

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.

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*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2 393.1700, RSMo, are repealed and six new sections enacted in  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.