49 available after August 28, 2007, and are certified as
50 renewable by the department;

51 (7) "Retail electric supplier" or "supplier", any
52 [municipal] municipally owned electric utility operating
53 under chapter 91, electrical corporation regulated by the
54 commission under this chapter, or rural electric cooperative
55 operating under chapter 394 that provides retail electric
56 service in this state. An electrical corporation that
57 operates under a cooperative business plan as described in
58 subsection 2 of section 393.110 shall be deemed to be a
59 rural electric cooperative for purposes of this section.

60 3. A retail electric supplier shall:

61 (1) Make net metering available to customer-generators
62 on a first-come, first-served basis until the total rated
63 generating capacity of net metering systems equals five
64 percent of the [utility's] retail electric supplier's single-
65 hour peak load during the previous year, after which the
66 commission for [a public utility] an electrical corporation
67 or the respective governing body [for] of other [electric
68 utilities] retail electric suppliers may increase the total
69 rated generating capacity of net metering systems to an
70 amount above five percent. However, in a given calendar
71 year, no retail electric supplier shall be required to
72 approve any application for interconnection if the total
73 rated generating capacity of all applications for
74 interconnection already approved to date by said supplier in
75 said calendar year equals or exceeds one percent of said
76 supplier's single-hour peak load for the previous calendar
77 year;

78 (2) Offer to the customer-generator a tariff or
79 contract that is identical in electrical energy rates, rate
80 structure, and monthly charges to the contract or tariff

81 that the customer would be assigned if the customer were not
82 an eligible customer-generator but shall not charge the
83 customer-generator any additional standby, capacity,
84 interconnection, or other fee or charge that would not
85 otherwise be charged if the customer were not an eligible
86 customer-generator; and

87 (3) Disclose annually the availability of the net
88 metering program to each of its customers with the method
89 and manner of disclosure being at the discretion of the
90 supplier.

91 4. A customer-generator's facility shall be equipped
92 with sufficient metering equipment that can measure the net
93 amount of electrical energy produced or consumed by the
94 customer-generator. If the customer-generator's existing
95 meter equipment does not meet these requirements or if it is
96 necessary for the retail electric supplier to install
97 additional distribution equipment to accommodate the
98 customer-generator's facility, the customer-generator shall
99 reimburse the retail electric supplier for the costs to
100 purchase and install the necessary additional equipment. At
101 the request of the customer-generator, such costs may be
102 initially paid for by the retail electric supplier, and any
103 amount up to the total costs and a reasonable interest
104 charge may be recovered from the customer-generator over the
105 course of up to twelve billing cycles. Any subsequent meter
106 testing, maintenance or meter equipment change necessitated
107 by the customer-generator shall be paid for by the customer-
108 generator.

109 5. Consistent with the provisions in this section, the
110 net electrical energy measurement shall be calculated in the
111 following manner:

112 (1) For a customer-generator, a retail electric
113 supplier shall measure the net electrical energy produced or

114 consumed during the billing period in accordance with normal
115 metering practices for customers in the same rate class,
116 either by employing a single, bidirectional meter that
117 measures the amount of electrical energy produced and
118 consumed, or by employing multiple meters that separately
119 measure the customer-generator's consumption and production
120 of electricity;

121 (2) If the electricity supplied by the supplier
122 exceeds the electricity generated by the customer-generator
123 during a billing period, the customer-generator shall be
124 billed for the net electricity supplied by the supplier in
125 accordance with normal practices for customers in the same
126 rate class;

127 (3) If the electricity generated by the customer-
128 generator exceeds the electricity supplied by the supplier
129 during a billing period, the customer-generator shall be
130 billed for the appropriate customer charges for that billing
131 period in accordance with subsection 3 of this section and
132 shall be credited an amount at least equal to the avoided
133 fuel cost of the excess kilowatt-hours generated during the
134 billing period, with this credit applied to the following
135 billing period;

136 (4) Any credits granted by this subsection shall
137 expire without any compensation at the earlier of either
138 twelve months after their issuance or when the customer-
139 generator disconnects service or terminates the net metering
140 relationship with the supplier;

141 (5) For any rural electric cooperative under chapter
142 394, or **[municipal]** any municipally owned utility, upon
143 agreement of the wholesale generator supplying electric
144 energy to the retail electric supplier, at the option of the
145 retail electric supplier, the credit to the customer-
146 generator may be provided by the wholesale generator.

147 6. (1) Each qualified electric energy generation unit
148 used by a customer-generator shall meet all applicable
149 safety, performance, interconnection, and reliability
150 standards established by any local code authorities, the
151 National Electrical Code, the National Electrical Safety
152 Code, the Institute of Electrical and Electronics Engineers,
153 and Underwriters Laboratories for distributed generation.
154 No supplier shall impose any fee, charge, or other
155 requirement not specifically authorized by this section or
156 the rules promulgated under subsection 9 of this section
157 unless the fee, charge, or other requirement would apply to
158 similarly situated customers who are not customer-
159 generators, except that a retail electric supplier may
160 require that a customer-generator's system contain a switch,
161 circuit breaker, fuse, or other easily accessible device or
162 feature located in immediate proximity to the customer-
163 generator's metering equipment that would allow a utility
164 worker the ability to manually and instantly disconnect the
165 unit from the utility's electric distribution system.

166 (2) For systems of ten kilowatts or less, a customer-
167 generator whose system meets the standards and rules under
168 subdivision (1) of this subsection shall not be required to
169 install additional controls, perform or pay for additional
170 tests or distribution equipment, or purchase additional
171 liability insurance beyond what is required under
172 subdivision (1) of this subsection and subsection 4 of this
173 section.

174 (3) For customer-generator systems of greater than ten
175 kilowatts, the commission for [public utilities] electrical
176 corporations and the respective governing body for other
177 [utilities] retail electric suppliers shall, by rule or
178 equivalent formal action by each respective governing body:

179 (a) Set forth safety, performance, and reliability
180 standards and requirements; and

181 (b) Establish the qualifications for exemption from a
182 requirement to install additional controls, perform or pay
183 for additional tests or distribution equipment, or purchase
184 additional liability insurance.

185 7. (1) Applications by a customer-generator for
186 interconnection of a qualified electric energy generation
187 unit meeting the requirements of subdivision (3) of
188 subsection 2 of this section to the distribution system
189 shall be accompanied by the plan for the customer-
190 generator's electrical generating system, including but not
191 limited to a wiring diagram and specifications for the
192 generating unit, and shall be reviewed and responded to by
193 the retail electric supplier within thirty days of receipt
194 for systems ten kilowatts or less and within ninety days of
195 receipt for all other systems. Prior to the interconnection
196 of the qualified generation unit to the supplier's system,
197 the customer-generator will furnish the retail electric
198 supplier a certification from a qualified professional
199 electrician or engineer that the installation meets the
200 requirements of subdivision (1) of subsection 6 of this
201 section. If the application for interconnection is approved
202 by the retail electric supplier and the customer-generator
203 does not complete the interconnection within one year after
204 receipt of notice of the approval, the approval shall expire
205 and the customer-generator shall be responsible for filing a
206 new application.

207 (2) Upon the change in ownership of a qualified
208 electric energy generation unit, the new customer-generator
209 shall be responsible for filing a new application under
210 subdivision (1) of this subsection.

211 8. Each [commission-regulated supplier] electrical
212 corporation shall submit an annual net metering report to
213 the commission, and all other [nonregulated] retail electric
214 suppliers shall submit the same report to their respective
215 governing body and make said report available to a consumer
216 of the supplier upon request, including the following
217 information for the previous calendar year:

- 218 (1) The total number of customer-generator facilities;
- 219 (2) The total estimated generating capacity of its net-
220 metered customer-generators; and
- 221 (3) The total estimated net kilowatt-hours received
222 from customer-generators.

223 9. The commission shall, within nine months of January
224 1, 2008, promulgate initial rules necessary for the
225 administration of this section for [public utilities]
226 electrical corporations, which shall include regulations
227 ensuring that simple contracts will be used for
228 interconnection and net metering. For systems of ten
229 kilowatts or less, the application process shall use an all-
230 in-one document that includes a simple interconnection
231 request, simple procedures, and a brief set of terms and
232 conditions. Any rule or portion of a rule, as that term is
233 defined in section 536.010, that is created under the
234 authority delegated in this section shall become effective
235 only if it complies with and is subject to all of the
236 provisions of chapter 536 and, if applicable, section
237 536.028. This section and chapter 536 are nonseverable and
238 if any of the powers vested with the general assembly under
239 chapter 536 to review, to delay the effective date, or to
240 disapprove and annul a rule are subsequently held
241 unconstitutional, then the grant of rulemaking authority and
242 any rule proposed or adopted after August 28, 2007, shall be
243 invalid and void.

244 10. The governing body of a rural electric cooperative
245 or municipal utility shall, within nine months of January 1,
246 2008, adopt policies establishing a simple contract to be
247 used for interconnection and net metering. For systems of
248 ten kilowatts or less, the application process shall use an
249 all-in-one document that includes a simple interconnection
250 request, simple procedures, and a brief set of terms and
251 conditions.

252 11. For any cause of action relating to any damages to
253 property or person caused by the qualified electric energy
254 generation unit of a customer-generator or the
255 interconnection thereof, the retail electric supplier shall
256 have no liability absent clear and convincing evidence of
257 fault on the part of the supplier.

258 12. The estimated generating capacity of all net
259 metering systems operating under the provisions of this
260 section shall count towards the respective retail electric
261 supplier's accomplishment of any renewable energy portfolio
262 target or mandate adopted by the Missouri general assembly.

263 13. The sale of qualified electric energy generation
264 units to any customer-generator shall be subject to the
265 provisions of sections 407.010 to 407.145 and sections
266 407.700 to 407.720. The attorney general shall have the
267 authority to promulgate in accordance with the provisions of
268 chapter 536 rules regarding mandatory disclosures of
269 information by sellers of qualified electric energy
270 generation units. Any interested person who believes that
271 the seller of any qualified electric energy generation unit
272 is misrepresenting the safety or performance standards of
273 any such systems, or who believes that any electric energy
274 generation unit poses a danger to any property or person,
275 may report the same to the attorney general, who shall be

276 authorized to investigate such claims and take any necessary
277 and appropriate actions.

278 14. Any costs incurred under this act by a retail
279 electric supplier shall be recoverable in that utility's
280 rate structure.

281 15. No consumer shall connect or operate [an] a
282 qualified electric energy generation unit in parallel phase
283 and synchronization with any retail electric supplier
284 without written approval by said supplier that all of the
285 requirements under subdivision (1) of subsection 7 of this
286 section have been met. For a consumer who violates this
287 provision, a supplier may immediately and without notice
288 disconnect the electric facilities of said consumer and
289 terminate said consumer's electric service.

290 16. The manufacturer of any qualified electric energy
291 generation unit used by a customer-generator may be held
292 liable for any damages to property or person caused by a
293 defect in the qualified electric energy generation unit of a
294 customer-generator.

295 17. The seller, installer, or manufacturer of any
296 qualified electric energy generation unit who knowingly
297 misrepresents the safety aspects of [an] a qualified
298 electric generation unit may be held liable for any damages
299 to property or person caused by the qualified electric
300 energy generation unit of a customer-generator.

393.1275. 1. The provisions of section 386.020
2 defining words, phrases, and terms shall apply to and
3 determine the meaning of all such words, phrases, or terms
4 as used in this section.

5 2. Electrical corporations, gas corporations, sewer
6 corporations, and water corporations shall defer to a
7 regulatory asset or liability account any difference in
8 state or local property tax expenses actually incurred, and

9 those on which the revenue requirement used to set rates in
10 the corporation's most recently completed general rate
11 proceeding was based. The regulatory asset or liability
12 account balances shall be included in the revenue
13 requirement used to set rates through an amortization over a
14 reasonable period of time in such corporation's subsequent
15 general rate proceedings, without any offset. The
16 commission shall also adjust the rate base used to establish
17 the revenue requirement of such corporation to reflect the
18 unamortized regulatory asset or liability account balances
19 in such general rate proceedings.

393.1700. 1. For purposes of sections 393.1700 to
2 393.1715, the following terms shall mean:

3 (1) "Ancillary agreement", a bond, insurance policy,
4 letter of credit, reserve account, surety bond, interest
5 rate lock or swap arrangement, hedging arrangement,
6 liquidity or credit support arrangement, or other financial
7 arrangement entered into in connection with securitized
8 utility tariff bonds;

9 (2) "Assignee", a legally recognized entity to which
10 an electrical corporation assigns, sells, or transfers,
11 other than as security, all or a portion of its interest in
12 or right to securitized utility tariff property. The term
13 includes a corporation, limited liability company, general
14 partnership or limited partnership, public authority, trust,
15 financing entity, or any entity to which an assignee
16 assigns, sells, or transfers, other than as security, its
17 interest in or right to securitized utility tariff property;

18 (3) "Bondholder", a person who holds a securitized
19 utility tariff bond;

20 (4) "Code", the uniform commercial code, chapter 400;

21 (5) "Commission", the Missouri public service
22 commission;

23 (6) "Electrical corporation", the same as defined in
24 section 386.020, but shall not include an electrical
25 corporation as described in subsection 2 of section 393.110;

26 (7) "Energy transition costs" include all of the
27 following:

28 (a) Pretax costs with respect to a retired or
29 abandoned or to be retired or abandoned electric generating
30 facility that is the subject of a petition for a financing
31 order filed under this section where such early retirement
32 or abandonment is deemed reasonable and prudent by the
33 commission through a final order issued by the commission,
34 include, but are not limited to, the undepreciated
35 investment in the retired or abandoned or to be retired or
36 abandoned electric generating facility and any facilities
37 ancillary thereto or used in conjunction therewith, costs of
38 decommissioning and restoring the site of the electric
39 generating facility, other applicable capital and operating
40 costs, accrued carrying charges, and deferred expenses, with
41 the foregoing to be reduced by applicable tax benefits of
42 accumulated and excess deferred income taxes, insurance,
43 scrap and salvage proceeds, and may include the cost of
44 retiring any existing indebtedness, fees, costs, and
45 expenses to modify existing debt agreements or for waivers
46 or consents related to existing debt agreements;

47 (b) Pretax costs that an electrical corporation has
48 previously incurred related to the retirement or abandonment
49 of such an electric generating facility occurring before
50 August 28, 2021;

51 (8) "Financing costs" includes all of the following:

52 (a) Interest and acquisition, defeasance, or
53 redemption premiums payable on securitized utility tariff
54 bonds;

55 (b) Any payment required under an ancillary agreement
56 and any amount required to fund or replenish a reserve
57 account or other accounts established under the terms of any
58 indenture, ancillary agreement, or other financing documents
59 pertaining to securitized utility tariff bonds;

60 (c) Any other cost related to issuing, supporting,
61 repaying, refunding, and servicing securitized utility
62 tariff bonds, including servicing fees, accounting and
63 auditing fees, trustee fees, legal fees, consulting fees,
64 structuring adviser fees, administrative fees, placement and
65 underwriting fees, independent director and manager fees,
66 capitalized interest, rating agency fees, stock exchange
67 listing and compliance fees, security registration fees,
68 filing fees, information technology programming costs, and
69 any other costs necessary to otherwise ensure the timely
70 payment of securitized utility tariff bonds or other amounts
71 or charges payable in connection with the bonds, including
72 costs related to obtaining the financing order;

73 (d) Any taxes and license fees or other fees imposed
74 on the revenues generated from the collection of the
75 securitized utility tariff charge or otherwise resulting
76 from the collection of securitized utility tariff charges,
77 in any such case whether paid, payable, or accrued;

78 (e) Any state and local taxes, franchise, gross
79 receipts, and other taxes or similar charges, including
80 commission assessment fees, whether paid, payable, or
81 accrued;

82 (f) Any costs associated with performance of the
83 commission's responsibilities under this section in
84 connection with approving, approving subject to conditions,
85 or rejecting a petition for a financing order, and in
86 performing its duties in connection with the issuance advice
87 letter process, including costs to retain counsel, one or

88 more financial advisors, or other consultants as deemed
89 appropriate by the commission and paid pursuant to this
90 section;

91 (9) "Financing order", an order from the commission
92 that authorizes the issuance of securitized utility tariff
93 bonds; the imposition, collection, and periodic adjustments
94 of a securitized utility tariff charge; the creation of
95 securitized utility tariff property; and the sale,
96 assignment, or transfer of securitized utility tariff
97 property to an assignee;

98 (10) "Financing party", bondholders and trustees,
99 collateral agents, any party under an ancillary agreement,
100 or any other person acting for the benefit of bondholders;

101 (11) "Financing statement", the same as defined in
102 article 9 of the code;

103 (12) "Pledgee", a financing party to which an
104 electrical corporation or its successors or assignees
105 mortgages, negotiates, pledges, or creates a security
106 interest or lien on all or any portion of its interest in or
107 right to securitized utility tariff property;

108 (13) "Qualified extraordinary costs", costs incurred
109 prudently before, on, or after August 28, 2021, of an
110 extraordinary nature which would cause extreme customer rate
111 impacts if reflected in retail customer rates recovered
112 through customary ratemaking, such as but not limited to
113 those related to purchases of fuel or power, inclusive of
114 carrying charges, during anomalous weather events;

115 (14) "Rate base cutoff date", the same as defined in
116 subdivision (4) of subsection 1 of section 393.1400 as such
117 term existed on August 28, 2021;

118 (15) "Securitized utility tariff bonds", bonds,
119 debentures, notes, certificates of participation,
120 certificates of beneficial interest, certificates of

121 ownership, or other evidences of indebtedness or ownership
122 that are issued by an electrical corporation or an assignee
123 pursuant to a financing order, the proceeds of which are
124 used directly or indirectly to recover, finance, or
125 refinance commission-approved securitized utility tariff
126 costs and financing costs, and that are secured by or
127 payable from securitized utility tariff property. If
128 certificates of participation or ownership are issued,
129 references in this section to principal, interest, or
130 premium shall be construed to refer to comparable amounts
131 under those certificates;

132 (16) "Securitized utility tariff charge", the amounts
133 authorized by the commission to repay, finance, or refinance
134 securitized utility tariff costs and financing costs and
135 that are, except as otherwise provided for in this section,
136 nonbypassable charges imposed on and part of all retail
137 customer bills, collected by an electrical corporation or
138 its successors or assignees, or a collection agent, in full,
139 separate and apart from the electrical corporation's base
140 rates, and paid by all existing or future retail customers
141 receiving electrical service from the electrical corporation
142 or its successors or assignees under commission-approved
143 rate schedules, except for customers receiving electrical
144 service under special contracts as of August 28, 2021, even
145 if a retail customer elects to purchase electricity from an
146 alternative electricity supplier following a fundamental
147 change in regulation of public utilities in this state;

148 (17) "Securitized utility tariff costs", either energy
149 transition costs or qualified extraordinary costs as the
150 case may be;

151 (18) "Securitized utility tariff property", all of the
152 following:

153 (a) All rights and interests of an electrical
154 corporation or successor or assignee of the electrical
155 corporation under a financing order, including the right to
156 impose, bill, charge, collect, and receive securitized
157 utility tariff charges authorized under the financing order
158 and to obtain periodic adjustments to such charges as
159 provided in the financing order;

160 (b) All revenues, collections, claims, rights to
161 payments, payments, money, or proceeds arising from the
162 rights and interests specified in the financing order,
163 regardless of whether such revenues, collections, claims,
164 rights to payment, payments, money, or proceeds are imposed,
165 billed, received, collected, or maintained together with or
166 commingled with other revenues, collections, rights to
167 payment, payments, money, or proceeds;

168 (19) "Special contract", electrical service provided
169 under the terms of a special incremental load rate schedule
170 at a fixed price rate approved by the commission.

171 2. (1) An electrical corporation may petition the
172 commission for a financing order to finance energy
173 transition costs through an issuance of securitized utility
174 tariff bonds. The petition shall include all of the
175 following:

176 (a) A description of the electric generating facility
177 or facilities that the electrical corporation has retired or
178 abandoned, or proposes to retire or abandon, prior to the
179 date that all undepreciated investment relating thereto has
180 been recovered through rates and the reasons for undertaking
181 such early retirement or abandonment, or if the electrical
182 corporation is subject to a separate commission order or
183 proceeding relating to such retirement or abandonment as
184 contemplated by subdivision (2) of this subsection, and a
185 description of the order or other proceeding;

186 (b) The energy transition costs;

187 (c) An indicator of whether the electrical corporation
188 proposes to finance all or a portion of the energy
189 transition costs using securitized utility tariff bonds. If
190 the electrical corporation proposes to finance a portion of
191 the costs, the electrical corporation shall identify the
192 specific portion in the petition. By electing not to
193 finance all or any portion of such energy transition costs
194 using securitized utility tariff bonds, an electrical
195 corporation shall not be deemed to waive its right to
196 recover such costs pursuant to a separate proceeding with
197 the commission;

198 (d) An estimate of the financing costs related to the
199 securitized utility tariff bonds;

200 (e) An estimate of the securitized utility tariff
201 charges necessary to recover the securitized utility tariff
202 costs and financing costs and the period for recovery of
203 such costs;

204 (f) A comparison between the net present value of the
205 costs to customers that are estimated to result from the
206 issuance of securitized utility tariff bonds and the costs
207 that would result from the application of the traditional
208 method of financing and recovering the undepreciated
209 investment of facilities that may become securitized utility
210 tariff costs from customers. The comparison should
211 demonstrate that the issuance of securitized utility tariff
212 bonds and the imposition of securitized utility tariff
213 charges are expected to provide quantifiable net present
214 value benefits to customers;

215 (g) A proposed future ratemaking process to reconcile
216 any differences between securitized utility tariff costs
217 financed by securitized utility tariff bonds and the final
218 securitized costs incurred by the electrical corporation or

219 assignee provided that any such reconciliation shall not
220 affect the amount of securitized utility tariff bonds or the
221 associated securitized utility tariff charges paid by
222 customers; and

223 (h) Direct testimony supporting the petition.

224 (2) An electrical corporation may petition the
225 commission for a financing order to finance qualified
226 extraordinary costs. The petition shall include all of the
227 following:

228 (a) A description of the qualified extraordinary
229 costs, including their magnitude, the reasons those costs
230 were incurred by the electrical corporation and the retail
231 customer rate impact that would result from customary
232 ratemaking treatment of such costs;

233 (b) An indicator of whether the electrical corporation
234 proposes to finance all or a portion of the qualified
235 extraordinary costs using securitized utility tariff bonds.
236 If the electrical corporation proposes to finance a portion
237 of the costs, the electrical corporation shall identify the
238 specific portion in the petition. By electing not to
239 finance all or any portion of such qualified extraordinary
240 costs using securitized utility tariff bonds, an electrical
241 corporation shall not be deemed to waive its right to
242 reflect such costs in its retail rates pursuant to a
243 separate proceeding with the commission;

244 (c) An estimate of the financing costs related to the
245 securitized utility tariff bonds;

246 (d) An estimate of the securitized utility tariff
247 charges necessary to recover the qualified extraordinary
248 costs and financing costs and the period for recovery of
249 such costs;

250 (e) A comparison between the net present value of the
251 costs to customers that are estimated to result from the

252 issuance of securitized utility tariff bonds and the costs
253 that would result from the application of the customary
254 method of financing and reflecting the qualified
255 extraordinary costs in retail customer rates. The
256 comparison should demonstrate that the issuance of
257 securitized utility tariff bonds and the imposition of
258 securitized utility tariff charges are expected to provide
259 quantifiable net present value benefits to retail customers;

260 (f) A proposed future ratemaking process to reconcile
261 any differences between securitized utility tariff costs
262 financed by securitized utility tariff bonds and the final
263 securitized costs incurred by the electrical corporation or
264 assignee provided that any such reconciliation shall not
265 affect the amount of securitized utility tariff bonds or the
266 associated securitized utility tariff charges paid by
267 customers; and

268 (g) Direct testimony supporting the petition.

269 (3) (a) Proceedings on a petition submitted pursuant
270 to this subsection begin with the petition by an electrical
271 corporation and shall be disposed of in accordance with the
272 requirements of this section and the rules of the
273 commission, except as follows:

274 a. The commission shall establish a procedural
275 schedule that permits a commission decision no later than
276 two hundred fifteen days after the date the petition is
277 filed;

278 b. No later than two hundred fifteen days after the
279 date the petition is filed, the commission shall issue a
280 financing order approving the petition, an order approving
281 the petition subject to conditions, or an order rejecting
282 the petition; provided, however, that the electrical
283 corporation shall provide notice of intent to file a

284 petition for a financing order to the commission no less
285 than sixty days in advance of such filing;

286 c. Judicial review of a financing order may be had
287 only in accordance with sections 386.500 and 386.510.

288 (b) In performing its responsibilities under this
289 section in approving, approving subject to conditions, or
290 rejecting a petition for a financing order, the commission
291 may retain counsel, one or more financial advisors, or other
292 consultants as it deems appropriate. Such outside counsel,
293 advisor or advisors, or consultants shall owe a duty of
294 loyalty solely to the commission and shall have no interest
295 in the proposed securitized utility tariff bonds. The costs
296 associated with any such engagements shall be paid by the
297 petitioning corporation and shall be included as financed
298 costs in the securitized utility tariff charge and shall not
299 be an obligation of the state and shall be assigned solely
300 to the subject transaction. The commission may directly
301 contract counsel, financial advisors, or other consultants
302 as necessary for effectuating the purposes of this section.
303 Such contracting procedures shall not be subject to the
304 provisions of chapter 34.

305 (c) A financing order issued by the commission, after
306 a hearing, to an electrical corporation shall include all of
307 the following elements:

308 a. The amount of securitized utility tariff costs to
309 be financed using securitized utility tariff bonds and a
310 finding that recovery of such costs is just and reasonable
311 and in the public interest. The commission shall describe
312 and estimate the amount of financing costs that may be
313 recovered through securitized utility tariff charges and
314 specify the period over which securitized utility tariff
315 costs and financing costs may be recovered;

316 b. A finding that the proposed issuance of securitized
317 utility tariff bonds and the imposition and collection of a
318 securitized utility tariff charge are just and reasonable
319 and in the public interest and are expected to provide
320 quantifiable net present value benefits to customers as
321 compared to recovery of the components of securitized
322 utility tariff costs that would have been incurred absent
323 the issuance of securitized utility tariff bonds.
324 Notwithstanding any provisions of this section to the
325 contrary, in considering whether to find the proposed
326 issuance of securitized utility tariff bonds and the
327 imposition and collection of a securitized utility tariff
328 charge are just and reasonable and in the public interest,
329 the commission may consider previous instances where it has
330 issued financing orders to the petitioning electrical
331 corporation and such electrical corporation has previously
332 issued securitized utility tariff bonds;

333 c. A finding that the proposed structuring and pricing
334 of the securitized utility tariff bonds are reasonably
335 expected to result in the lowest securitized utility tariff
336 charges consistent with market conditions at the time the
337 securitized utility tariff bonds are priced and the terms of
338 the financing order;

339 d. A requirement that, for so long as the securitized
340 utility tariff bonds are outstanding and until all financing
341 costs have been paid in full, the imposition and collection
342 of securitized utility tariff charges authorized under a
343 financing order shall be nonbypassable and paid by all
344 existing and future retail customers receiving electrical
345 service from the electrical corporation or its successors or
346 assignees under commission-approved rate schedules except
347 for customers receiving electrical service under special
348 contracts on August 28, 2021, even if a retail customer

349 elects to purchase electricity from an alternative electric
350 supplier following a fundamental change in regulation of
351 public utilities in this state;

352 e. A formula-based true-up mechanism for making, at
353 least annually, expeditious periodic adjustments in the
354 securitized utility tariff charges that customers are
355 required to pay pursuant to the financing order and for
356 making any adjustments that are necessary to correct for any
357 overcollection or undercollection of the charges or to
358 otherwise ensure the timely payment of securitized utility
359 tariff bonds and financing costs and other required amounts
360 and charges payable under the securitized utility tariff
361 bonds;

362 f. The securitized utility tariff property that is, or
363 shall be, created in favor of an electrical corporation or
364 its successors or assignees and that shall be used to pay or
365 secure securitized utility tariff bonds and approved
366 financing costs;

367 g. The degree of flexibility to be afforded to the
368 electrical corporation in establishing the terms and
369 conditions of the securitized utility tariff bonds,
370 including, but not limited to, repayment schedules, expected
371 interest rates, and other financing costs;

372 h. How securitized utility tariff charges will be
373 allocated among retail customer classes. The initial
374 allocation shall remain in effect until the electrical
375 corporation completes a general rate proceeding, and once
376 the commission's order from that general rate proceeding
377 becomes final, all subsequent applications of an adjustment
378 mechanism regarding securitized utility tariff charges shall
379 incorporate changes in the allocation of costs to customers
380 as detailed in the commission's order from the electrical
381 corporation's most recent general rate proceeding;

382 i. A requirement that, after the final terms of an
383 issuance of securitized utility tariff bonds have been
384 established and before the issuance of securitized utility
385 tariff bonds, the electrical corporation determines the
386 resulting initial securitized utility tariff charge in
387 accordance with the financing order, and that such initial
388 securitized utility tariff charge be final and effective
389 upon the issuance of such securitized utility tariff bonds
390 with such charge to be reflected on a compliance tariff
391 sheet bearing such charge;

392 j. A method of tracing funds collected as securitized
393 utility tariff charges, or other proceeds of securitized
394 utility tariff property, determining that such method shall
395 be deemed the method of tracing such funds and determining
396 the identifiable cash proceeds of any securitized utility
397 tariff property subject to a financing order under
398 applicable law;

399 k. A statement specifying a future ratemaking process
400 to reconcile any differences between the actual securitized
401 utility tariff costs financed by securitized utility tariff
402 bonds and the final securitized utility tariff costs
403 incurred by the electrical corporation or assignee provided
404 that any such reconciliation shall not affect the amount of
405 securitized utility tariff bonds or the associated
406 securitized utility tariff charges paid by customers;

407 l. A procedure that shall allow the electrical
408 corporation to earn a return, at the cost of capital
409 authorized from time to time by the commission in the
410 electrical corporation's rate proceedings, on any moneys
411 advanced by the electrical corporation to fund reserves, if
412 any, or capital accounts established under the terms of any
413 indenture, ancillary agreement, or other financing documents
414 pertaining to the securitized utility tariff bonds;

415 m. In a financing order granting authorization to
416 securitize energy transition costs or in a financing order
417 granting authorization to securitize qualified extraordinary
418 costs that include retired or abandoned facility costs, a
419 procedure for the treatment of accumulated deferred income
420 taxes and excess deferred income taxes in connection with
421 the retired or abandoned or to be retired or abandoned
422 electric generating facility, or in connection with retired
423 or abandoned facilities included in qualified extraordinary
424 costs. The accumulated deferred income taxes, including
425 excess deferred income taxes, shall be excluded from rate
426 base in future general rate cases and the net tax benefits
427 relating to amounts that will be recovered through the
428 issuance of securitized utility tariff bonds shall be
429 credited to retail customers by reducing the amount of such
430 securitized utility tariff bonds that would otherwise be
431 issued. The customer credit shall include the net present
432 value of the tax benefits, calculated using a discount rate
433 equal to the expected interest rate of the securitized
434 utility tariff bonds, for the estimated accumulated and
435 excess deferred income taxes at the time of securitization
436 including timing differences created by the issuance of
437 securitized utility tariff bonds amortized over the period
438 of the bonds multiplied by the expected interest rate on
439 such securitized utility tariff bonds;

440 n. An outside date, which shall not be earlier than
441 one year after the date the financing order is no longer
442 subject to appeal, when the authority to issue securitized
443 utility tariff bonds granted in such financing order shall
444 expire; and

445 o. Include any other conditions that the commission
446 considers appropriate and that are not inconsistent with
447 this section.

448 (d) A financing order issued to an electrical
449 corporation may provide that creation of the electrical
450 corporation's securitized utility tariff property is
451 conditioned upon, and simultaneous with, the sale or other
452 transfer of the securitized utility tariff property to an
453 assignee and the pledge of the securitized utility tariff
454 property to secure securitized utility tariff bonds.

455 (e) If the commission issues a financing order, the
456 electrical corporation shall file with the commission at
457 least annually a petition or a letter applying the formula-
458 based true-up mechanism and, based on estimates of
459 consumption for each rate class and other mathematical
460 factors, requesting administrative approval to make the
461 applicable adjustments. The review of the filing shall be
462 limited to determining whether there are any mathematical or
463 clerical errors in the application of the formula-based true-
464 up mechanism relating to the appropriate amount of any
465 overcollection or undercollection of securitized utility
466 tariff charges and the amount of an adjustment. The
467 adjustments shall ensure the recovery of revenues sufficient
468 to provide for the payment of principal, interest,
469 acquisition, defeasance, financing costs, or redemption
470 premium and other fees, costs, and charges in respect of
471 securitized utility tariff bonds approved under the
472 financing order. Within thirty days after receiving an
473 electrical corporation's request pursuant to this paragraph,
474 the commission shall either approve the request or inform
475 the electrical corporation of any mathematical or clerical
476 errors in its calculation. If the commission informs the
477 electrical corporation of mathematical or clerical errors in
478 its calculation, the electrical corporation shall correct
479 its error and refile its request. The time frames

480 previously described in this paragraph shall apply to a
481 refiled request.

482 (f) At the time of any transfer of securitized utility
483 tariff property to an assignee or the issuance of
484 securitized utility tariff bonds authorized thereby,
485 whichever is earlier, a financing order is irrevocable and,
486 except for changes made pursuant to the formula-based true-
487 up mechanism authorized in this section, the commission may
488 not amend, modify, or terminate the financing order by any
489 subsequent action or reduce, impair, postpone, terminate, or
490 otherwise adjust securitized utility tariff charges approved
491 in the financing order. After the issuance of a financing
492 order, the electrical corporation retains sole discretion
493 regarding whether to assign, sell, or otherwise transfer
494 securitized utility tariff property or to cause securitized
495 utility tariff bonds to be issued, including the right to
496 defer or postpone such assignment, sale, transfer, or
497 issuance.

498 (g) The commission, in a financing order and subject
499 to the issuance advice letter process under paragraph (h) of
500 this subdivision, shall specify the degree of flexibility to
501 be afforded the electrical corporation in establishing the
502 terms and conditions for the securitized utility tariff
503 bonds to accommodate changes in market conditions, including
504 repayment schedules, interest rates, financing costs,
505 collateral requirements, required debt service and other
506 reserves and the ability of the electrical corporation, at
507 its option, to effect a series of issuances of securitized
508 utility tariff bonds and correlated assignments, sales,
509 pledges, or other transfers of securitized utility tariff
510 property. Any changes made under this paragraph to terms
511 and conditions for the securitized utility tariff bonds
512 shall be in conformance with the financing order.

513 (h) As the actual structure and pricing of the
514 securitized utility tariff bonds will be unknown at the time
515 the financing order is issued, prior to the issuance of each
516 series of bonds, an issuance advice letter shall be provided
517 to the commission by the electrical corporation following
518 the determination of the final terms of such series of bonds
519 no later than one day after the pricing of the securitized
520 utility tariff bonds. The commission shall have the
521 authority to designate a representative or representatives
522 from commission staff, who may be advised by a financial
523 advisor or advisors contracted with the commission, to
524 provide input to the electrical corporation and collaborate
525 with the electrical corporation in all facets of the process
526 undertaken by the electrical corporation to place the
527 securitized utility tariff bonds to market so the
528 commission's representative or representatives can provide
529 the commission with an opinion on the reasonableness of the
530 pricing, terms, and conditions of the securitized utility
531 tariff bonds on an expedited basis. Neither the designated
532 representative or representatives from the commission staff
533 nor one or more financial advisors advising commission staff
534 shall have authority to direct how the electrical
535 corporation places the bonds to market although they shall
536 be permitted to attend all meetings convened by the
537 electrical corporation to address placement of the bonds to
538 market. The form of such issuance advice letter shall be
539 included in the financing order and shall indicate the final
540 structure of the securitized utility tariff bonds and
541 provide the best available estimate of total ongoing
542 financing costs. The issuance advice letter shall report
543 the initial securitized utility tariff charges and other
544 information specific to the securitized utility tariff bonds
545 to be issued, as the commission may require. Unless an

546 earlier date is specified in the financing order, the
547 electrical corporation may proceed with the issuance of the
548 securitized utility tariff bonds unless, prior to noon on
549 the fourth business day after the commission receives the
550 issuance advice letter, the commission issues a disapproval
551 letter directing that the bonds as proposed shall not be
552 issued and the basis for that disapproval. The financing
553 order may provide such additional provisions relating to the
554 issuance advice letter process as the commission considers
555 appropriate and as are not inconsistent with this section.

556 (4) (a) In performing the responsibilities of this
557 section in connection with the issuance of a financing
558 order, approving the petition, an order approving the
559 petition subject to conditions, or an order rejecting the
560 petition, the commission shall undertake due diligence as it
561 deems appropriate prior to the issuance of the order
562 regarding the petition pursuant to which the commission may
563 request additional information from the electrical
564 corporation and may engage one or more financial advisors,
565 one or more consultants, and counsel as the commission deems
566 necessary. Any financial advisor or advisors, counsel, and
567 consultants engaged by the commission shall have a fiduciary
568 duty with respect to the proposed issuance of securitized
569 utility bonds solely to the commission. All expenses
570 associated with such services shall be included as part of
571 the financing costs of the securitized utility tariff bonds
572 and shall be included in the securitized utility tariff
573 charge.

574 (b) If an electrical corporation's petition for a
575 financing order is denied or withdrawn, or for any reason
576 securitized utility tariff bonds are not issued, any costs
577 of retaining one or more financial advisors, one or more
578 consultants, and counsel on behalf of the commission shall

579 be paid by the petitioning electrical corporation and shall
580 be eligible for full recovery, including carrying costs, if
581 approved by the commission in the electrical corporation's
582 future rates.

583 (5) At the request of an electrical corporation, the
584 commission may commence a proceeding and issue a subsequent
585 financing order that provides for refinancing, retiring, or
586 refunding securitized utility tariff bonds issued pursuant
587 to the original financing order if the commission finds that
588 the subsequent financing order satisfies all of the criteria
589 specified in this section for a financing order. Effective
590 upon retirement of the refunded securitized utility tariff
591 bonds and the issuance of new securitized utility tariff
592 bonds, the commission shall adjust the related securitized
593 utility tariff charges accordingly.

594 (6) (a) A financing order remains in effect and
595 securitized utility tariff property under the financing
596 order continues to exist until securitized utility tariff
597 bonds issued pursuant to the financing order have been paid
598 in full or defeased and, in each case, all commission-
599 approved financing costs of such securitized utility tariff
600 bonds have been recovered in full.

601 (b) A financing order issued to an electrical
602 corporation remains in effect and unabated notwithstanding
603 the reorganization, bankruptcy, or other insolvency
604 proceedings, merger, or sale of the electrical corporation
605 or its successors or assignees.

606 3. (1) The commission may not, in exercising its
607 powers and carrying out its duties regarding any matter
608 within its authority, consider the securitized utility
609 tariff bonds issued pursuant to a financing order to be the
610 debt of the electrical corporation other than for federal
611 and state income tax purposes, consider the securitized

612 utility tariff charges paid under the financing order to be
613 the revenue of the electrical corporation for any purpose,
614 consider the securitized utility tariff costs or financing
615 costs specified in the financing order to be the costs of
616 the electrical corporation, nor may the commission determine
617 any action taken by an electrical corporation which is
618 consistent with the financing order to be unjust or
619 unreasonable, and section 386.300 shall not apply to the
620 issuance of securitized utility tariff bonds.

621 (2) Securitized utility tariff charges shall not be
622 utilized or accounted for in determining the electrical
623 corporation's average overall rate, as defined in section
624 393.1655 and as used to determine the maximum retail rate
625 impact limitations provided for by subsections 3 and 4 of
626 section 393.1655.

627 (3) No electrical corporation is required to file a
628 petition for a financing order under this section or
629 otherwise utilize this section. An electrical corporation's
630 decision not to file a petition for a financing order under
631 this section shall not be admissible in any commission
632 proceeding nor shall it be otherwise utilized or relied on
633 by the commission in any proceeding respecting the
634 electrical corporation's rates or its accounting, including,
635 without limitation, any general rate proceeding, fuel
636 adjustment clause docket, or proceedings relating to
637 accounting authority, whether initiated by the electrical
638 corporation or otherwise. The commission may not order or
639 otherwise directly or indirectly require an electrical
640 corporation to use securitized utility tariff bonds to
641 recover securitized utility tariff costs or to finance any
642 project, addition, plant, facility, extension, capital
643 improvement, equipment, or any other expenditure.

644 (4) The commission may not refuse to allow an
645 electrical corporation to recover securitized utility tariff
646 costs in an otherwise permissible fashion, or refuse or
647 condition authorization or approval of the issuance and sale
648 by an electrical corporation of securities or the assumption
649 by the electrical corporation of liabilities or obligations,
650 because of the potential availability of securitized utility
651 tariff bond financing.

652 (5) After the issuance of a financing order with or
653 without conditions, the electrical corporation retains sole
654 discretion regarding whether to cause the securitized
655 utility tariff bonds to be issued, including the right to
656 defer or postpone such sale, assignment, transfer, or
657 issuance. Nothing shall prevent the electrical corporation
658 from abandoning the issuance of securitized utility tariff
659 bonds under the financing order by filing with the
660 commission a statement of abandonment and the reasons
661 therefor; provided, that the electrical corporation's
662 abandonment decision shall not be deemed imprudent because
663 of the potential availability of securitized utility tariff
664 bond financing; and provided further, that an electrical
665 corporation's decision to abandon issuance of such bonds may
666 be raised by any party, including the commission, as a
667 reason the commission should not authorize, or should
668 modify, the rate-making treatment proposed by the electrical
669 corporation of the costs associated with the electric
670 generating facility that was the subject of a petition under
671 this section that would have been securitized as energy
672 transition costs had such abandonment decision not been
673 made, but only if the electrical corporation requests
674 nonstandard plant retirement treatment of such costs for
675 rate-making purposes.

676 (6) The commission may not, directly or indirectly,
677 utilize or consider the debt reflected by the securitized
678 utility tariff bonds in establishing the electrical
679 corporation's capital structure used to determine any
680 regulatory matter, including but not limited to the
681 electrical corporation's revenue requirement used to set its
682 rates.

683 (7) The commission may not, directly or indirectly,
684 consider the existence of securitized utility tariff bonds
685 or the potential use of securitized utility tariff bond
686 financing proceeds in determining the electrical
687 corporation's authorized rate of return used to determine
688 the electrical corporation's revenue requirement used to set
689 its rates.

690 4. The electric bills of an electrical corporation
691 that has obtained a financing order and caused securitized
692 utility tariff bonds to be issued shall comply with the
693 provisions of this subsection; however, the failure of an
694 electrical corporation to comply with this subsection does
695 not invalidate, impair, or affect any financing order,
696 securitized utility tariff property, securitized utility
697 tariff charge, or securitized utility tariff bonds. The
698 electrical corporation shall do the following:

699 (1) Explicitly reflect that a portion of the charges
700 on such bill represents securitized utility tariff charges
701 approved in a financing order issued to the electrical
702 corporation and, if the securitized utility tariff property
703 has been transferred to an assignee, shall include a
704 statement to the effect that the assignee is the owner of
705 the rights to securitized utility tariff charges and that
706 the electrical corporation or other entity, if applicable,
707 is acting as a collection agent or servicer for the
708 assignee. The tariff applicable to customers shall indicate

709 the securitized utility tariff charge and the ownership of
710 the charge;

711 (2) Include the securitized utility tariff charge on
712 each customer's bill as a separate line item and include
713 both the rate and the amount of the charge on each bill.

714 5. (1) (a) All securitized utility tariff property
715 that is specified in a financing order constitutes an
716 existing, present intangible property right or interest
717 therein, notwithstanding that the imposition and collection
718 of securitized utility tariff charges depends on the
719 electrical corporation, to which the financing order is
720 issued, performing its servicing functions relating to the
721 collection of securitized utility tariff charges and on
722 future electricity consumption. The property exists:

723 a. Regardless of whether or not the revenues or
724 proceeds arising from the property have been billed, have
725 accrued, or have been collected; and

726 b. Notwithstanding the fact that the value or amount
727 of the property is dependent on the future provision of
728 service to customers by the electrical corporation or its
729 successors or assignees and the future consumption of
730 electricity by customers.

731 (b) Securitized utility tariff property specified in a
732 financing order exists until securitized utility tariff
733 bonds issued pursuant to the financing order are paid in
734 full and all financing costs and other costs of such
735 securitized utility tariff bonds have been recovered in full.

736 (c) All or any portion of securitized utility tariff
737 property specified in a financing order issued to an
738 electrical corporation may be transferred, sold, conveyed,
739 or assigned to a successor or assignee that is wholly owned,
740 directly or indirectly, by the electrical corporation and
741 created for the limited purpose of acquiring, owning, or

742 administering securitized utility tariff property or issuing
743 securitized utility tariff bonds under the financing order.
744 All or any portion of securitized utility tariff property
745 may be pledged to secure securitized utility tariff bonds
746 issued pursuant to the financing order, amounts payable to
747 financing parties and to counterparties under any ancillary
748 agreements, and other financing costs. Any transfer, sale,
749 conveyance, assignment, grant of a security interest in or
750 pledge of securitized utility tariff property by an
751 electrical corporation, or an affiliate of the electrical
752 corporation, to an assignee, to the extent previously
753 authorized in a financing order, does not require the prior
754 consent and approval of the commission.

755 (d) If an electrical corporation defaults on any
756 required remittance of securitized utility tariff charges
757 arising from securitized utility tariff property specified
758 in a financing order, a court, upon application by an
759 interested party, and without limiting any other remedies
760 available to the applying party, shall order the
761 sequestration and payment of the revenues arising from the
762 securitized utility tariff property to the financing parties
763 or their assignees. Any such financing order remains in
764 full force and effect notwithstanding any reorganization,
765 bankruptcy, or other insolvency proceedings with respect to
766 the electrical corporation or its successors or assignees.

767 (e) The interest of a transferee, purchaser, acquirer,
768 assignee, or pledgee in securitized utility tariff property
769 specified in a financing order issued to an electrical
770 corporation, and in the revenue and collections arising from
771 that property, is not subject to setoff, counterclaim,
772 surcharge, or defense by the electrical corporation or any
773 other person or in connection with the reorganization,

774 bankruptcy, or other insolvency of the electrical
775 corporation or any other entity.

776 (f) Any successor to an electrical corporation,
777 whether pursuant to any reorganization, bankruptcy, or other
778 insolvency proceeding or whether pursuant to any merger or
779 acquisition, sale, or other business combination, or
780 transfer by operation of law, as a result of electrical
781 corporation restructuring or otherwise, shall perform and
782 satisfy all obligations of, and have the same rights under a
783 financing order as, the electrical corporation under the
784 financing order in the same manner and to the same extent as
785 the electrical corporation, including collecting and paying
786 to the person entitled to receive the revenues, collections,
787 payments, or proceeds of the securitized utility tariff
788 property. Nothing in this section is intended to limit or
789 impair any authority of the commission concerning the
790 transfer or succession of interests of public utilities.

791 (g) Securitized utility tariff bonds shall be
792 nonrecourse to the credit or any assets of the electrical
793 corporation other than the securitized utility tariff
794 property as specified in the financing order and any rights
795 under any ancillary agreement.

796 (2) (a) The creation, perfection, priority, and
797 enforcement of any security interest in securitized utility
798 tariff property to secure the repayment of the principal and
799 interest and other amounts payable in respect of securitized
800 utility tariff bonds, amounts payable under any ancillary
801 agreement and other financing costs are governed by this
802 section and not by the provisions of the code, except as
803 otherwise provided in this section.

804 (b) A security interest in securitized utility tariff
805 property is created, valid, and binding at the later of the
806 time:

- 807 a. The financing order is issued;
- 808 b. A security agreement is executed and delivered by
809 the debtor granting such security interest;
- 810 c. The debtor has rights in such securitized utility
811 tariff property or the power to transfer rights in such
812 securitized utility tariff property; or
- 813 d. Value is received for the securitized utility
814 tariff property.

815 The description of securitized utility tariff property in a
816 security agreement is sufficient if the description refers
817 to this section and the financing order creating the
818 securitized utility tariff property. A security interest
819 shall attach as provided in this paragraph without any
820 physical delivery of collateral or other act.

821 (c) Upon the filing of a financing statement with the
822 office of the secretary of state as provided in this
823 section, a security interest in securitized utility tariff
824 property shall be perfected against all parties having
825 claims of any kind in tort, contract, or otherwise against
826 the person granting the security interest, and regardless of
827 whether the parties have notice of the security interest.
828 Without limiting the foregoing, upon such filing a security
829 interest in securitized utility tariff property shall be
830 perfected against all claims of lien creditors, and shall
831 have priority over all competing security interests and
832 other claims other than any security interest previously
833 perfected in accordance with this section.

834 (d) The priority of a security interest in securitized
835 utility tariff property is not affected by the commingling
836 of securitized utility tariff charges with other amounts.
837 Any pledgee or secured party shall have a perfected security
838 interest in the amount of all securitized utility tariff
839 charges that are deposited in any cash or deposit account of

840 the qualifying electrical corporation in which securitized
841 utility tariff charges have been commingled with other funds
842 and any other security interest that may apply to those
843 funds shall be terminated when they are transferred to a
844 segregated account for the assignee or a financing party.

845 (e) No application of the formula-based true-up
846 mechanism as provided in this section will affect the
847 validity, perfection, or priority of a security interest in
848 or transfer of securitized utility tariff property.

849 (f) If a default occurs under the securitized utility
850 tariff bonds that are secured by a security interest in
851 securitized utility tariff property, the financing parties
852 or their representatives may exercise the rights and
853 remedies available to a secured party under the code,
854 including the rights and remedies available under part 6 of
855 article 9 of the code. The commission may also order
856 amounts arising from securitized utility tariff charges be
857 transferred to a separate account for the financing parties'
858 benefit, to which their lien and security interest shall
859 apply. On application by or on behalf of the financing
860 parties, the circuit court for the county or city in which
861 the electrical corporation's headquarters is located shall
862 order the sequestration and payment to them of revenues
863 arising from the securitized utility tariff charges.

864 (3) (a) Any sale, assignment, or other transfer of
865 securitized utility tariff property shall be an absolute
866 transfer and true sale of, and not a pledge of or secured
867 transaction relating to, the seller's right, title, and
868 interest in, to, and under the securitized utility tariff
869 property if the documents governing the transaction
870 expressly state that the transaction is a sale or other
871 absolute transfer other than for federal and state income
872 tax purposes. For all purposes other than federal and state

873 income tax purposes, the parties' characterization of a
874 transaction as a sale of an interest in securitized utility
875 tariff property shall be conclusive that the transaction is
876 a true sale and that ownership has passed to the party
877 characterized as the purchaser, regardless of whether the
878 purchaser has possession of any documents evidencing or
879 pertaining to the interest. A sale or similar outright
880 transfer of an interest in securitized utility tariff
881 property may occur only when all of the following have
882 occurred:

- 883 a. The financing order creating the securitized
884 utility tariff property has become effective;
- 885 b. The documents evidencing the transfer of
886 securitized utility tariff property have been executed by
887 the assignor and delivered to the assignee; and
- 888 c. Value is received for the securitized utility
889 tariff property.

890 After such a transaction, the securitized utility tariff
891 property is not subject to any claims of the transferor or
892 the transferor's creditors, other than creditors holding a
893 prior security interest in the securitized utility tariff
894 property perfected in accordance with this section.

895 (b) The characterization of the sale, assignment, or
896 other transfer as an absolute transfer and true sale and the
897 corresponding characterization of the property interest of
898 the purchaser shall not be affected or impaired by the
899 occurrence of any of the following factors:

- 900 a. Commingling of securitized utility tariff charges
901 with other amounts;
- 902 b. The retention by the seller of (i) a partial or
903 residual interest, including an equity interest, in the
904 securitized utility tariff property, whether direct or
905 indirect, or whether subordinate or otherwise, or (ii) the

906 right to recover costs associated with taxes, franchise
907 fees, or license fees imposed on the collection of
908 securitized utility tariff charges;

909 c. Any recourse that the purchaser may have against
910 the seller;

911 d. Any indemnification rights, obligations, or
912 repurchase rights made or provided by the seller;

913 e. The obligation of the seller to collect securitized
914 utility tariff charges on behalf of an assignee;

915 f. The transferor acting as the servicer of the
916 securitized utility tariff charges or the existence of any
917 contract that authorizes or requires the electrical
918 corporation, to the extent that any interest in securitized
919 utility tariff property is sold or assigned, to contract
920 with the assignee or any financing party that it will
921 continue to operate its system to provide service to its
922 customers, will collect amounts in respect of the
923 securitized utility tariff charges for the benefit and
924 account of such assignee or financing party, and will
925 account for and remit such amounts to or for the account of
926 such assignee or financing party;

927 g. The treatment of the sale, conveyance, assignment,
928 or other transfer for tax, financial reporting, or other
929 purposes;

930 h. The granting or providing to bondholders a
931 preferred right to the securitized utility tariff property
932 or credit enhancement by the electrical corporation or its
933 affiliates with respect to such securitized utility tariff
934 bonds;

935 i. Any application of the formula-based true-up
936 mechanism as provided in this section.

937 (c) Any right that an electrical corporation has in
938 the securitized utility tariff property before its pledge,

939 sale, or transfer or any other right created under this
940 section or created in the financing order and assignable
941 under this section or assignable pursuant to a financing
942 order is property in the form of a contract right or a chose
943 in action. Transfer of an interest in securitized utility
944 tariff property to an assignee is enforceable only upon the
945 later of:

- 946 a. The issuance of a financing order;
- 947 b. The assignor having rights in such securitized
948 utility tariff property or the power to transfer rights in
949 such securitized utility tariff property to an assignee;
- 950 c. The execution and delivery by the assignor of
951 transfer documents in connection with the issuance of
952 securitized utility tariff bonds; and
- 953 d. The receipt of value for the securitized utility
954 tariff property.

955 An enforceable transfer of an interest in securitized
956 utility tariff property to an assignee is perfected against
957 all third parties, including subsequent judicial or other
958 lien creditors, when a notice of that transfer has been
959 given by the filing of a financing statement in accordance
960 with subsection 7 of this section. The transfer is
961 perfected against third parties as of the date of filing.

962 (d) The priority of a transfer perfected under this
963 section is not impaired by any later modification of the
964 financing order or securitized utility tariff property or by
965 the commingling of funds arising from securitized utility
966 tariff property with other funds. Any other security
967 interest that may apply to those funds, other than a
968 security interest perfected under this section, is
969 terminated when they are transferred to a segregated account
970 for the assignee or a financing party. If securitized
971 utility tariff property has been transferred to an assignee

972 or financing party, any proceeds of that property shall be
973 held in trust for the assignee or financing party.

974 (e) The priority of the conflicting interests of
975 assignees in the same interest or rights in any securitized
976 utility tariff property is determined as follows:

977 a. Conflicting perfected interests or rights of
978 assignees rank according to priority in time of perfection.
979 Priority dates from the time a filing covering the transfer
980 is made in accordance with subsection 7 of this section;

981 b. A perfected interest or right of an assignee has
982 priority over a conflicting unperfected interest or right of
983 an assignee;

984 c. A perfected interest or right of an assignee has
985 priority over a person who becomes a lien creditor after the
986 perfection of such assignee's interest or right.

987 6. The description of securitized utility tariff
988 property being transferred to an assignee in any sale
989 agreement, purchase agreement, or other transfer agreement,
990 granted or pledged to a pledgee in any security agreement,
991 pledge agreement, or other security document, or indicated
992 in any financing statement is only sufficient if such
993 description or indication refers to the financing order that
994 created the securitized utility tariff property and states
995 that the agreement or financing statement covers all or part
996 of the property described in the financing order. This
997 section applies to all purported transfers of, and all
998 purported grants or liens or security interests in,
999 securitized utility tariff property, regardless of whether
1000 the related sale agreement, purchase agreement, other
1001 transfer agreement, security agreement, pledge agreement, or
1002 other security document was entered into, or any financing
1003 statement was filed.

1004 7. The secretary of state shall maintain any financing
1005 statement filed to perfect a sale or other transfer of
1006 securitized utility tariff property and any security
1007 interest in securitized utility tariff property under this
1008 section in the same manner that the secretary of state
1009 maintains financing statements filed under the code to
1010 perfect a security interest in collateral owned by a
1011 transmitting utility. Except as otherwise provided in this
1012 section, all financing statements filed pursuant to this
1013 section shall be governed by the provisions regarding
1014 financing statements and the filing thereof under the code,
1015 including part 5 of article 9 of the code. A security
1016 interest in securitized utility tariff property may be
1017 perfected only by the filing of a financing statement in
1018 accordance with this section, and no other method of
1019 perfection shall be effective. Notwithstanding any
1020 provision of the code to the contrary, a financing statement
1021 filed pursuant to this section is effective until a
1022 termination statement is filed under the code, and no
1023 continuation statement need be filed to maintain its
1024 effectiveness. A financing statement filed pursuant to this
1025 section may indicate that the debtor is a transmitting
1026 utility, and without regard to whether the debtor is an
1027 electrical corporation, an assignee or otherwise qualifies
1028 as a transmitting utility under the code, but the failure to
1029 make such indication shall not impair the duration and
1030 effectiveness of the financing statement.

1031 8. The law governing the validity, enforceability,
1032 attachment, perfection, priority, and exercise of remedies
1033 with respect to the transfer of an interest or right or the
1034 pledge or creation of a security interest in any securitized
1035 utility tariff property shall be the laws of this state.

1036 9. Neither the state nor its political subdivisions
1037 are liable on any securitized utility tariff bonds, and the
1038 bonds are not a debt or a general obligation of the state or
1039 any of its political subdivisions, agencies, or
1040 instrumentalities, nor are they special obligations or
1041 indebtedness of the state or any agency or political
1042 subdivision. An issue of securitized utility tariff bonds
1043 does not, directly, indirectly, or contingently, obligate
1044 the state or any agency, political subdivision, or
1045 instrumentality of the state to levy any tax or make any
1046 appropriation for payment of the securitized utility tariff
1047 bonds, other than in their capacity as consumers of
1048 electricity. All securitized utility tariff bonds shall
1049 contain on the face thereof a statement to the following
1050 effect: "Neither the full faith and credit nor the taxing
1051 power of the state of Missouri is pledged to the payment of
1052 the principal of, or interest on, this bond."

1053 10. All of the following entities may legally invest
1054 any sinking funds, moneys, or other funds in securitized
1055 utility tariff bonds:

1056 (1) Subject to applicable statutory restrictions on
1057 state or local investment authority, the state, units of
1058 local government, political subdivisions, public bodies, and
1059 public officers, except for members of the commission, the
1060 commission's technical advisory and other staff, or
1061 employees of the office of the public counsel;

1062 (2) Banks and bankers, savings and loan associations,
1063 credit unions, trust companies, savings banks and
1064 institutions, investment companies, insurance companies,
1065 insurance associations, and other persons carrying on a
1066 banking or insurance business;

1067 (3) Personal representatives, guardians, trustees, and
1068 other fiduciaries;

1069 (4) All other persons authorized to invest in bonds or
1070 other obligations of a similar nature.

1071 11. (1) The state and its agencies, including the
1072 commission, pledge and agree with bondholders, the owners of
1073 the securitized utility tariff property, and other financing
1074 parties that the state and its agencies will not take any
1075 action listed in this subdivision. This subdivision does
1076 not preclude limitation or alteration if full compensation
1077 is made by law for the full protection of the securitized
1078 utility tariff charges collected pursuant to a financing
1079 order and of the bondholders and any assignee or financing
1080 party entering into a contract with the electrical
1081 corporation. The prohibited actions are as follows:

1082 (a) Alter the provisions of this section, which
1083 authorize the commission to create an irrevocable contract
1084 right or chose in action by the issuance of a financing
1085 order, to create securitized utility tariff property, and
1086 make the securitized utility tariff charges imposed by a
1087 financing order irrevocable, binding, or nonbypassable
1088 charges for all existing and future retail customers of the
1089 electrical corporation except its existing special contract
1090 customers;

1091 (b) Take or permit any action that impairs or would
1092 impair the value of securitized utility tariff property or
1093 the security for the securitized utility tariff bonds or
1094 revises the securitized utility tariff costs for which
1095 recovery is authorized;

1096 (c) In any way impair the rights and remedies of the
1097 bondholders, assignees, and other financing parties;

1098 (d) Except for changes made pursuant to the formula-
1099 based true-up mechanism authorized under this section,
1100 reduce, alter, or impair securitized utility tariff charges
1101 that are to be imposed, billed, charged, collected, and

1102 remitted for the benefit of the bondholders, any assignee,
1103 and any other financing parties until any and all principal,
1104 interest, premium, financing costs and other fees, expenses,
1105 or charges incurred, and any contracts to be performed, in
1106 connection with the related securitized utility tariff bonds
1107 have been paid and performed in full.

1108 (2) Any person or entity that issues securitized
1109 utility tariff bonds may include the language specified in
1110 this subsection in the securitized utility tariff bonds and
1111 related documentation.

1112 12. An assignee or financing party is not an
1113 electrical corporation or person providing electric service
1114 by virtue of engaging in the transactions described in this
1115 section.

1116 13. If there is a conflict between this section and
1117 any other law regarding the attachment, assignment, or
1118 perfection, or the effect of perfection, or priority of,
1119 assignment or transfer of, or security interest in
1120 securitized utility tariff property, this section shall
1121 govern.

1122 14. If any provision of this section is held invalid
1123 or is invalidated, superseded, replaced, repealed, or
1124 expires for any reason, that occurrence does not affect the
1125 validity of any action allowed under this section which is
1126 taken by an electrical corporation, an assignee, a financing
1127 party, a collection agent, or a party to an ancillary
1128 agreement; and any such action remains in full force and
1129 effect with respect to all securitized utility tariff bonds
1130 issued or authorized in a financing order issued under this
1131 section before the date that such provision is held invalid
1132 or is invalidated, superseded, replaced, or repealed, or
1133 expires for any reason.