

# 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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

91 (8) "Financing party", holders of MO-EBRA bonds and  
92 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

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

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

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

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

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

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

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

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

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

355 386.925. 1. A financing order shall remain in effect  
356 until the MO-EBRA bonds issued, as authorized by the  
357 financing order, have been paid in full and all financing  
358 costs relating to the MO-EBRA bonds have been paid in full.  
359 A financing order shall also remain in effect and unabated  
360 notwithstanding the bankruptcy, reorganization, or  
361 insolvency of the electrical corporation to which the  
362 financing order applies or any affiliate of the electrical  
363 corporation or successor or assignee. A financing order  
364 shall be irrevocable, and the commission shall not reduce,  
365 impair, postpone, or terminate MO-EBRA charges approved in a  
366 financing order or impair MO-EBRA property or the collection  
367 or recovery of MO-EBRA revenue.

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

374 (1) The commission determines that the subsequent  
375 financing order meets the same criteria as specified in the  
376 original financing order under subsection 2 of section  
377 386.920; and

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

382 386.930. 1. Except as otherwise provided in  
383 subsection 2 of this section, if the commission, in  
384 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

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

489 386.945. 1. The electric bills of customers of an  
490 electrical corporation that has obtained a financing order  
491 and issued MO-EBRA bonds shall:

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

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

510 (3) Explain to customers, in an annual filing with the  
511 commission, the rate impact that financing the retirement of  
512 electric generating facilities and making capital investment  
513 for facilities and services, including least-cost electric  
514 generating facilities and other supply-side and demand-side  
515 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

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

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

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

574 6. A successor to an electrical corporation, whether  
575 pursuant to any reorganization, bankruptcy, or other  
576 insolvency proceeding or whether pursuant to any merger or  
577 acquisition, sale, other business combination, or transfer  
578 by operation of law, as a result of electrical corporation  
579 restructuring or otherwise, shall perform and satisfy all  
580 obligations of, and have the same duties and rights under a  
581 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

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

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

623 386.960. An assignee or financing party that is not  
624 regulated by the commission shall not become subject to  
625 commission regulation solely as a result of engaging in any  
626 transaction authorized by or described in sections 386.900  
627 to 386.985.

628 386.965. 1. If any provision of sections 386.900 to  
629 386.985 conflicts with any other law regarding the  
630 attachment, assignment, perfection, effect of perfection, or  
631 priority of any security interest in or transfer of MO-EBRA  
632 property, sections 386.900 to 386.985 shall govern.

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

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

646 (1) A subsequent financing order amending an existing  
647 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.