

SENATE BILL NO. 837

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR CIERPIOT.

3786S.01I

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 393.1700, RSMo, and to enact in lieu thereof one new section relating to certain financing orders by the public service commission.

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

Section A. Section 393.1700, RSMo, is repealed and one
2 new section enacted in lieu thereof, to be known as section
3 393.1700, to read as follows:

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, however, the commission shall**
305 **establish a policy for the bid process. Such policy shall**
306 **be publicly available and any information related to**
307 **contracts under the established policy shall be included in**
308 **publicly available rate case documentation.**

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

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

320 b. A finding that the proposed issuance of securitized
321 utility tariff bonds and the imposition and collection of a
322 securitized utility tariff charge are just and reasonable
323 and in the public interest and are expected to provide
324 quantifiable net present value benefits to customers as
325 compared to recovery of the components of securitized
326 utility tariff costs that would have been incurred absent
327 the issuance of securitized utility tariff bonds.

328 Notwithstanding any provisions of this section to the
329 contrary, in considering whether to find the proposed
330 issuance of securitized utility tariff bonds and the
331 imposition and collection of a securitized utility tariff
332 charge are just and reasonable and in the public interest,
333 the commission may consider previous instances where it has
334 issued financing orders to the petitioning electrical

335 corporation and such electrical corporation has previously
336 issued securitized utility tariff bonds;

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

343 d. A requirement that, for so long as the securitized
344 utility tariff bonds are outstanding and until all financing
345 costs have been paid in full, the imposition and collection
346 of securitized utility tariff charges authorized under a
347 financing order shall be nonbypassable and paid by all
348 existing and future retail customers receiving electrical
349 service from the electrical corporation or its successors or
350 assignees under commission-approved rate schedules except
351 for customers receiving electrical service under special
352 contracts on August 28, 2021, even if a retail customer
353 elects to purchase electricity from an alternative electric
354 supplier following a fundamental change in regulation of
355 public utilities in this state;

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

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

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

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

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

396 j. A method of tracing funds collected as securitized
397 utility tariff charges, or other proceeds of securitized

398 utility tariff property, determining that such method shall
399 be deemed the method of tracing such funds and determining
400 the identifiable cash proceeds of any securitized utility
401 tariff property subject to a financing order under
402 applicable law;

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

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

419 m. In a financing order granting authorization to
420 securitize energy transition costs or in a financing order
421 granting authorization to securitize qualified extraordinary
422 costs that include retired or abandoned facility costs, a
423 procedure for the treatment of accumulated deferred income
424 taxes and excess deferred income taxes in connection with
425 the retired or abandoned or to be retired or abandoned
426 electric generating facility, or in connection with retired
427 or abandoned facilities included in qualified extraordinary
428 costs. The accumulated deferred income taxes, including
429 excess deferred income taxes, shall be excluded from rate

430 base in future general rate cases and the net tax benefits
431 relating to amounts that will be recovered through the
432 issuance of securitized utility tariff bonds shall be
433 credited to retail customers by reducing the amount of such
434 securitized utility tariff bonds that would otherwise be
435 issued. The customer credit shall include the net present
436 value of the tax benefits, calculated using a discount rate
437 equal to the expected interest rate of the securitized
438 utility tariff bonds, for the estimated accumulated and
439 excess deferred income taxes at the time of securitization
440 including timing differences created by the issuance of
441 securitized utility tariff bonds amortized over the period
442 of the bonds multiplied by the expected interest rate on
443 such securitized utility tariff bonds;

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

449 o. Include any other conditions that the commission
450 considers appropriate and that are not inconsistent with
451 this section.

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

459 (e) If the commission issues a financing order, the
460 electrical corporation shall file with the commission at
461 least annually a petition or a letter applying the formula-

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

486 (f) At the time of any transfer of securitized utility
487 tariff property to an assignee or the issuance of
488 securitized utility tariff bonds authorized thereby,
489 whichever is earlier, a financing order is irrevocable and,
490 except for changes made pursuant to the formula-based true-
491 up mechanism authorized in this section, the commission may
492 not amend, modify, or terminate the financing order by any
493 subsequent action or reduce, impair, postpone, terminate, or

494 otherwise adjust securitized utility tariff charges approved
495 in the financing order. After the issuance of a financing
496 order, the electrical corporation retains sole discretion
497 regarding whether to assign, sell, or otherwise transfer
498 securitized utility tariff property or to cause securitized
499 utility tariff bonds to be issued, including the right to
500 defer or postpone such assignment, sale, transfer, or
501 issuance.

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

517 (h) As the actual structure and pricing of the
518 securitized utility tariff bonds will be unknown at the time
519 the financing order is issued, prior to the issuance of each
520 series of bonds, an issuance advice letter shall be provided
521 to the commission by the electrical corporation following
522 the determination of the final terms of such series of bonds
523 no later than one day after the pricing of the securitized
524 utility tariff bonds. The commission shall have the
525 authority to designate a representative or representatives

526 from commission staff, who may be advised by a financial
527 advisor or advisors contracted with the commission, to
528 provide input to the electrical corporation and collaborate
529 with the electrical corporation in all facets of the process
530 undertaken by the electrical corporation to place the
531 securitized utility tariff bonds to market so the
532 commission's representative or representatives can provide
533 the commission with an opinion on the reasonableness of the
534 pricing, terms, and conditions of the securitized utility
535 tariff bonds on an expedited basis. Neither the designated
536 representative or representatives from the commission staff
537 nor one or more financial advisors advising commission staff
538 shall have authority to direct how the electrical
539 corporation places the bonds to market although they shall
540 be permitted to attend all meetings convened by the
541 electrical corporation to address placement of the bonds to
542 market. The form of such issuance advice letter shall be
543 included in the financing order and shall indicate the final
544 structure of the securitized utility tariff bonds and
545 provide the best available estimate of total ongoing
546 financing costs. The issuance advice letter shall report
547 the initial securitized utility tariff charges and other
548 information specific to the securitized utility tariff bonds
549 to be issued, as the commission may require. Unless an
550 earlier date is specified in the financing order, the
551 electrical corporation may proceed with the issuance of the
552 securitized utility tariff bonds unless, prior to noon on
553 the fourth business day after the commission receives the
554 issuance advice letter, the commission issues a disapproval
555 letter directing that the bonds as proposed shall not be
556 issued and the basis for that disapproval. The financing
557 order may provide such additional provisions relating to the

558 issuance advice letter process as the commission considers
559 appropriate and as are not inconsistent with this section.

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

578 (b) If an electrical corporation's petition for a
579 financing order is denied or withdrawn, or for any reason
580 securitized utility tariff bonds are not issued, any costs
581 of retaining one or more financial advisors, one or more
582 consultants, and counsel on behalf of the commission shall
583 be paid by the petitioning electrical corporation and shall
584 be eligible for full recovery, including carrying costs, if
585 approved by the commission in the electrical corporation's
586 future rates.

587 (5) At the request of an electrical corporation, the
588 commission may commence a proceeding and issue a subsequent
589 financing order that provides for refinancing, retiring, or

590 refunding securitized utility tariff bonds issued pursuant
591 to the original financing order if the commission finds that
592 the subsequent financing order satisfies all of the criteria
593 specified in this section for a financing order. Effective
594 upon retirement of the refunded securitized utility tariff
595 bonds and the issuance of new securitized utility tariff
596 bonds, the commission shall adjust the related securitized
597 utility tariff charges accordingly.

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

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

610 3. (1) The commission may not, in exercising its
611 powers and carrying out its duties regarding any matter
612 within its authority, consider the securitized utility
613 tariff bonds issued pursuant to a financing order to be the
614 debt of the electrical corporation other than for federal
615 and state income tax purposes, consider the securitized
616 utility tariff charges paid under the financing order to be
617 the revenue of the electrical corporation for any purpose,
618 consider the securitized utility tariff costs or financing
619 costs specified in the financing order to be the costs of
620 the electrical corporation, nor may the commission determine
621 any action taken by an electrical corporation which is

622 consistent with the financing order to be unjust or
623 unreasonable, and section 386.300 shall not apply to the
624 issuance of securitized utility tariff bonds.

625 (2) Securitized utility tariff charges shall not be
626 utilized or accounted for in determining the electrical
627 corporation's average overall rate, as defined in section
628 393.1655 and as used to determine the maximum retail rate
629 impact limitations provided for by subsections 3 and 4 of
630 section 393.1655.

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

648 (4) The commission may not refuse to allow an
649 electrical corporation to recover securitized utility tariff
650 costs in an otherwise permissible fashion, or refuse or
651 condition authorization or approval of the issuance and sale
652 by an electrical corporation of securities or the assumption
653 by the electrical corporation of liabilities or obligations,

654 because of the potential availability of securitized utility
655 tariff bond financing.

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

680 (6) The commission may not, directly or indirectly,
681 utilize or consider the debt reflected by the securitized
682 utility tariff bonds in establishing the electrical
683 corporation's capital structure used to determine any
684 regulatory matter, including but not limited to the

685 electrical corporation's revenue requirement used to set its
686 rates.

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

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

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

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

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

727 a. Regardless of whether or not the revenues or
728 proceeds arising from the property have been billed, have
729 accrued, or have been collected; and

730 b. Notwithstanding the fact that the value or amount
731 of the property is dependent on the future provision of
732 service to customers by the electrical corporation or its
733 successors or assignees and the future consumption of
734 electricity by customers.

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

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

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

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

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

778 bankruptcy, or other insolvency of the electrical
779 corporation or any other entity.

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

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

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

808 (b) A security interest in securitized utility tariff
809 property is created, valid, and binding at the later of the
810 time:

811 a. The financing order is issued;

812 b. A security agreement is executed and delivered by
813 the debtor granting such security interest;

814 c. The debtor has rights in such securitized utility
815 tariff property or the power to transfer rights in such
816 securitized utility tariff property; or

817 d. Value is received for the securitized utility
818 tariff property.

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

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

838 (d) The priority of a security interest in securitized
839 utility tariff property is not affected by the commingling
840 of securitized utility tariff charges with other amounts.
841 Any pledgee or secured party shall have a perfected security
842 interest in the amount of all securitized utility tariff
843 charges that are deposited in any cash or deposit account of
844 the qualifying electrical corporation in which securitized
845 utility tariff charges have been commingled with other funds
846 and any other security interest that may apply to those
847 funds shall be terminated when they are transferred to a
848 segregated account for the assignee or a financing party.

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

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

868 (3) (a) Any sale, assignment, or other transfer of
869 securitized utility tariff property shall be an absolute

870 transfer and true sale of, and not a pledge of or secured
871 transaction relating to, the seller's right, title, and
872 interest in, to, and under the securitized utility tariff
873 property if the documents governing the transaction
874 expressly state that the transaction is a sale or other
875 absolute transfer other than for federal and state income
876 tax purposes. For all purposes other than federal and state
877 income tax purposes, the parties' characterization of a
878 transaction as a sale of an interest in securitized utility
879 tariff property shall be conclusive that the transaction is
880 a true sale and that ownership has passed to the party
881 characterized as the purchaser, regardless of whether the
882 purchaser has possession of any documents evidencing or
883 pertaining to the interest. A sale or similar outright
884 transfer of an interest in securitized utility tariff
885 property may occur only when all of the following have
886 occurred:

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

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

899 (b) The characterization of the sale, assignment, or
900 other transfer as an absolute transfer and true sale and the

901 corresponding characterization of the property interest of
902 the purchaser shall not be affected or impaired by the
903 occurrence of any of the following factors:

904 a. Commingling of securitized utility tariff charges
905 with other amounts;

906 b. The retention by the seller of (i) a partial or
907 residual interest, including an equity interest, in the
908 securitized utility tariff property, whether direct or
909 indirect, or whether subordinate or otherwise, or (ii) the
910 right to recover costs associated with taxes, franchise
911 fees, or license fees imposed on the collection of
912 securitized utility tariff charges;

913 c. Any recourse that the purchaser may have against
914 the seller;

915 d. Any indemnification rights, obligations, or
916 repurchase rights made or provided by the seller;

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

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

931 g. The treatment of the sale, conveyance, assignment,
932 or other transfer for tax, financial reporting, or other
933 purposes;

934 h. The granting or providing to bondholders a
935 preferred right to the securitized utility tariff property
936 or credit enhancement by the electrical corporation or its
937 affiliates with respect to such securitized utility tariff
938 bonds;

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

941 (c) Any right that an electrical corporation has in
942 the securitized utility tariff property before its pledge,
943 sale, or transfer or any other right created under this
944 section or created in the financing order and assignable
945 under this section or assignable pursuant to a financing
946 order is property in the form of a contract right or a chose
947 in action. Transfer of an interest in securitized utility
948 tariff property to an assignee is enforceable only upon the
949 later of:

950 a. The issuance of a financing order;

951 b. The assignor having rights in such securitized
952 utility tariff property or the power to transfer rights in
953 such securitized utility tariff property to an assignee;

954 c. The execution and delivery by the assignor of
955 transfer documents in connection with the issuance of
956 securitized utility tariff bonds; and

957 d. The receipt of value for the securitized utility
958 tariff property.

959 An enforceable transfer of an interest in securitized
960 utility tariff property to an assignee is perfected against
961 all third parties, including subsequent judicial or other

962 lien creditors, when a notice of that transfer has been
963 given by the filing of a financing statement in accordance
964 with subsection 7 of this section. The transfer is
965 perfected against third parties as of the date of filing.

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

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

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

985 b. A perfected interest or right of an assignee has
986 priority over a conflicting unperfected interest or right of
987 an assignee;

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

991 6. The description of securitized utility tariff
992 property being transferred to an assignee in any sale
993 agreement, purchase agreement, or other transfer agreement,

994 granted or pledged to a pledgee in any security agreement,
995 pledge agreement, or other security document, or indicated
996 in any financing statement is only sufficient if such
997 description or indication refers to the financing order that
998 created the securitized utility tariff property and states
999 that the agreement or financing statement covers all or part
1000 of the property described in the financing order. This
1001 section applies to all purported transfers of, and all
1002 purported grants or liens or security interests in,
1003 securitized utility tariff property, regardless of whether
1004 the related sale agreement, purchase agreement, other
1005 transfer agreement, security agreement, pledge agreement, or
1006 other security document was entered into, or any financing
1007 statement was filed.

1008 7. The secretary of state shall maintain any financing
1009 statement filed to perfect a sale or other transfer of
1010 securitized utility tariff property and any security
1011 interest in securitized utility tariff property under this
1012 section in the same manner that the secretary of state
1013 maintains financing statements filed under the code to
1014 perfect a security interest in collateral owned by a
1015 transmitting utility. Except as otherwise provided in this
1016 section, all financing statements filed pursuant to this
1017 section shall be governed by the provisions regarding
1018 financing statements and the filing thereof under the code,
1019 including part 5 of article 9 of the code. A security
1020 interest in securitized utility tariff property may be
1021 perfected only by the filing of a financing statement in
1022 accordance with this section, and no other method of
1023 perfection shall be effective. Notwithstanding any
1024 provision of the code to the contrary, a financing statement
1025 filed pursuant to this section is effective until a

1026 termination statement is filed under the code, and no
1027 continuation statement need be filed to maintain its
1028 effectiveness. A financing statement filed pursuant to this
1029 section may indicate that the debtor is a transmitting
1030 utility, and without regard to whether the debtor is an
1031 electrical corporation, an assignee or otherwise qualifies
1032 as a transmitting utility under the code, but the failure to
1033 make such indication shall not impair the duration and
1034 effectiveness of the financing statement.

1035 8. The law governing the validity, enforceability,
1036 attachment, perfection, priority, and exercise of remedies
1037 with respect to the transfer of an interest or right or the
1038 pledge or creation of a security interest in any securitized
1039 utility tariff property shall be the laws of this state.

1040 9. Neither the state nor its political subdivisions
1041 are liable on any securitized utility tariff bonds, and the
1042 bonds are not a debt or a general obligation of the state or
1043 any of its political subdivisions, agencies, or
1044 instrumentalities, nor are they special obligations or
1045 indebtedness of the state or any agency or political
1046 subdivision. An issue of securitized utility tariff bonds
1047 does not, directly, indirectly, or contingently, obligate
1048 the state or any agency, political subdivision, or
1049 instrumentality of the state to levy any tax or make any
1050 appropriation for payment of the securitized utility tariff
1051 bonds, other than in their capacity as consumers of
1052 electricity. All securitized utility tariff bonds shall
1053 contain on the face thereof a statement to the following
1054 effect: "Neither the full faith and credit nor the taxing
1055 power of the state of Missouri is pledged to the payment of
1056 the principal of, or interest on, this bond."

1057 10. All of the following entities may legally invest
1058 any sinking funds, moneys, or other funds in securitized
1059 utility tariff bonds:

1060 (1) Subject to applicable statutory restrictions on
1061 state or local investment authority, the state, units of
1062 local government, political subdivisions, public bodies, and
1063 public officers, except for members of the commission, the
1064 commission's technical advisory and other staff, or
1065 employees of the office of the public counsel;

1066 (2) Banks and bankers, savings and loan associations,
1067 credit unions, trust companies, savings banks and
1068 institutions, investment companies, insurance companies,
1069 insurance associations, and other persons carrying on a
1070 banking or insurance business;

1071 (3) Personal representatives, guardians, trustees, and
1072 other fiduciaries;

1073 (4) All other persons authorized to invest in bonds or
1074 other obligations of a similar nature.

1075 11. (1) The state and its agencies, including the
1076 commission, pledge and agree with bondholders, the owners of
1077 the securitized utility tariff property, and other financing
1078 parties that the state and its agencies will not take any
1079 action listed in this subdivision. This subdivision does
1080 not preclude limitation or alteration if full compensation
1081 is made by law for the full protection of the securitized
1082 utility tariff charges collected pursuant to a financing
1083 order and of the bondholders and any assignee or financing
1084 party entering into a contract with the electrical
1085 corporation. The prohibited actions are as follows:

1086 (a) Alter the provisions of this section, which
1087 authorize the commission to create an irrevocable contract
1088 right or chose in action by the issuance of a financing

1089 order, to create securitized utility tariff property, and
1090 make the securitized utility tariff charges imposed by a
1091 financing order irrevocable, binding, or nonbypassable
1092 charges for all existing and future retail customers of the
1093 electrical corporation except its existing special contract
1094 customers;

1095 (b) Take or permit any action that impairs or would
1096 impair the value of securitized utility tariff property or
1097 the security for the securitized utility tariff bonds or
1098 revises the securitized utility tariff costs for which
1099 recovery is authorized;

1100 (c) In any way impair the rights and remedies of the
1101 bondholders, assignees, and other financing parties;

1102 (d) Except for changes made pursuant to the formula-
1103 based true-up mechanism authorized under this section,
1104 reduce, alter, or impair securitized utility tariff charges
1105 that are to be imposed, billed, charged, collected, and
1106 remitted for the benefit of the bondholders, any assignee,
1107 and any other financing parties until any and all principal,
1108 interest, premium, financing costs and other fees, expenses,
1109 or charges incurred, and any contracts to be performed, in
1110 connection with the related securitized utility tariff bonds
1111 have been paid and performed in full.

1112 (2) Any person or entity that issues securitized
1113 utility tariff bonds may include the language specified in
1114 this subsection in the securitized utility tariff bonds and
1115 related documentation.

1116 12. An assignee or financing party is not an
1117 electrical corporation or person providing electric service
1118 by virtue of engaging in the transactions described in this
1119 section.

1120 13. If there is a conflict between this section and
1121 any other law regarding the attachment, assignment, or
1122 perfection, or the effect of perfection, or priority of,
1123 assignment or transfer of, or security interest in
1124 securitized utility tariff property, this section shall
1125 govern.

1126 14. If any provision of this section is held invalid
1127 or is invalidated, superseded, replaced, repealed, or
1128 expires for any reason, that occurrence does not affect the
1129 validity of any action allowed under this section which is
1130 taken by an electrical corporation, an assignee, a financing
1131 party, a collection agent, or a party to an ancillary
1132 agreement; and any such action remains in full force and
1133 effect with respect to all securitized utility tariff bonds
1134 issued or authorized in a financing order issued under this
1135 section before the date that such provision is held invalid
1136 or is invalidated, superseded, replaced, or repealed, or
1137 expires for any reason.

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