

The Senate Committee on Regulated Industries and Utilities offered the following substitute to SB 421:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 46 of the Official Code of Georgia Annotated, relating to public utilities and  
2 public transportation, so as to enact the "Georgia Utility Rate Reduction Act (GURRA)"; to  
3 promote utility securitization to lower costs for customers of investor owned utilities; to  
4 provide for a short title; to provide for legislative findings and declarations; to provide for  
5 definitions; to provide for bond financing of certain energy projects for limited purposes; to  
6 provide requirements for the submission of application to the Public Service Commission for  
7 financing orders; to establish a process and prerequisites for the issuance of financing orders  
8 by the Public Service Commission; to provide for creation of certain property rights related  
9 to such financing orders; to require electric utilities to show certain charges on customer  
10 bills; to allow the sale, assignment, transfer, or conveyance of such property and the creation  
11 of security interests therein; to provide for the promulgation of rules and regulations; to  
12 provide for judicial review; to provide for statutory construction; to provide for the  
13 applicability of Title 11, the "Uniform Commercial Code — Secured Transactions"; to  
14 provide for related matters; to repeal conflicting laws; and for other purposes.

15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

Title 46 of the Official Code of Georgia Annotated, relating to public utilities and public transportation, is amended by adding a new chapter to read as follows:

**"CHAPTER 3B****46-3B-1.**

This chapter shall be known and may be cited as the 'Georgia Utility Rate Reduction Act (GURRA).'

**46-3B-2.**

The Georgia General Assembly finds and declares that:

(1) The construction delays and cost overruns associated with building nuclear units in this state, coupled with the present investor owned electric utility project finance approach, have increased utility earnings while also increasing the cost burden on customers;

(2) Providing for a lower-cost capital financing methodology that excludes return on equity and utility income taxes can significantly reduce the burden on customers from these cost overruns and delays;

(3) Such a lower-cost capital financing approach can also be used to reduce the burden of paying off electrical generating assets no longer in service and the expenses associated with coal combustion residuals (CCRs) cleanup and remediation; and

(4) By using the lower-cost capital financing approach provided for in this chapter as a voluntary option, electric utilities will be able to provide long-term customer rate reduction through securitized electric utility ratepayer backed bond financing.

46-3B-3.

As used in this chapter, the term:

(1) 'Adjustment mechanism' means a formula based methodology for making automatic adjustments to GURRA charges authorized in a financing order and for making any adjustments necessary to correct for overcollection or undercollection of such charges or otherwise ensure the timely and complete payment of the GURRA bonds and any associated financing costs.

(2) 'Ancillary agreement' means any bond, insurance policy, letter of credit, reserve account, surety bond, interest rate lock or swap arrangement, hedging arrangement, liquidity or credit support arrangement, or other financial arrangement entered into in connection with GURRA bonds that is designed to promote the credit quality and marketability of the GURRA bonds or to mitigate the risk of an increase in interest rates.

(3) 'Assignee' means any person to which an interest in GURRA property is sold, assigned, transferred, or conveyed other than as security. Such term includes any successor to or subsequent assignee of such a person.

(4) 'Bondholder' means any holder or owner of a GURRA bond.

(5) 'Customer' means a person that takes electric distribution or electric transmission service from an electric utility, or any successor or assignee of an electric utility, under commission approved rate schedules or pursuant to special contracts for consumption of electricity in this state.

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

(A) Principal, interest, and redemption premiums that are payable on GURRA bonds;

(B) Any payment required under an ancillary agreement and any amount required to fund or replenish a reserve account or other accounts established under the terms of any

indenture, ancillary agreement, or other financing document pertaining to GURRA bonds;

(C) Any other costs related to issuing, supporting, servicing, repaying, and refunding GURRA bonds, including, but not limited to, servicing fees, accounting and auditing fees, trustee fees, legal fees, consulting fees, financial advisor fees, administrative fees, placement and underwriting fees, capitalized interest, rating agency fees, stock exchange listing and compliance fees, security registration fees, filing fees, information technology programming costs, and any other demonstrable costs necessary to otherwise ensure and guarantee the timely payment of GURRA bonds or other amounts or charges payable in connection with GURRA bonds;

(D) Any taxes and license fees imposed on the revenue generated from the collection of a GURRA charge;

(E) Any state and local taxes, including franchise, sales and use, and other taxes, regulatory assessment fees, or other related fees whether paid, payable, or accrued; and

(F) Any costs incurred by an electric utility to pay the commission's costs of engaging specialized counsel and expert consultants experienced in securitized electric utility ratepayer backed bond financing.

(7) 'Financing order' means an order of the commission issued pursuant to this chapter that grants, in whole or in part, an application filed with the commission pursuant to Code Section 46-3B-5.

(8) 'Financing party' means a holder of GURRA bonds and trustees, collateral agents, any party under an ancillary agreement, or any other person acting for the benefit of a holder of GURRA bonds.

(9) 'Financing statement' shall have the same meaning as set forth in paragraph (40) of Code Section 11-9-102.

(10) 'GURRA bonds' means bonds that are low-cost corporate securities that:

(A) Have a scheduled maturity date as determined by the commission; provided, however, that the maturity date for bonds issued to refinance a new nuclear unit shall not be later than 60 years following the issuance of said bonds, while the maturity for bonds issued for all other purposes shall not be later than 32 years following the issuance of said bonds;

(B) Are rated AA or AA2 or better by at least one major independent credit rating agency at the time of pricing;

(C) Are issued by an electric utility or an assignee pursuant to a financing order; and

(D) Are used, directly or indirectly, to recover, finance, or refinance commission approved GURRA costs and financing costs.

(11) 'GURRA charge' means a charge in an amount that is:

(A) Authorized by the commission in a financing order as a source of revenue to be used solely to repay, finance, or refinance GURRA costs or financing costs;

(B) Assessed and collected by way of customers' bills from an electric utility through a non-bypassable charge that is separate and apart from the electric utility's base rates; and

(C) Collected by the electric utility, or any successor or assignee of the electric utility, to which the financing order applies or by a collection agent.

(12) 'GURRA costs' means any of the pretax costs that an electric utility has incurred or will incur for GURRA-eligible projects that have been deemed prudent by the commission and for which a financing order has been issued. Such term does not include any monetary penalty, fine, or forfeiture assessed against an electric utility by a government agency or court under a federal or state statute, rule, or regulation.

(13) 'GURRA-eligible projects' means:

(A) A new nuclear unit put into service on and after July 1, 2022;

(B) A retired electrical generating unit with remaining book value necessitating the continued collection of revenue from customers; or

(C) Capital construction associated with cleanup or remediation of any coal combustion residuals (CCRs).

(14) 'GURRA property' means:

(A) The rights and interests of an electric utility, or any successor or assignee of an electric utility, under a financing order for the right to impose, bill, collect, and receive GURRA charges as authorized under the financing order and to obtain periodic adjustments to such GURRA charges as permitted in the financing order; and

(B) Any revenues, collections, claims, rights to payments, payments, money, or proceeds arising from the rights and interests in the principal, interest, and redemption premiums that are payable on GURRA bonds, regardless as to whether or not they are imposed, billed, received, collected, or maintained together with or commingled with other revenues, collections, rights to payment, payments, money, or proceeds.

(15) 'GURRA revenue' means any revenue, receipts, collections, payments, money, claims, or other proceeds arising from GURRA property.

(16) 'Non-bypassable' means a line item charge imposed upon a customer by an electric utility that may not be avoided by any future or existing customer of such electric utility.

(17) 'Successor' means an entity that succeeds by operation of law to the rights and obligations of another entity pursuant to any bankruptcy, reorganization, restructuring, other insolvency proceeding, merger, acquisition, consolidation, or sale or transfer of assets, whether any of these occur due to a restructuring of the electric power industry or otherwise. Such term does not include any municipally owned electric utility established and providing retail electric service before the date on which GURRA bonds were issued pursuant to a financing order relating to electrical generating facilities that serve or previously served the service area of the municipally owned electric utility.

46-3B-4.

(a) The proceeds of the GURRA bonds shall be used solely for the purposes of reducing the amount of recoverable regulatory assets and other financial responsibilities, as determined by the commission in accordance with this Code section, through the refinancing of the electric utility's debt or equity.

(b) The commission shall ensure that securitization provides tangible and quantifiable benefits to ratepayers, greater than would have been achieved absent the issuance of GURRA bonds, and that the costs associated with the GURRA-eligible projects are not being recovered elsewhere in the electric utility's base rates and riders at the time securitization bonds are issued. The commission shall ensure that the structuring and pricing of the GURRA bonds result in the lowest GURRA bond charges consistent with market conditions and the terms of the financing order. The amount securitized may not exceed the present value of the revenue requirement over the life of the proposed GURRA bond associated with the net book value of the GURRA-eligible projects sought to be securitized at the time securitization bonds are issued. The present value calculation shall use a discount rate equal to the proposed interest rate on the GURRA bonds.

(c) Before seeking to securitize the costs of any GURRA-eligible projects, the electric utility shall take all necessary steps to mitigate such costs. Mitigation may include, but shall not be limited to, accelerated depreciation, market sale of any asset or portion thereof, or applying any applicable federal or state funding to reduce the book value of the asset.

(d) The revenue requirement for the GURRA charges shall be allocated among retail customer classes in accordance with the methodology used to allocate the costs of the underlying assets in the electric utility's most recent commission order addressing rate design. The GURRA charges shall be recovered in a manner consistent with the design of the current applicable rate schedule for electricity service and shall be based on the actual amount of electricity purchased from the electric utility at the time securitization bonds are issued.

(e) For any GURRA-eligible project for which an electric utility desires to issue GURRA bonds in one series or more, impose and collect GURRA charges, create GURRA property, and to sell, assign, or transfer of GURRA property to a successor or to an assignee of an electric utility, the electric utility shall apply to the commission for a financing order as provided in this chapter.

46-3B-5.

Any application submitted to the commission for a financing order for GURRA-eligible projects shall include:

(1) A description of the GURRA costs the applicant proposes to recover with the proceeds of the GURRA bonds and how the proceeds will be used to retire utility debt and equity;

(2) An estimate of the financing costs as related to the GURRA bonds;

(3) An estimate of the GURRA charges necessary to pay the GURRA costs and any financing costs, and the period over which such GURRA costs and financing costs will be recovered, including the proposed schedule and final maturity of the GURRA bonds;

(4) A proposed methodology for allocating the revenue requirement for the GURRA charge across customer classes or rate groups consistent with the provisions and requirements of Code Section 46-3B-4;

(5) A description of any non-bypassable GURRA charge for recovery of GURRA costs and a proposed adjustment mechanism reflecting the apportionment methodology referred to in paragraph (4) of this Code section;

(6) An estimate of the timing of the issuance of the GURRA bonds or series of bonds;

(7) An estimate of the net projected cost savings or a demonstration of how the issuance of GURRA bonds and the imposition of GURRA charges, developed to be consistent with the provisions and requirements of Code Section 46-3B-4, will avert or significantly



mitigate rate impacts for customers as compared to traditional methods of financing and recovering GURRA costs from customers;

(8) A specification as to a future rate-making process to reconcile any differences between the GURRA costs financed by GURRA bonds and the final GURRA costs incurred by the electric utility, or any successor or assignee of the electric utility. Such reconciliation rate-making process may affect the electric utility's base rates, or any rider adopted pursuant to paragraph (17) of Code Section 46-3B-7, but shall not affect the amount of the bonds or the associated GURRA charges paid by customers;

(9) Direct testimony in support of such application; and

(10) Any other information as may be required by the commission.

46-3B-6.

(a) The commission shall, for each financing order application it receives, conduct a public hearing. Such public hearing shall be held no sooner than 30 days after receipt of any such application.

(b) Within 300 days after filing of the application and the commission performing a comprehensive due diligence evaluation of such application, the commission shall issue a financing order only if the commission finds that:

(1) The GURRA costs described in the application related to the assets described as GURRA-eligible projects in this chapter are reasonable consistent with the provisions and requirements of Code Section 46-3B-4; and

(2) The proposed issuance of GURRA bonds and the imposition and collection of GURRA charges:

(A) Are just and reasonable;

(B) Are consistent with the public interest;

(C) Constitute a prudent and reasonable methodology for the financing of the GURRA costs described in the application; and

(D) Will provide substantial, tangible, and quantifiable net present value savings to customers as determined by comparison of the costs to customers expected to result from the refinancing of the GURRA-eligible projects with GURRA bonds to the costs that would result from the continued application of traditional electric utility financing mechanisms to such projects consistent with the requirements of Code Section 46-3B-4.

46-3B-7.

Any financing order issued by the commission shall:

(1) Ensure that the proposed structuring, marketing, and pricing of the GURRA bonds meet all of the provisions and requirements of Code Section 46-3B-4 and will:

(A) Materially lower overall costs to customers or avert or mitigate rate impacts to customers relative to traditional methods of financing and recovering GURRA costs from customers; and

(B) Achieve the maximum net present value of savings to customers, as determined by the commission, consistent with market conditions at the time of sale of the GURRA bonds and the terms set forth in such financing order;

(2) Determine the maximum amount of GURRA costs that may be financed from proceeds of GURRA bonds authorized to be issued by the financing order;

(3) Approve a methodology for apportioning the revenue requirement for the GURRA charge across customer classes or rate groups consistent with the provisions and requirements of Code Section 46-3B-4;

(4) Describe the proposed customer billing mechanism for GURRA charges consistent with Code Section 46-3B-4 and 46-3B-14 and include findings that the mechanism is just and reasonable;

(5) Describe and estimate the financing costs that may be recovered through GURRA charges and the period over which such costs may be recovered, subject to Code Section 46-3B-15;

(6) Include detailed findings addressing cost-effectiveness and associated rate impacts on customer classes or rate groups, including, but not limited to, a determination as to whether the proposed structuring, expected pricing, and financing costs of GURRA bonds have a significant likelihood of lowering overall rates for customer classes or rate groups or averting or significantly mitigating rate impacts to customer classes or rate groups as compared to traditional methods of financing and recovering GURRA costs;

(7) Require the imposition and collection of any non-bypassable GURRA charges authorized under such financing order for the period provided for in paragraph (5) of this Code section;

(8) Describe and define the GURRA property that may be created for the electric utility, and any successors or assignees to such electric utility, and that will be used to pay and secure the payment of the GURRA bonds and financing costs authorized in such financing order;

(9) Authorize an adjustment mechanism reflecting the apportionment methodology approved pursuant to paragraph (3) of this Code section;

(10) Authorize the electric utility to finance GURRA costs through the issuance of one series or more of GURRA bonds; provided, however, that an electric utility shall not be required to secure a separate financing order for each issuance of GURRA bonds or for each scheduled phase of construction of any of the assets of a GURRA-eligible project approved in such financing order;

(11) Determine the reasonableness of any proposed up-front and ongoing financing costs;

(12) Specify a process to structure, market, and price GURRA bonds, including, but not limited to, the selection of the underwriter or underwriters, in a manner consistent with the public interest and the legal obligations of the electric utility;

(13) Specify the degree of flexibility afforded to the electric utility in establishing the terms and conditions of the GURRA bonds, including, but not limited to, repayment schedules, expected interest rates, and other financing costs;

(14) Specify the timing of actions required by such financing order, including, but not limited to:

(A) The timing of issuance of the GURRA bonds, independent of the schedules of related assets of the GURRA-eligible project; and

(B) The date by which the applicant electric utility shall file to reduce its rates as required in paragraph (17) of this Code section simultaneously with the inception of the GURRA charges and independently of the schedule of related assets as described in GURRA-eligible projects in this chapter;

(15) Specify a future rate-making process to reconcile any difference between the actual GURRA costs financed by GURRA bonds and the final GURRA costs incurred by the electric utility or its assignee; provided, however, that while such reconciliation may affect the electric utility's base rates or any rider adopted pursuant to paragraph (17) of this Code section, it shall not be permitted to affect the amount of the bonds or the associated GURRA charges paid by customers;

(16) Require and approve the creation of the electric utility's GURRA property pursuant to paragraph (8) of this Code section to be conditioned upon and to be completed simultaneously with the sale or other transfer of the GURRA property to an assignee and the pledge of the GURRA property to secure GURRA bonds;

(17) Require the applicant electric utility to, simultaneously with the inception of the collection of GURRA charges, reduce its rates through a reduction in base rates or by a negative rider on customer bills in an amount equal to the revenue requirement associated with the utility assets being financed by GURRA bonds;

(18) Include any conditions and grant any relief necessary to promote the public interest and to maximize the benefits and minimize the risks to customers, directly impacted workers and communities in this state, and the electric utility; and

(19) Include any additional findings, conclusions, or requirements deemed appropriate by the commission.

46-3B-8.

(a) A financing order issued by the commission under this chapter shall remain in effect and the GURRA property created shall continue to exist until the GURRA bonds and any financing costs relating to such GURRA bonds have been paid in full.

(b) Bankruptcy, reorganization, or insolvency of the electric utility to which the financing order applies or any affiliate, successor, or assignee of such electric utility shall not affect or abate a financing order issued under this chapter.

(c) Subject to judicial review as provided for in Code Section 46-3B-23, a financing order shall be irrevocable. Once the commission issues a financing order, it shall not reduce, impair, postpone, or terminate GURRA charges approved in such financing order or impair GURRA property or the collection or recovery of GURRA revenue.

(d) Notwithstanding subsection (c) of this Code section, upon the request of an electric utility, the commission may commence a proceeding and issue a subsequent financing order that permits the refinancing, retiring, or refunding of GURRA bonds issued pursuant to the original financing order if:

(1) The commission makes any findings specified in subsection (b) of Code Section 46-3B-6 with respect to such subsequent financing order; and

(2) The subsequent financing order does not in any way impair the covenants and terms of the GURRA bonds to be refinanced, retired, or refunded.

46-3B-9.

If the commission issues a financing order to an electric utility, the commission shall not, in exercising its powers and carrying out its duties pursuant to this chapter:

(1) Consider the GURRA bonds issued pursuant to the financing order to be debt of the electric utility other than for income tax purposes;

(2) Consider the GURRA charges paid under the financing order to be revenue of the electric utility;

(3) Consider the GURRA costs or financing costs specified in the financing order to be the regulated costs or assets of the electric utility; or

(4) Determine any prudent action taken by an electric utility that is consistent with the financing order to be unjust or unreasonable.

46-3B-10.

Nothing in this chapter shall be construed to prevent or preclude the commission from:

(1) Investigating the compliance of an electric utility with the terms and conditions of a financing order or requiring compliance with the financing order; or

(2) Imposing regulatory sanctions against the electric utility for failure to comply with the terms and conditions of a financing order or the requirements of this chapter.

46-3B-11.

Notwithstanding any provision of this chapter, the commission shall not refuse to allow an electric utility to recover any of the financing costs or other costs associated with the assets of GURRA-eligible projects solely because the electric utility has elected to recover some or all of such costs through traditional rate-making methods or to finance those activities through a financing methodology other than GURRA bonds as may be permitted under the laws of this state, whether or not a financing order with respect to such costs has been applied for by such electric utility or issued by the commission.

46-3B-12.

(a) In addition to any other authority of the commission, the commission shall have the authority to oversee the process used to structure, market, and price GURRA bonds.

(b) Within 120 days after the issuance of any GURRA bonds, the applicant shall file with the commission any information the commission may require detailing the actual up-front issuance costs of the GURRA bonds. The commission shall review such information to determine if the issuance of the GURRA bonds resulted in the lowest overall costs that were reasonably consistent with the market conditions at the time of the pricing and the terms of the financing order issued by the commission.

(c) The commission may disallow incremental up-front issuance costs in excess of the lowest overall costs by requiring the electric utility to make a credit in an amount equal to the excess of actual issuance costs incurred and paid for out of GURRA bond proceeds, and the lowest overall issuance costs as determined by the commission; provided, however, that the commission shall not make any adjustments to the GURRA charges for any excess up-front issuance costs.

46-3B-13.

(a) In performing its responsibilities under this chapter, the commission may engage specialized counsel and expert consultants experienced in securitized electric utility ratepayer backed bond financing similar to GURRA bonds. Such specialized counsel and expert consultants have a duty of loyalty solely to the commission, shall not have any financial interest in any GURRA bonds, and shall not participate in the underwriting or secondary market trading of any GURRA bonds. The expenses associated with the engagement of specialized counsel and expert consultants shall not be an obligation of the state and shall instead be paid by the applicant electric utility and shall be included as financing costs in the GURRA charge.

(b) If an electric utility's application for a financing order is denied or withdrawn or for any reason or no GURRA bonds are issued, any costs of retaining specialized counsel and expert consultants on behalf of the commission as authorized by subsection (a) of this Code section and approved by the commission, shall be paid by the applicant electric utility and shall be eligible for recovery by the electric utility along with any carrying costs in the electric utility's future rates.

46-3B-14.

(a) The electric bills of customers of an electric utility that has obtained a financing order under this chapter and has caused GURRA bonds to be issued shall:

(1) Explicitly reflect that a portion of the charges on the bill represents GURRA charges approved in a financing order issued to the electric utility;

(2) Include a statement that an assignee is the owner of the rights to GURRA charges, if GURRA property has been sold, assigned, transferred, or conveyed to such assignee, and that the electric utility or another entity is acting as a collection agent or servicer for such assignee; and

(3) Depict the GURRA charge on each customer's bill as a separate line item.

(b) The failure of an electric utility to comply with this Code section shall not invalidate, impair, or affect any financing order issued under this chapter, GURRA property, a GURRA charge, or GURRA bonds, but may subject the electric utility to penalties provided for through rules and regulations of the commission.

46-3B-15.

An electric utility that has obtained a financing order under this chapter and caused GURRA bonds to be issued shall demonstrate in an annual filing with the commission that GURRA bond proceeds are being applied solely to the repayment of GURRA costs and that GURRA revenues are being applied solely to the repayment of GURRA bonds and



other financing costs in accordance with such financing order. The cost of such annual filing shall be recoverable as part of the financing costs by the electric utility from the GURRA charge.

46-3B-16.

(a) GURRA property described in a financing order shall constitute an existing present intangible property right or interest in an existing present intangible property right even though the imposition and collection of GURRA charges depends on the electric utility to which the financing order is issued performing its servicing functions relating to the collection of GURRA charges and on future electricity consumption. Such intangible property right or interest shall exist regardless as to whether or not the revenues or proceeds arising from the GURRA property have been billed, accrued, or collected and notwithstanding that the value or amount of such intangible property right or interest is dependent on the future provision of service to customers by the electric utility or its successors or assignees and the future consumption of electricity by its customers.

(b) GURRA property described in a financing order exists until all GURRA bonds issued pursuant to the financing order are paid in full and any financing costs and other costs of the GURRA bonds have been recovered in full.

(c) Any portion of GURRA property described in a financing order issued to an electric utility may be sold, assigned, transferred, or conveyed to a successor or assignee that is wholly owned, directly or indirectly, by the electric utility and is created for the limited purpose of acquiring, owning, or administering GURRA property or issuing GURRA bonds as authorized by the financing order. Any portion of GURRA property may be pledged to secure GURRA bonds issued pursuant to a financing order, amounts payable to financing parties and to counterparties under any ancillary agreements, and other financing costs. Any sale, assignment, transfer, conveyance, or grant of a security interest in or pledge of securitized utility tariff property by an electric utility or an affiliate of the

electric utility to an assignee to the extent previously authorized in a financing order does not require the prior consent and approval of the commission.

(d) If an electric utility defaults on any required payment of charges arising from GURRA property described in a financing order, a court, upon application by an interested party and without limiting any other remedies available to the applying party, shall order the sequestration and payment of the revenue arising from the GURRA property to the financing parties or their assignees.

(e) The interest of a purchaser, assignee, transferee, acquirer, or pledgee in GURRA property specified in a financing order issued to an electric utility, and in the revenue and collections arising from that property, shall not be subject to setoff, counterclaim, surcharge, or defense by the electric utility or any other person or in connection with the reorganization, bankruptcy, or other insolvency of the electric utility or any other entity.

(f) Any successor to an electric utility shall perform and satisfy all obligations of and have the same duties and rights under a financing order as the electric utility to which the financing order applies including, but not limited to, collecting and paying to any person entitled to receive them the revenues, collections, payments, or proceeds of GURRA property described in such financing order. Such successor shall perform such duties and exercise such rights in the same manner and to the same extent as the electric utility. This subsection shall apply regardless as to whether or not any such succession is pursuant to any reorganization, bankruptcy, or other insolvency proceeding, pursuant to any merger, acquisition, sale, or other business combination, pursuant to a transfer by operation of law, or as a result of electric utility restructuring.

(g) Nothing in this Code section shall be construed to limit or impair any authority of the commission concerning the transfer or succession of the interests of any public utility.

46-3B-17.

(a) Banks, trust companies, savings and loan associations, insurance companies, executors, administrators, guardians, trustees, and other fiduciaries may legally invest any money within their control in GURRA bonds. Public entities may invest public funds in GURRA bonds only to the extent consistent with the investment requirements applicable to those entities under state law.

(b) GURRA bonds issued as authorized by a financing order shall not be considered debt of or a pledge of the faith and credit or taxing power of the state, any agency of the state, or any county, municipality, or other political subdivision of the state. Holders of GURRA bonds shall have no right to have taxes levied by the state or by any county, municipality, or other political subdivision of the state for the payment of the principal or interest on GURRA bonds. The issuance of GURRA bonds shall not directly, indirectly, or contingently obligate the state or any political subdivision thereof to levy any tax or make any appropriation for payment of principal or interest on the GURRA bonds, other than in their capacity as consumers of electricity.

(c) The state pledges to and agrees with holders of GURRA bonds, any assignee, and any financing parties that the state will not:

(1) Take or permit any action that impairs the value of GURRA property or revises the securitized utility tariff costs for which recovery is authorized; or

(2) Reduce, alter, or impair GURRA charges, except through application of the adjustment mechanism, that are imposed, collected, and remitted for the benefit of holders of GURRA bonds, any assignee, and any financing parties, until any principal, interest, and redemption premium payable on GURRA bonds, any financing costs, and any amounts to be paid to an assignee or financing party under an ancillary agreement are paid in full.

(d) Any person that issues GURRA bonds may include the pledge specified in subsection (c) of this Code section in the GURRA bonds, ancillary agreements, and documentation related to the issuance and marketing of the GURRA bonds.

46-3B-18.

An electric utility, assignee, or financing party not regulated by the commission shall not become subject to commission regulation solely as a result of engaging in any transaction authorized by or described in this chapter.

46-3B-19.

(a) If any provision of this chapter conflicts with any other law regarding the attachment, assignment, perfection, effect of perfection, or priority of any security interest in or transfer of GURRA property, the provisions of this chapter shall govern to the extent of the conflict.

(b) If any provision of this chapter is held to be invalid or is invalidated, superseded, replaced, repealed, or expires for any reason after the date the GURRA bonds are first issued, such occurrence shall not affect any action allowed under this chapter that was lawfully taken by the commission, an electric utility, an assignee, a collection agent, a financing party, a bondholder, or a party to an ancillary agreement before the occurrence. Any such action shall remain in full force and effect.

(c) Nothing in subsection (a) or (b) of this Code section shall preclude an electric utility for which the commission has initially issued a financing order from applying to the commission for a subsequent financing order:

(1) Amending the financing order as authorized by subsection (d) of Code Section 46-3B-8; or

(2) Approving of the issuance of GURRA bonds to refund all or a portion of an outstanding series of GURRA bonds.

46-3B-20.

(a) The laws of this state shall govern the validity, enforceability, attachment, perfection, priority, and exercise of remedies with respect to the transfer of an interest or right or creation of a security interest in any GURRA property, GURRA charge, or financing order under this chapter.

(b) The creation, perfection, and enforcement of any security interest in GURRA property to secure the repayment of the principal of and interest on GURRA bonds, amounts payable under any ancillary agreement, and other financing costs shall be governed by the provisions of this chapter and not by Title 11, the 'Uniform Commercial Code,' to the extent of any conflict.

46-3B-21.

(a) A description or indication of GURRA property in a transfer or security agreement and a financing statement shall be sufficient only if such description or indication refers to this chapter and the financing order creating the GURRA property.

(b)(1) A security interest in GURRA property shall be created and deemed valid and binding as soon as:

(A) The financing order that describes the GURRA property is issued;

(B) A security agreement is executed and delivered; and

(C) Value is received for the GURRA bonds.

(2) Once a security interest in GURRA property is created, the security interest attaches without any physical delivery of collateral or any other act. The lien of the security interest shall be valid, binding, and perfected against all parties having claims of any kind in tort, contract, or otherwise against the person granting the security interest, regardless as to whether or not such parties have notice of the lien, upon the filing of a financing statement with the Secretary of State. The Secretary of State shall maintain a financing statement filed pursuant to this paragraph in the same manner and in the same

recordkeeping system in which the Secretary of State maintains financing statements filed pursuant to Article 9 of Title 11, the 'Uniform Commercial Code — Secured Transactions.' The filing of any financing statement pursuant to this paragraph shall be governed by Article 9 of Title 11, the 'Uniform Commercial Code — Secured Transactions,' regarding the filing of financing statements.

(c) A security interest in GURRA property is a continuously perfected security interest and shall have priority over any other lien, created by operation of law or otherwise, which may subsequently attach to the GURRA property, unless the holder of the security interest has agreed in writing otherwise.

(d) The priority of a security interest in GURRA property shall not be affected by the commingling of GURRA property or GURRA revenue with other moneys. An assignee, bondholder, or financing party shall have a perfected security interest in the amount of any GURRA property or GURRA revenue that is pledged for the payment of GURRA bonds even if the GURRA property or GURRA revenue is deposited in a cash or deposit account of the electric utility in which the GURRA revenue is commingled with other moneys. Any other security interest that applies to such other moneys shall not apply to the GURRA revenue.

(e) Neither a subsequent order of the commission amending a financing order as authorized in subsection (d) of Code Section 46-3B-8, nor application of an adjustment mechanism as authorized in paragraph (9) of Code Section 46-3B-7, shall affect the validity, perfection, or priority of a security interest in or transfer of GURRA property.

46-3B-22.

(a)(1) Any sale, assignment, or transfer of GURRA property shall be an absolute transfer and true sale of, and not a pledge of or secured transaction relating to, the seller's right, title, and interest in, to, and under the GURRA property, provided that the documents governing the transaction expressly state that the transaction is a sale or other absolute

transfer. A sale or similar outright transfer of an interest in GURRA property may be created only when all of the following have occurred:

(A) The financing order creating and describing the GURRA property has become effective;

(B) The documents evidencing the transfer of the GURRA property have been executed and delivered to the assignee; and

(C) Value is received.

(2) Upon the filing of a financing statement with the Secretary of State, a transfer of an interest in GURRA property shall be perfected against all third persons, including any judicial lien or other lien creditors or any claims of the seller or creditors of the seller, other than creditors holding a prior security interest, ownership interest, or assignment in the GURRA or assignment in the GURRA property previously perfected in accordance with paragraph (1) of this Code section or with Code Section 46-3B-21. The Secretary of State shall maintain a financing statement filed pursuant to this paragraph in the same manner and recordkeeping system in which the Secretary of State maintains financing statements filed pursuant to Article 9 of Title 11, the 'Uniform Commercial Code — Secured Transactions.' The filing of any financing statement pursuant to this paragraph shall be governed by Article 9 of Title 11, the 'Uniform Commercial Code — Secured Transactions,' regarding to the filing of financing statements.

(b) The characterization of a sale, assignment, or transfer as an absolute transfer and true sale and the corresponding characterization of the property interest of the assignee shall not be not affected or impaired by the existence or occurrence of any of the following:

(1) Commingling of GURRA revenue with other moneys;

(2) The retention by the seller of:

(A) A partial or residual interest, including an equity interest, in the GURRA property, whether direct or indirect, or whether subordinate or otherwise; or

(B) The right to recover costs associated with taxes, franchise fees, or license fees imposed on the collection of GURRA revenue;

(3) Any recourse that the purchaser may have against the seller;

(4) Any indemnification rights, obligations, or repurchase rights made or provided by the seller;

(5) An obligation of the seller to collect GURRA revenues on behalf of an assignee;

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

(7) Any subsequent financing order amending a financing order as authorized by subsection (d) of Code Section 46-3B-8; or

(8) Any application of an adjustment mechanism as authorized by paragraph (9) of Code Section 46-3B-7.

46-3B-23.

(a) The commission shall adopt any rules and regulations necessary to implement and administer the provisions of this chapter.

(b) The commission shall take final action to approve, deny, or modify any application for a financing order in a final order issued in accordance with the commission's rules and regulations for addressing such applications.

(c) Any person that has exhausted all remedies available before the commission and is aggrieved by a final order issued under this chapter shall be entitled to judicial review in accordance with Chapter 13 of Title 50, the 'Georgia Administrative Procedure Act.'"

## **SECTION 2.**

All laws and parts of laws in conflict with this Act are repealed.