

SENATE AMENDMENT NO. _____

Offered by _____ of _____

Amend SS/SCS/Senate Bill No. 202, Page 1, Section TITLE, Line 4,

2 by inserting after "to" the following: "financing for"; and

3 Further amend said bill, pages 1-3, section 386.370, by
4 striking all of said section from the bill; and

5 Further amend said bill, pages 3-6, section 393.106, by
6 striking all of said section from the bill; and

7 Further amend said bill, pages 6-7, section 393.1620,
8 by striking all of said section from the bill; and

9 Further amend said bill, pages 7-40, section 393.1700,
10 by striking all of said section from the bill; and

11 Further amend said bill, pages 40-48, section 393.1705,
12 by striking all of said section from the bill; and

13 Further amend said bill, pages 48-52, section 393.1715,
14 by striking all of said section from the bill; and

15 Further amend said bill, pages 52-54, section 394.120,
16 by striking all of said section from the bill; and

17 Further amend said bill, pages 54-57, section 400.9-
18 109, by striking all of said section from the bill; and
19 inserting in lieu thereof the following:

20 "386.900. Sections 386.900 to 386.985 shall be known
21 and cited as the "Missouri Electricity Bill Reduction
22 Assistance Act" or "MO-EBRA".

23 386.910. As used in sections 386.900 to 386.985, the
24 following terms shall mean:

25 (1) "Ancillary agreement", any bond, insurance policy,
26 letter of credit, reserve account, surety bond, interest

rate lock or swap arrangement, hedging arrangement,
liquidity or credit support arrangement, or other financial
arrangement entered into in connection with MO-EBRA bonds
that is designed to promote the credit quality and
marketability of the MO-EBRA bonds or to mitigate the risk
of an increase in interest rates;

(2) "Assignee", any person to which an interest in MO-
EBRA property is sold, assigned, transferred, or conveyed,
other than as security, and any successor to or subsequent
assignee of such person;

(3) "Bondholder", any holder or owner of MO-EBRA bonds;

(4) "Commission", the Missouri public service
commission;

(5) "Customer", a person who takes electric
distribution or electric transmission service from an
electrical corporation for consumption of electricity in the
state;

(6) "Financing costs", if approved by the commission
in a financing order, costs to issue, service, repay, or
refinance MO-EBRA bonds, whether incurred or paid upon
issuance of the MO-EBRA bonds or over the life of the MO-
EBRA bonds, and includes:

(a) Principal, interest, and redemption premiums that
are payable on MO-EBRA bonds;

(b) Any payment required under an ancillary agreement
and any amount required to fund or replenish a reserve
account or other accounts established under the terms of any
indenture, ancillary agreement, or other financing document
pertaining to MO-EBRA bonds;

(c) Any other demonstrable costs related to issuing,
supporting, repaying, refunding, and servicing MO-EBRA bonds
including, but not limited to, servicing fees, accounting
and auditing fees, trustee fees, legal fees, consulting

fees, financial advisor fees, administrative fees, placement and underwriting fees, capitalized interest, rating agency fees, stock exchange listing and compliance fees, security registration fees, filing fees, information technology programming costs, and any other demonstrable costs necessary to otherwise ensure and guarantee the timely payment of MO-EBRA bonds or other amounts or charges payable in connection with MO-EBRA bonds;

(d) Any taxes and license fees imposed on the revenue generated from the collection of MO-EBRA charges;

(e) Any state and local taxes including franchise, sales and use, and other taxes or similar charges including, but not limited to, regulatory assessment fees, whether paid, payable, or accrued; and

(f) Any costs incurred by the commission to hire and compensate additional temporary staff needed to perform its responsibilities under sections 386.900 to 386.985 and engage specialized counsel and expert consultants experienced in securitized electrical corporation ratepayer-backed bond financing similar to MO-EBRA bonds;

(7) "Financing order", an order of the commission that approves, in whole or in part, an application filed under section 386.915 and that authorizes the issuance of MO-EBRA bonds in one or more series; the imposition, charging, and collection of MO-EBRA charges; and the creation of MO-EBRA property. In a financing order, the commission may include any conditions that are necessary to promote the public interest and may grant relief that is different from that which was requested in the application so long as the relief is within the scope of the matters addressed in the commission's notice of the application;

(8) "Financing party", holders of MO-EBRA bonds and trustees, collateral agents, any party under an ancillary

93 agreement, or any other person acting for the benefit of
94 holders of MO-EBRA bonds;

95 (9) "Least-cost generation resource", an incremental
96 supply-side or demand-side resource that, when included in
97 an electrical corporation's generation portfolio, produces
98 the lowest cost among alternative resources, considering
99 both short-term and long-term costs and assessing the
100 likelihood of changes in future fuel prices and future
101 environmental requirements, among other considerations;

102 (10) "Lowest cost objective", the structuring,
103 marketing, and pricing of MO-EBRA bonds that results in the
104 lowest MO-EBRA charges consistent with prevailing market
105 conditions on or about the time of pricing MO-EBRA bonds,
106 and the structure and terms of MO-EBRA bonds approved under
107 the financial order;

108 (11) "MO-EBRA", Missouri electricity bill reduction
109 assistance;

110 (12) "MO-EBRA bonds", low-cost corporate securities,
111 such as senior secured bonds, debentures, notes,
112 certificates of participation, certificates of beneficial
113 interest, certificates of ownership, or other evidences of
114 indebtedness or ownership that have a scheduled maturity of
115 no longer than thirty years and a final legal maturity date
116 that is no later than thirty-two years from the issue date,
117 that are rated AA or AA2 or better by a major independent
118 credit rating agency at the time of issuance, and that are
119 issued by an electrical corporation or an assignee under a
120 financing order, the proceeds of which are used to recover,
121 finance, or refinance commission-approved MO-EBRA costs and
122 financing costs, including assistance to affected workers
123 and communities, and that are secured by or payable from MO-
124 EBRA property. If certificates of participation or
125 ownership are issued, references in sections 386.900 to

126 386.980 to "principal", "interest", or "premium" refer to
127 comparable amounts under such certificates;

128 (13) "MO-EBRA charges", charges in amounts determined
129 appropriate by the commission and authorized by the
130 commission in a financing order to provide a source of
131 revenue solely to repay, finance, or refinance MO-EBRA costs
132 and financing costs that are imposed on, and are a part of,
133 all customer bills and are collected in full by the
134 electrical corporation to which the financing order applies,
135 by the electrical corporation's successors or assignees, or
136 by a collection agent through a non-bypassable charge that
137 is separate and apart from the electrical corporation's base
138 rates;

139 (14) "MO-EBRA costs":

140 (a) The pretax costs that the electrical corporation
141 has incurred, or will incur, that are caused by, associated
142 with, or remain as a result of the retirement of an electric
143 generating facility located in the state;

144 (b) The pretax costs that the electrical corporation
145 has incurred or will incur in constructing or acquiring
146 facilities and services, including least-cost generation
147 resources and other supply-side and demand-side resources;

148 (c) Any reasonable and necessary administrative and
149 operating costs as required by a financing order; and

150 (d) Do not include any monetary penalty, fine, or
151 forfeiture assessed against an electrical corporation by a
152 government agency or court under a federal or state
153 environmental statute, rule, or regulation;

154 (15) "MO-EBRA property":

155 (a) All rights and interests of an electrical
156 corporation, or successor or assignee of an electrical
157 corporation, under a financing order for the right to
158 impose, bill, collect, and receive MO-EBRA charges as it is

159 authorized to do so solely under the financing order, and to
160 obtain periodic adjustments to such MO-EBRA charges as
161 provided in the financing order; and

162 (b) All revenue, collections, claims, rights to
163 payment, payments, moneys, or proceeds arising from the
164 rights and interests, regardless of whether such revenue,
165 collections, claims, rights to payment, payments, moneys, or
166 proceeds are imposed, billed, received, collected, or
167 maintained together with or commingled with other revenue,
168 collections, rights to payment, payments, moneys, or
169 proceeds;

170 (16) "MO-EBRA revenue", all revenue, receipts,
171 collections, payments, moneys, claims, or other proceeds
172 arising from MO-EBRA property;

173 (17) "Non-bypassable", the payment of MO-EBRA charges
174 required to repay bonds and related costs that shall not be
175 avoided by any existing or future customer located within an
176 electrical corporation's certificated service territory, but
177 shall be paid by:

178 (a) All existing and future customers receiving
179 transmission or distribution service from the electrical
180 corporation or its successors or assignees under commission-
181 approved rate schedules or under special contracts, even if
182 a customer is in the future allowed and elects to purchase
183 electricity from an electric supplier other than the
184 electrical corporation; and

185 (b) Any person located within the electrical
186 corporation's certificated service territory that may
187 subsequently receive electric transmission or distribution
188 service from another electric utility operating in the same
189 service territory;

190 (18) "Pretax costs", include, but are not limited to,
191 the unrecovered capitalized cost of a retired electric

192 generating facility, costs of de-commissioning and restoring
193 the site of the electric generating facility, and other
194 applicable capital and operating costs, accrued carrying
195 charges, deferred expenses, reductions for applicable
196 insurance and salvage proceeds, and the costs of retiring
197 any existing indebtedness, fees, costs, and expenses to
198 modify existing debt agreements or for waivers or consents
199 related to existing debt agreements. Pretax costs include
200 only those costs and expenses approved by the commission;

201 (19) "Successor", with respect to any legal entity,
202 another legal entity that succeeds by operation of law to
203 the rights and obligations of the first legal entity under
204 any bankruptcy, reorganization, restructuring, other
205 insolvency proceeding, merger, acquisition, consolidation,
206 or sale or transfer of assets, whether any of these occur
207 due to a restructuring of the electric power industry or
208 otherwise.

209 386.915. 1. An electrical corporation may apply to
210 the commission for a financing order. In the application,
211 an electrical corporation may request approval to issue MO-
212 EBRA bonds in one or more series; impose, charge, and
213 collect MO-EBRA charges; and create MO-EBRA property related
214 to the retirement of an electric generating facility in
215 Missouri that has previously been approved by the
216 commission. The commission shall take final action to
217 approve, deny, or modify any application for a financing
218 order as described in subsection 2 of this section in a
219 final order issued in accordance with the commission's rules
220 for addressing applications.

221 2. In addition to any other information required by
222 the commission, an application for a financing order shall
223 include the following information:

224 (1) An estimated schedule for the retirement of any
225 facility, the costs of which are to be financed by the MO-
226 EBRA bond financing;

227 (2) A proposed methodology for allocating MO-EBRA
228 charges among customer classes;

229 (3) A description of the non-bypassable MO-EBRA
230 charges required to be paid by customers within the
231 electrical corporation's certificated service territory for
232 recovery of MO-EBRA costs;

233 (4) An estimate of the net present value of electrical
234 corporation customer savings expected to result if the
235 financing order is issued as determined by a net present
236 value comparison between the costs to customers that are
237 expected to result from the financing with MO-EBRA bonds and
238 the costs that would result from the application of
239 traditional electrical corporation financing mechanisms for
240 the same purposes; and

241 (5) One or more alternative financing scenarios in
242 addition to the preferred scenario contained in the
243 application.

244 386.920. 1. Following notice and a hearing on an
245 application for a financing order as required by the
246 commission's rules, practices, and procedures, the
247 commission may issue a financing order if the commission
248 finds that:

249 (1) The MO-EBRA costs described in the application are
250 reasonable;

251 (2) The proposed issuance of MO-EBRA bonds and the
252 imposition and collection of MO-EBRA charges:

253 (a) Are just and reasonable;

254 (b) Are consistent with the public interest; and

255 (c) Constitute a prudent and reasonable mechanism for
256 the financing MO-EBRA costs described in the financing order
257 application; and

258 (3) The proposed structuring, marketing, and pricing
259 of the MO-EBRA bonds are reasonably expected to:

260 (a) Lower net present value costs to customers or
261 mitigate rate impacts to customers relative to traditional
262 methods of financing; and

263 (b) Achieve the maximum net present value customer
264 savings over the specified amortization of MO-EBRA bonds, as
265 determined by the commission in a financing order,
266 consistent with market conditions at the time of sale and
267 the terms of the financing order.

268 2. The financing order shall:

269 (1) Determine the maximum amount of MO-EBRA costs that
270 may be financed from proceeds of MO-EBRA bonds authorized to
271 be issued by the financing order;

272 (2) To the extent an application requests financing as
273 a result of the retirement of an electric generating
274 facility located in the state provide that an amount of MO-
275 EBRA bond proceeds, up to fifteen percent of the net present
276 value of electrical corporation customer savings estimated
277 be provided by the electrical corporation to which the
278 financing order applies, shall be used for providing any
279 reasonable and necessary administrative and operating costs;

280 (3) Describe the proposed customer billing mechanism
281 for MO-EBRA charges and include a finding that the mechanism
282 is just and reasonable;

283 (4) Describe the financing costs that may be recovered
284 through MO-EBRA charges and the period over which the costs
285 may be recovered, which shall end no earlier than the date
286 of final legal maturity of the MO-EBRA bonds;

287 (5) Describe the MO-EBRA property that is created and
288 that may be used to pay, and secure the payment of, the MO-
289 EBRA bonds and financing costs authorized in the financing
290 order;

291 (6) Authorize the electrical corporation to finance MO-
292 EBRA costs through the issuance of one or more series of MO-
293 EBRA bonds, provided that an electrical corporation shall
294 not be required to secure a separate financing order for
295 each issuance of MO-EBRA bonds or for each scheduled phase
296 of the previously approved retirement of electric generating
297 facilities approved in the financing order;

298 (7) Include a mechanism for making expeditious
299 periodic adjustments in the MO-EBRA charges that customers
300 are required to pay under the financing order and for making
301 any adjustments that are necessary to correct for any over-
302 or under-collection of the MO-EBRA charges in past periods,
303 or otherwise to guarantee the timely payment of MO-EBRA
304 bonds and financing costs and other required amounts and
305 charges payable in connection with MO-EBRA bonds;

306 (8) Include any additional findings or conclusions
307 deemed appropriate by the commission, including those deemed
308 appropriate to achieve the lowest cost objective;

309 (9) Specify the degree of flexibility afforded to the
310 electrical corporation in establishing the terms and
311 conditions of the MO-EBRA bonds including, but not limited
312 to, repayment schedules, expected interest rates, and other
313 financing costs; provided that the scheduled final maturity
314 of the MO-EBRA bonds shall be the earlier of:

315 (a) Thirty years from the issue date of the MO-EBRA
316 bonds; or

317 (b) As late as possible, consistent with obtaining
318 triple A ratings on the MO-EBRA bonds while concurrently

ensuring that the lowest cost objective is achieved for the
MO-EBRA bonds;

(10) Specify the timing of actions required by the
order so that:

(a) The MO-EBRA bonds are issued as soon as feasible
following the issuance of the financing order, independent
of the schedule of closing and decommissioning of any
electric generating facility;

(b) Any energy assistance funds are made available as
soon as feasible; and

(c) The electrical corporation files to adjust its
rates as required in subsection 4 of this section
simultaneously with the inception of the MO-EBRA charges and
independently of the schedule of closing and decommissioning
of any electric generating facility; and

(11) Specify a future ratemaking process to reconcile
any difference between the projected pretax costs included
in the amount financed by MO-EBRA bonds and the final actual
MO-EBRA costs approved by the financing order. The
reconciliation may affect the electrical corporation's base
rates or any rider adopted under subsection 4 of this
section but shall not affect the amount of the MO-EBRA bonds
or the associated MO-EBRA charges to be paid by customers.

3. A financing order shall permit, and may require,
the creation of an electrical corporation's MO-EBRA property
under subdivision (5) of subsection 2 of this section to be
conditioned upon, and simultaneous with, the sale or other
transfer of the MO-EBRA property to an assignee and the
pledge of the MO-EBRA property to secure MO-EBRA bonds.

4. A financing order shall require the electrical
corporation, simultaneously with the imposition of MO-EBRA
charges, to reduce its rates through a reduction in base
rates or by a negative rider on customer bills in an amount

equal to the revenue requirement associated with the
electrical corporation's assets being financed by MO-EBRA
bonds.

386.925. 1. A financing order shall remain in effect
until the MO-EBRA bonds issued, as authorized by the
financing order, have been paid in full and all financing
costs relating to the MO-EBRA bonds have been paid in full.
A financing order shall also remain in effect and unabated
notwithstanding the bankruptcy, reorganization, or
insolvency of the electrical corporation to which the
financing order applies or any affiliate of the electrical
corporation or successor or assignee. A financing order
shall be irrevocable, and the commission shall not reduce,
impair, postpone, or terminate MO-EBRA charges approved in a
financing order or impair MO-EBRA property or the collection
or recovery of MO-EBRA revenue.

2. Notwithstanding subsection 1 of this section, upon
its own motion or at the request of an electrical
corporation or any other person, the commission may commence
a proceeding and issue a subsequent financing order that
provides for refinancing, retiring, or refunding MO-EBRA
bonds issued under the original financing order if:

(1) The commission determines that the subsequent
financing order meets the same criteria as specified in the
original financing order under subsection 2 of section
386.920; and

(2) The modification provided for in the subsequent
financing order does not impair in any way the covenants and
terms of the MO-EBRA bonds to be refinanced, retired, or
refunded.

386.930. 1. Except as otherwise provided in
subsection 2 of this section, if the commission, in
exercising its powers and carrying out its duties, issues a

385 financing order to an electrical corporation the commission
386 shall not:

387 (1) Consider the MO-EBRA bonds issued under the
388 financing order to be debt of the electrical corporation,
389 other than for income tax purposes, unless it is necessary
390 to consider the MO-EBRA bonds to be such debt to achieve
391 consistency with prevailing utility debt rating
392 methodologies;

393 (2) Consider the MO-EBRA charges paid under the
394 financing order to be revenue of the electrical corporation;

395 (3) Consider the MO-EBRA costs or financing costs
396 specified in the financing order to be the regulated costs
397 or assets of the electrical corporation; or

398 (4) Determine any prudent action taken by an
399 electrical corporation that is consistent with the financing
400 order to be unjust or unreasonable.

401 2. Nothing in subsection 1 of this section shall:

402 (1) Affect the authority of the commission to apply or
403 modify any billing mechanism designed to recover MO-EBRA
404 charges;

405 (2) Prevent or preclude the commission from
406 investigating the compliance of an electrical corporation
407 with the terms and conditions of a financing order and
408 requiring compliance with the financing order; or

409 (3) Prevent or preclude the commission from imposing
410 regulatory sanctions against an electrical corporation for
411 failure to comply with the terms and conditions of a
412 financing order or the requirements of sections 386.900 to
413 386.980.

414 3. The commission shall not refuse to allow the
415 recovery of any costs associated with the retirement of
416 electric generating facilities by an electrical corporation
417 solely because the electrical corporation has elected to

418 finance those activities through a financing mechanism other
419 than MO-EBRA bonds.

420 386.935. 1. In addition to any other power and duties
421 of the commission:

422 (1) The commission shall have the duty to perform, and
423 authority required to perform, comprehensive due diligence
424 in its evaluation of an application for a financing order
425 and shall have the duty and authority to oversee the process
426 used to structure, market, and price MO-EBRA bonds;

427 (2) The commission may attach such conditions to the
428 approval of a financing order as the commission deems
429 appropriate to maximize the financial benefits or minimize
430 the financial risks of the transaction to customers and to
431 directly-impacted Missouri communities;

432 (3) The commission may specify details of the process
433 used to structure, market, and price MO-EBRA bonds,
434 including the selection of the underwriter or underwriters;

435 (4) The commission shall review and determine the
436 reasonableness of all proposed up-front and ongoing
437 financing costs; and

438 (5) The commission shall ensure that the structuring,
439 marketing, and pricing of MO-EBRA bonds maximizes net
440 present value customer savings, consistent with market
441 conditions and the terms of the financing order.

442 2. Within one hundred twenty days after the issuance
443 of MO-EBRA bonds, the applicant electrical corporation shall
444 file with the commission information regarding the actual up-
445 front and ongoing financing costs of the MO-EBRA bonds. The
446 commission shall review the prudence of the electrical
447 corporation's action to determine whether the financing
448 costs resulted in the lowest overall costs that were
449 reasonably consistent with both market conditions at the
450 time of the sale of the MO-EBRA bonds and the terms of the

451 financing order. If the commission determines that the
452 electrical corporation's actions were not prudent, were not
453 designed to result in the lowest overall costs that were
454 reasonably consistent with both market conditions at the
455 time of the sale of the MO-EBRA bonds and the terms of the
456 financing order, or were inconsistent with the financing
457 order, the commission may apply any remedies that are
458 available to it; except that the commission shall not apply
459 any remedy that has the effect, directly or indirectly, of
460 impairing the security for the MO-EBRA bonds.

461 3. In performing its responsibilities under this
462 section, the commission shall engage outside financial
463 advisors, counsel, and other consultants with substantial
464 experience representing regulatory bodies in securitized
465 investor-owned electrical corporation ratepayer-backed bond
466 financing similar to MO-EBRA bonds. The expenses associated
467 with such engagement shall be included as financing costs
468 and included in MO-EBRA charges, shall not be an obligation
469 of the state, and shall be assigned solely to the
470 transaction. In addition, expenses incurred by the
471 commission to hire and compensate additional temporary staff
472 needed to perform such responsibilities shall be included as
473 financing costs and included in MO-EBRA charges.

474 4. If an electrical corporation's application for a
475 financing order is denied or withdrawn, or for any reason MO-
476 EBRA bonds are not issued, the commission's costs of
477 retaining expert consultants and counsel, as authorized by
478 subsection 3 of this section, shall be paid by the
479 electrical corporation and shall be considered by the
480 commission as a prudent deferred expense for recovery in the
481 electrical corporation's future rates.

482 386.940. A financing order is a final order of the
483 commission. Notwithstanding the provisions of any other

section of law specifying proper venue for petition filings,
a party aggrieved by the issuance of a financing order may
petition for suspension and review of the financing order
only in the court of appeals with jurisdiction coextensive
to the commission's location.

386.945. 1. The electric bills of customers of an
electrical corporation that has obtained a financing order
and issued MO-EBRA bonds shall:

(1) Explicitly reflect that a portion of the charges
on the bill represents MO-EBRA charges approved in a
financing order issued to the electrical corporation and, if
the MO-EBRA property has been transferred to an assignee or
successor, shall include a statement that the assignee or
successor is the owner of the rights to MO-EBRA charges and
that the electrical corporation or other entity, if
applicable, is acting as a collection agent or servicer for
the assignee or successor;

(2) Include the MO-EBRA charges on each customer's
bill as a separate line item titled "energy bill reduction
assistance charge" and may include both the rate and the
amount of the charge on each bill; however, the failure of
an electrical corporation to comply with this requirement
shall not invalidate, impair, or affect any financing order,
MO-EBRA property, MO-EBRA charges, or MO-EBRA bonds, but
shall subject the electrical corporation to penalties under
applicable commission rules; and

(3) Explain to customers, in an annual filing with the
commission, the rate impact that financing the retirement of
electric generating facilities and making capital investment
for facilities and services, including least-cost electric
generating facilities and other supply-side and demand-side
resources, has had on customer rates.

516 2. An electrical corporation that has obtained a
517 financing order and caused MO-EBRA bonds to be issued shall
518 demonstrate in an annual filing with the commission that MO-
519 EBRA revenues have been applied solely to the repayment of
520 MO-EBRA bonds and other financing costs.

521 386.950. 1. MO-EBRA property that is described in a
522 financing order shall constitute an existing present
523 property right or interest even though the imposition and
524 collection of MO-EBRA charges depends on the electrical
525 corporation to which the financing order is issued
526 performing its servicing functions relating to the
527 collection of MO-EBRA charges and on future electricity
528 consumption. The property right or interest exists
529 regardless of whether the revenues or proceeds arising from
530 the MO-EBRA property have been billed, have accrued, or have
531 been collected and notwithstanding the fact that the value
532 or amount of the property right or interest is dependent on
533 the future provision of service to customers by the
534 electrical corporation or a successor or assignee of the
535 electrical corporation.

536 2. MO-EBRA property described in a financing order
537 shall exist until all MO-EBRA bonds issued under the
538 financing order are paid in full and all financing costs and
539 other costs of the MO-EBRA bonds have been recovered in full.

540 3. All or any portion of MO-EBRA property described in
541 a financing order issued to an electrical corporation may be
542 transferred, sold, conveyed, or assigned to a successor or
543 assignee that is wholly owned, directly or indirectly, by
544 the electrical corporation and is created for the limited
545 purpose of acquiring, owning, or administering MO-EBRA
546 property or issuing MO-EBRA bonds as authorized by the
547 financing order. All or any portion of MO-EBRA property may
548 be pledged to secure MO-EBRA bonds issued under a financing

order, amounts payable to financing parties and to counterparties under any ancillary agreements, and other financing costs. Each transfer, sale, conveyance, assignment, or pledge by an electrical corporation, or an affiliate of an electrical corporation, is a transaction in the ordinary course of business.

4. If an electrical corporation defaults on any required remittance of charges arising from MO-EBRA property described in a financing order, a court, upon application by an interested party and without limiting any other remedies available to the applying party, shall order the sequestration and payment of the revenues arising from the MO-EBRA property to the financing parties. Any financing order shall remain in full force and effect notwithstanding any reorganization, bankruptcy, or other insolvency proceedings with respect to the electrical corporation or its successors or assignees.

5. The interest of a transferee, purchaser, acquirer, assignee, or pledgee in MO-EBRA property specified in a financing order issued to an electrical corporation, and in the revenue and collections arising from that property, is not subject to setoff, counterclaim, surcharge, or defense by the electrical corporation or any other person or in connection with the reorganization, bankruptcy, or other insolvency of the electrical corporation or any other entity.

6. A successor to an electrical corporation, whether pursuant to any reorganization, bankruptcy, or other insolvency proceeding or whether pursuant to any merger or acquisition, sale, other business combination, or transfer by operation of law, as a result of electrical corporation restructuring or otherwise, shall perform and satisfy all obligations of, and have the same duties and rights under a financing order as, the electrical corporation to which the

582 financing order applies, and shall perform the duties and
583 exercise the rights in the same manner and to the same
584 extent as the electrical corporation, including collecting
585 and paying to any person entitled to receive the revenues,
586 collections, payments, or proceeds of MO-EBRA property
587 described in the financing order.

588 386.955. 1. Banks, trust companies, savings and loan
589 associations, insurance companies, executors,
590 administrators, guardians, trustees, and other fiduciaries
591 may legally invest any moneys within their control in MO-
592 EBRA bonds. Political subdivisions may invest public funds
593 in MO-EBRA bonds. Within the maturity parameters
594 established for the investment of state funds by the state
595 treasurer's office, MO-EBRA bonds are eligible for
596 investment of state moneys.

597 2. MO-EBRA bonds issued under a financing order are
598 not debt of, or a pledge of, the faith and credit or taxing
599 power of the state; any agency of the state; or any county,
600 municipality, or other political subdivision of the state.
601 Holders of MO-EBRA bonds have no right to have taxes levied
602 by the state or by any county, municipality, or other
603 political subdivision of the state for the payment of the
604 principal or interest on MO-EBRA bonds. The issuance of MO-
605 EBRA bonds shall not directly, indirectly, or contingently
606 obligate the state, or a political subdivision of the state,
607 to levy any tax or make any appropriation for payment of
608 principal or interest on the MO-EBRA bonds.

609 3. The state, or any political subdivision thereof,
610 shall not:

611 (1) Take or permit any action that impairs the value
612 of MO-EBRA property; or

613 (2) Reduce, alter, or impair MO-EBRA charges that are
614 imposed, collected, and remitted for the benefit of holders

of MO-EBRA bonds, any assignee or successor, and any financing parties, until any principal, interest, and redemption premium payable on MO-EBRA bonds, all financing costs, and all amounts to be paid to an assignee, a successor, or financing party under an ancillary agreement are paid in full.

4. There shall be no local or state taxes imposed on interest income earned by holders of MO-EBRA bonds.

386.960. An assignee or financing party that is not regulated by the commission shall not become subject to commission regulation solely as a result of engaging in any transaction authorized by or described in sections 386.900 to 386.985.

386.965. 1. If any provision of sections 386.900 to 386.985 conflicts with any other law regarding the attachment, assignment, perfection, effect of perfection, or priority of any security interest in or transfer of MO-EBRA property, sections 386.900 to 386.985 shall govern.

2. Effective on the date that MO-EBRA bonds are first issued, if any provision of sections 386.900 to 386.985 is held to be invalid or is invalidated, such invalidation shall not affect any action allowed under sections 386.900 to 386.985 that was lawfully taken by the commission, an electrical corporation, an assignee, a collection agent, a financing party, a bondholder, or a party to an ancillary agreement before the occurrence, and any such action remains in full force and effect.

3. Nothing in sections 386.900 to 386.985 precludes an electrical corporation for which the commission has initially issued a financing order from applying to the commission for:

(1) A subsequent financing order amending an existing financing order; or

648 (2) An order approving the issuance of MO-EBRA bonds
649 to refund all or a portion of an outstanding series of MO-
650 EBRA bonds.

651 386.970. All of the following apply to any security
652 interest in a MO-EBRA property to secure the repayment of
653 the principal and interest on MO-EBRA bonds, amounts payable
654 under any ancillary agreement, and other financing costs:

655 (1) The description or indication of MO-EBRA property
656 in a transfer or security agreement and a financing
657 statement is sufficient only if the description or
658 indication refers to sections 386.900 to 386.985 and the
659 financing order creating the MO-EBRA property;

660 (2) A security interest in MO-EBRA property is
661 created, valid, and binding as soon as all of the following
662 events have occurred:

663 (a) The financing order that describes the MO-EBRA
664 property is issued;

665 (b) A security agreement is executed and delivered; and

666 (c) Value is received for the MO-EBRA bonds;

667 (3) Once a security interest in MO-EBRA property is
668 created under subdivision (2) of this subsection, the
669 security interest attaches without any physical delivery of
670 collateral or any other act. The lien of the security
671 interest is valid, binding, and perfected against all
672 parties having claims of any kind in tort, contract, or
673 otherwise against the person granting the security interest,
674 regardless of whether such parties have notice of the lien,
675 but only upon the filing of a financing statement with the
676 commission. The commission shall maintain a financing
677 statement filed under this subdivision;

678 (4) A security interest in MO-EBRA property is a
679 continuously perfected security interest and shall have
680 priority over any other lien, created by operation of law or

681 otherwise, which may subsequently attach to the MO-EBRA
682 property unless the holder of the security interest has
683 agreed in writing otherwise;

684 (5) An electrical corporation shall separate MO-EBRA
685 property or revenue from other incoming moneys as soon as
686 practicable. The electrical corporation shall avoid
687 commingling of MO-EBRA and non-MO-EBRA moneys if possible.
688 The priority of a security interest in MO-EBRA property
689 shall not be affected by the commingling of MO-EBRA property
690 or MO-EBRA revenue with other moneys. An assignee,
691 bondholder, or financing party shall have a perfected
692 security interest in the amount of all MO-EBRA property or
693 MO-EBRA revenue that is pledged for the payment of MO-EBRA
694 bonds, even if the MO-EBRA property or MO-EBRA revenue is
695 deposited in a cash or deposit account of the electrical
696 corporation in which the MO-EBRA revenue is commingled with
697 other moneys, and any other security interest that applies
698 to the other moneys does not apply to the MO-EBRA revenue;
699 and

700 (6) Neither a subsequent order of the commission
701 amending a financing order nor application of an adjustment
702 mechanism shall affect the validity, perfection, or priority
703 of a security interest in or transfer of MO-EBRA property.

704 386.975. 1. A sale, assignment, or transfer of MO-
705 EBRA property is an absolute transfer and true sale of, and
706 not a pledge of or secured transaction relating to, the
707 seller's right, title, and interest in, to, and under the MO-
708 EBRA property if the documents governing the transaction
709 expressly state that the transaction is a sale or other
710 absolute transfer. A transfer of an interest in MO-EBRA
711 property may be created only when all of the following have
712 occurred:

713 (1) The financing order creating and describing the MO-
714 EBRA property has become effective;

715 (2) The documents evidencing the transfer of the MO-
716 EBRA property have been executed and delivered to the
717 assignee; and

718 (3) Value has been received.

719 2. Upon the filing of a financing statement with the
720 commission, a transfer of an interest in MO-EBRA property is
721 perfected against all third persons, including any judicial
722 lien or other lien creditors, or any claims of the seller or
723 creditors of the seller, other than creditors holding a
724 prior security interest, ownership interest, or assignment
725 in the MO-EBRA property previously perfected.

726 3. The characterization of a sale, assignment, or
727 transfer as an absolute transfer and true sale and the
728 corresponding characterization of the property interest of
729 the assignee shall not be affected or impaired by the
730 existence or occurrence of any of the following:

731 (1) Commingling of MO-EBRA revenue with other moneys;

732 (2) The retention by the seller of a partial or
733 residual interest, including an equity interest, in the MO-
734 EBRA property, whether direct or indirect, or whether
735 subordinate or otherwise; or the right to recover costs
736 associated with taxes, franchise fees, or license fees
737 imposed on the collection of MO-EBRA revenue;

738 (3) Any indemnification rights, obligations, or
739 repurchase rights made or provided by the seller;

740 (4) An obligation of the seller to collect MO-EBRA
741 revenues on behalf of an assignee;

742 (5) The treatment of the sale, assignment, or transfer
743 for tax, financial reporting, or other purposes;

744 (6) Any subsequent financing order amending a
745 financing order; or

746 (7) Any application of an adjustment mechanism as
747 authorized by subdivision (7) of subsection 2 of section
748 386.920.

749 386.980. 1. Subject to commission approval of an
750 application under subsection 2 of this section, as provided
751 in a financing order, an electrical corporation may expend
752 or invest MO-EBRA bond proceeds in a manner that
753 demonstrably benefits ratepayer interests as follows:

754 (1) To purchase power to replace electricity generated
755 by the electric generating facilities that were retired if
756 the commission determines that the purchased power is a
757 least-cost generation resource and is consistent with the
758 electrical corporation's approved integrated resource plan;

759 (2) To build and own generation facilities that are
760 least-cost generation resources, the addition of which is
761 not inconsistent with the electrical corporation's approved
762 integrated resource plan;

763 (3) To build, own, or purchase electricity storage
764 capacity to the extent that such investment is either
765 required by law or rule or is needed to increase the amount
766 of least-cost generation resources in the general portfolio
767 of the electrical corporation;

768 (4) To help customers invest in energy efficiency,
769 including financing assistance;

770 (5) To invest in network modernization to the extent
771 that the modernization is necessary to increase the amount
772 of least-cost generation resources able to be added to the
773 electrical corporation's system; except that proceeds shall
774 not be used for new transmission facilities; and

775 (6) To refinance any outstanding debt at a lower true
776 interest cost in such a way that lowers customer rates.

777 2. In considering any application for approval of the
778 use of MO-EBRA bond proceeds under subsection 1 of this

779 section, the commission shall use its regular process for
780 consideration of applications.

781 386.985. The commission shall have the authority to
782 promulgate rules to implement the provisions of sections
783 386.900 to 386.980. Any rule or portion of a rule, as that
784 term is defined in section 536.010, that is created under
785 the authority delegated in this section shall become
786 effective only if it complies with and is subject to all of
787 the provisions of chapter 536 and, if applicable, section
788 536.028. This section and chapter 536 are nonseverable and
789 if any of the powers vested with the general assembly
790 pursuant to chapter 536 to review, to delay the effective
791 date, or to disapprove and annul a rule are subsequently
792 held unconstitutional, then the grant of rulemaking
793 authority and any rule proposed or adopted after August 28,
794 2021, shall be invalid and void."; and

795 Further amend the title and enacting clause accordingly.