STATE OF FLORIDA

Public Service Commission

Request for Proposals For Financial Advisory and Expert Witness Services to Assist the Florida Public Service Commission With Electric Utility Petition to Issue Nuclear Asset-Recovery Bonds

RFP Distribution Date: May 18, 2015

Proposals Due: June 8, 2015
No Later Than 5:00 P.M.

I. GENERAL INFORMATION

A. Request for Proposals (RFP) Point of Contact and General Information

This RFP is issued by the Florida Public Service Commission (FPSC or Commission). The RFP Coordinator is the sole point of contact for communications with the Commission regarding this RFP. The RFP Coordinator can be contacted at: mlaux@psc.state.fl.us.

The FPSC is requesting proposals for financial advisory and expert witness services to be provided to the Commission and its staff regarding a potential Florida investor-owned electric utility (IOU) petition(s) requesting a Financing Order to issue Nuclear Asset-Recovery Bonds. The selected Financial Advisor will assist the Commission in analyzing such petitions and provide expert witness testimony, assist in the preparation and implementation of any Financing Orders, and assist in the review of any subsequent issuances of Nuclear Asset-Recovery Bonds to ensure that the bonds were timely and efficiently issued and resulted in the lowest nuclear asset-recovery charges consistent with prevailing market conditions and the terms of the Financing Order which authorized the issuance.

Any person with a qualified disability shall not be denied equal access and effective communication regarding any proposal/proposal documents or the attendance at any related meeting or proposal opening. If accommodations are needed because of a disability, please contact the Commission Clerk, Calotta Stauffer (850) 413- 6728 at least five (5) business days prior to the noticed event.

B. Background and Definitions

During the 2015 Regular Session, the Florida Legislature enacted Committee Substitute for House Bill 7109 (CS/HB 7109). The bill is included in this RFP as Attachment A. Section 8 of the Florida Constitution requires every bill passed by the Legislature to be presented to the Governor, and that such bills shall become law if the Governor approves and signs the bill, or fails to veto the bill. Upon presentation of the bill by the Legislature, the Governor will have 15 days to take action. If CS/HB 7109 becomes law, the effective date will be July 1, 2015. As of the date of issuance of this RFP, CS/HB 7109 has not been presented to the Governor.

Section 7 of CS/HB 7109 provides an IOU a method to recover costs of certain nuclear generation assets. Subject to FPSC review of the IOU's petition and the issuance of a Financing Order, Nuclear Asset-Recovery Bonds may be issued by the petitioning IOU to recover the asset investment, financing costs and other identified expenses associated with the bond offering. The repayment of these bonds would be securitized by a non-bypassable charge on customer bills.

Section 7 of CS/HB 7109 (part 366.95(1)(i)), defines Nuclear Asset-Recovery Bonds as "bonds, debentures, notes, certificates of participation, certificates of beneficial interest, certificates of ownership, or other evidences of indebtedness or ownership that are issued by an electric utility or an assignee pursuant to a Financing Order, the proceeds of which are used directly or indirectly to recover, finance, or refinance commission-approved nuclear asset recovery costs and financing costs, and that are secured by or payable from nuclear asset recovery property." Financing Orders are defined in Section 7 of CS/HB 7109 (part 366.95(1)(f)), as "an order that authorizes the issuance of Nuclear Asset-Recovery Bonds; the imposition, collection, and periodic adjustments of the nuclear asset recovery charge; and the creation of nuclear asset recovery property."

C. Terms and Conditions of RFP

The FPSC anticipates that the successful respondent to this RFP will provide financial advisory and expert witness services with respect to IOU petitions filed with the Commission requesting a Financing Order or nuclear asset securitization pursuant to Section 7 of CS/HB 7109. Each petition filed shall be reviewed separately, subject to all terms, conditions and contingencies as set forth in an Agreement between the FPSC and the Financial Advisor. The Commission cannot guarantee the number or timing of any petitions that may be filed pursuant to Section 7 of CS/HB 7109. Any and all proposals submitted in response to this RFP must address the actual scope of work and include all required information as requested in Sections II, III and IV of this RFP.

D. Compensation

Section 7 of CS/HB 7109 (part 366.95(2)(c)2.) provides that expenses associated with outside consultant services and counsel are to be included as part of the financing costs associated with a bond issuance. Any compensation earned or paid to the Financial Advisor is contingent upon:

- CS/HB 7109 becoming law,
- Actual closing of a bond issuance to which the requested services relate to, and
- FPSC acceptance of the Financial Advisor performance under the Agreement.

Except for the proceeds from an actual Nuclear Asset-Recovery Bond issuance, no other source of funding is available to pay the Financial Advisor for any expenses incurred or compensation earned. The Financial Advisor cannot and will not be paid from any funds appropriated to the FPSC. Any payment for compensation will take the form of a single payment (per petition under review), made to the Financial Advisor at the time of a bond closing in the amount as specified in the Agreement between the FPSC and the Financial Advisor.

II. PROCEDURES AND PROVISIONS

A. A signed original and seven copies of a respondent's proposal must be submitted in a sealed envelope marked "Proposal for Financial Advisor, sealed bid." The envelope must also show the name of the respondent. Proposals must be received no later than 5:00 p.m. Eastern Daylight Time, June 8, 2015 at the:

Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850.

B. All timely received sealed proposal(s) will be opened by the RFP Coordinator on June 9, 2015, at 9:30 a.m. Eastern Daylight Time, in room 154 of the Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850. The proposal opening will be a public meeting.

C. Copies of each proposal will be delivered, unaltered by the RFP Coordinator, to members of the FPSC Selection Committee for evaluation. Unless exempt by law, all information submitted in response to this RFP is a public record and available for public inspection pursuant to Chapter 119, Florida Statutes (F.S.), and Article I, Section 24, Florida Constitution. Any respondent claiming that its proposal contains information that is exempt from the public records law shall clearly mark and segregate that information from the remainder of the proposal and provide the specific statutory citation for such exemption. Written requests for exemption will be reviewed by the Commission as described in Chapter 366, F.S. Respondents must comply with Rule 25-22.006, Florida Administrative Code (F.A.C.). The FPSC reserves the right to use any or all information/material presented in any proposal submitted in reply to the RFP, subject to any confidentiality granted by the FPSC pursuant to Chapter 366, F.S. Disqualification of a respondent does not eliminate this right.

D. Proposals that do not comply with the conditions specified herein, or include all required information, may be rejected. However, the FPSC reserves the right to accept proposals despite minor irregularities and will allow a respondent to correct such minor irregularities upon notification.

E. This is a solicitation for financial advisory and expert witness services. The FPSC is not bound or required to enter into an Agreement with any respondent to this RFP and may terminate the RFP process at any time without penalty.

F. The FPSC will not reimburse or be liable for any respondent's expenses incurred in connection with the selection process or the cost of any services performed by any respondent prior to the execution of a contract.

G. The FPSC may investigate the qualifications of any respondent and may request additional information in regards to a respondent's proposal.

H. In submitting a proposal, the respondent acknowledges that, unless authorized in writing by the FPSC Contract Manager, the Financial Advisor, during the term of the Agreement, will not be permitted to underwrite any bond issued by an IOU that filed a petition for a Financial Order. The FPSC may grant such permission limited to only those bonds which are being sold competitively.

I. Only written requests for additional information or clarification concerning this RFP will be accepted by the FPSC and must be submitted to the RFP Coordinator via email at: mlaux@psc.state.fl.us.

J. The FPSC will respond to all written inquiries concerning this RFP, and post all such questions and answers on the FPSC homepage: www.floridapsc.com. To view any posted information related to this RFP, select the "Request for Proposals for Financial Advisory Services" link under the "Hot Topics" section of the FPSC homepage.

K. The FPSC will post this RFP and any other required notices at the following locations; FPSC homepage www.floridapsc.com, DMS Vendor Bid System http://www.myflorida.com/apps/vbs/vbs_www.main_menu, and, for the RFP, the May 18, 2015 issue of the Florida Administrative Register www.flrules.org/bigDoc/

L. Any unsolicited contact with FPSC Commissioners or FPSC staff concerning this RFP is not allowed and could constitute grounds for disqualification of a respondent.

M. The FPSC assumes no liability with respect to the RFP, proposals, or any matters related thereto. To the fullest extent permitted by law, any prospective Financial Advisor, and its assignees or successors, by its participation in this RFP process shall indemnify, save and hold the FPSC and its employees and agents, free and harmless from all suits, causes of action, debts, rights, judgments, claims, demands, accounts, damages, costs, losses, and expenses of whatsoever kind in law or equity, known and unknown, foreseen and unforeseen, arising from or out of the RFP and/or any subsequent acts related thereto.

N. All information contained in this RFP, including any clarifications, amendments and supplements thereto, reflects the best and most accurate information available to the FPSC at the time of preparation. No inaccuracies in such information shall constitute a basis for change of the payments to the Financial Advisor or a basis for legal recovery of damages, actual, consequential, or punitive.

O. Any protest concerning this RFP or other related Commission action shall be made in accordance with Sections 120.57(3) and 287.042(2), F.S., and Chapter 28-110, F.A.C. Section 120.57(3)(b), F.S., and Rule 28-110.003, F.A.C., require that a notice of protest of a RFP or other solicitation documents shall be made within seventy-two (72) hours after the posting of notice(s). Any and all protest(s) concerning this RFP must be

timely filed with the Commission's Clerk at the address identified in Section II subsection A of this RFP. Failure to file a protest within the time prescribed in Section 120.57(3), F.S., shall constitute a waiver of proceedings under Chapter 120, F.S. Questions directed to the RFP Coordinator shall not constitute formal notice of a protest.

P. The FPSC shall issue and post a notice of award, if any, to the successful respondent; however, no Agreement shall be formed between the respondent and the FPSC until the FPSC signs a contract with the successful respondent.

Q. The FPSC may make an award under this RFP within sixty (60) days after the date of the opening of proposals, during which period responses shall remain firm and may not be withdrawn by a respondent. If an award is not made within sixty (60) days, the response shall remain firm until either the FPSC awards a contract or the FPSC receives from the respondent written notice that its proposal is withdrawn. Any proposal that expresses a shorter duration may, in the FPSC's sole discretion, be accepted or rejected.

R. All information provided by, and representations made by, the respondent are material and important and will be relied upon by the FPSC in awarding an Agreement associated with this RFP.

S. In submitting a proposal, the respondent understands, represents, acknowledges and certifies the following. If a respondent cannot so certify to any of following, the respondent shall include in its proposal a written explanation of why it cannot do so.

- The respondent is not currently under suspension or debarment by the State of Florida or any other governmental authority.

- To the best of the knowledge of the person signing the proposal, the respondent, its affiliates, subsidiaries, directors, officers, and employees are not currently under investigation by any governmental authority and have not in the last ten (10) years been convicted or found liable for any act prohibited by law in any jurisdiction, involving conspiracy or collusion with respect to bidding on any public contract.

- The respondent currently has no delinquent obligations to the State of Florida, including a claim by the State for liquidated damages under any other contract.

- The proposal is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.

- The prices and amounts included in the proposal have been arrived at independently and without consultation, communication, or agreement with any other respondent or potential respondent; neither the prices nor amounts,

actual or approximate, have been disclosed to any respondent or potential respondent, nor will they be disclosed before the solicitation opening.

- The respondent has fully informed the FPSC, in writing, of all known convictions of the respondent, its affiliates (as defined in Section 287.133(1)(a), F.S.), and all directors, officers, and employees of the respondent and its affiliates for violation of state or federal antitrust laws with respect to a public contract for violation of any state or federal law involving fraud, bribery, collusion, conspiracy or material misrepresentation with respect to a public contract. This includes disclosure of the names of current employees who were convicted of contract crimes while in the employ of another company.

- The respondent nor any person associated with it in the capacity of owner, partner, director, officer, principal, investigator, project director, manager, auditor, or position involving the administration of federal funds has within the preceding three years been convicted of or had a civil judgment rendered against them or is presently indicted for or otherwise criminally or civilly charged for:

    - commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state, or local government transaction or public contract, or

    - violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property, or

    - within a three-year period preceding this certification had one or more federal, state, or local government contracts terminated for cause or default.

- The respondent is not on a convicted vendor list pursuant to Section 287.133, F.S., or on a discriminatory vendor list pursuant to Section 287.134, F.S., and is authorized to conduct business in the State of Florida.

- The Financial Advisor will be subject to the provisions of Chapter 112, F.S., (Public Officers and Employees), Chapter 350, F.S., (Standards of Conduct), Section 11.062 and 216.347, F.S., (prohibiting the use of State funds or appropriations for lobbying). Each respondent shall disclose within its proposal the name of any officer, director, or agent, who is also an employee of the State of Florida, or any of its agencies. Further, all respondents shall disclose the name of any state employee who owns, directly or indirectly, an interest of five percent or more in the respondent's firm or any of its branches.

- The respondent has read and understands the terms and conditions as set forth in Section VI of this RFP.

- If chosen to be the Financial Advisor, the respondent agrees that it intends to be legally bound to the Agreement that will be formed with the FPSC upon execution of the FPSC's contract.

- The respondent has made a diligent inquiry of its employees and agents responsible for preparing, approving, or submitting the proposal, and has been advised by each of them that he or she has not participated in any communication, consultation, discussion, agreement, collusion, act or other conduct inconsistent with any of the statements and representations made in the proposal.

- The respondent shall indemnify, defend, and hold harmless the FPSC and its employees against any cost, damage, or expense which may be incurred or be caused by any error in the respondent's preparation of its proposal.

III. SCOPE OF SERVICES

Any service described in this Section of the RFP may need to be provided and performed by the Financial Advisor, under the Agreement, upon and in accordance with the written directions of the FPSC Contract Manager.

A. Review petition(s) and all testimony, exhibits, responses to interrogatories, responses to requests for production of documents, deposition transcripts, hearing transcripts, and post hearing briefs.

B. Assist Commission staff in the preparation of discovery.

C. Prepare and provide expert witness testimony on topics identified by Commission staff. Any individual, and only that individual, who provides expert witness testimony will be precluded from participating in the preparation of either the Commission staff's post hearing recommendation(s) to the Commissioners or the Commission's final order concerning the petition under review.

D. Review proposed financing costs, structuring of bond issuance, expected pricing of the bonds, and terms and conditions of the Nuclear Asset-Recovery Bonds and make recommendations for any suggested modifications to the proposed offering(s).

E. Analyze whether the financing proposed in a petition would be reasonably expected to result in lower overall costs, or would avoid or significantly mitigate rate impacts to customers, than would alternative methods of financing or recovering certain nuclear

generation assets and expenses, and make recommendations for suggested modifications.

F. Assist in the preparation and review of any FPSC Financing Order(s).

G. Review any motions for reconsideration or appeals filed in response to an issued Financing Order. Assist Commission staff in responding to any such motions or appeals.

H. Assist the Commission staff in evaluating all testimony, exhibits, filings, and reports in connection with a Nuclear Asset-Recovery Bond issuance, including but not limited to: Issuance Advice Letter, proposed servicing reports, and proposed true-up calculation procedures.

I. Participate fully, and in advance of, all plans and decisions concerning the structuring, pricing and marketing of any Nuclear Asset-Recovery Bonds proposed to be issued by an IOU.

J. Review documents associated with any final bond issuance, monitor the actual solicitation of bonds, and ensure that all reasonable and customary due diligence has been performed on the part of the IOU, the IOU's bond underwriter, and the IOU's financial advisors

K. Provide updates on the status of any bond issuance and information on prevailing market conditions.

L. Assist the Commission in its review of information submitted by an IOU on the actual costs of a Nuclear Asset-Recovery Bond issuance pursuant to Section 7 of CS/HB 7109 (part 366.95(2)(c)5.).

M. Produce fully supported and documented statements concerning the fairness or reasonableness of the timing of a sale, gross underwriting spread, and pricing of any Nuclear Asset-Recovery Bond(s) and other reports and documents as needed to effectuate the purposes of this RFP and Section 7 of CS/HB 7109.

N. As directed by the FPSC Contract Manager, perform other services as needed to assist the Commission in carrying out its duties and responsibilities pursuant to Section 7 of CS/HB 7109.

IV. INFORMATION TO BE PROVIDED FOR EVALUATION IN PROPOSAL

The purpose of the RFP is to identify and retain a Financial Advisor to assist the Commission in its review of any IOU petition(s) requesting a Financing Order. In addition, if a petition is approved by the Commission, the Financial Advisor will assist in the Commission's review of any Nuclear Asset-Recovery Bond issuance to ensure

that the bonds were timely and efficiently issued and resulted in the lowest nuclear asset-recovery charges consistent with prevailing market conditions and the terms of the Financing Order which authorized the issuance. Information provided in response to the following topics will be evaluated by the FPSC Selection Committee and will form the basis for the FPSC's selection of a winning proposal.

Except as set forth below, information provided in response to this Section shall not exceed 25 pages and any such information provided in excess of this limit will not be included in the FPSC evaluation or be available for awarding points. Transcripts of prior expert witness testimony, letters of recommendations, additional information regarding conflicts of interest, and any other information or declarations that may be required in accordance with other Sections of this RFP will not be counted towards the page limitation if separately marked and numbered as an attachment to the main body of the respondent's proposal. Proposal cover sheets and/or letter of transmittals will also be excluded from the page limitation.

To ensure that each proposal is evaluated fairly, the respondent must clearly identify, in its proposal, what information is to be evaluated within each separate topic as presented below:

A. Basic Information

1. Provide the name of the respondent and the preferred primary contact's mailing address, telephone number, fax number, and email address.

B. Certifications

1. Include a statement certifying that the proposal is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a proposal for the same services, and is in all respects fair and without collusion or fraud.

C. Qualifications (Maximum evaluation points 25)

1. Describe the respondent's organization, structure, and the resources the respondent will make available to the FPSC to execute the services to be provided in this RFP.

2. Identify (by name and title) the individuals who will have primary responsibility for providing the requested services to the FPSC and provide information on each named individual including their years of experience, type of experience, and any special expertise in connection with investor-owned electric utility securitized transactions.

3. For any utility securitized transactions listed as experience below, identify the individuals who were involved in those transactions for the respondent and

whether they will be available to the FPSC for this assignment. If not, please describe why they will not be available.

D. Experience (Maximum evaluation points 30)

1. Describe the respondent's experience and expertise in providing financial advisory services to utility regulatory agencies and experience in providing expert witness services in an administrative or judicial proceeding. Explain how such experience and expertise would be helpful to the FPSC in carrying out its duties and responsibilities under Section 7 of CS/HB 7109 (part 366.95(2)(c)2. and 5.)

2. Identify all individuals of the respondent who will be made available to the FPSC that have previously testified under oath before a utility regulatory body regarding any investor-owned electric utility securitized transactions. Please provide (as a separately marked and numbered attachment to the proposal) transcripts of all such testimony.

3. Describe the respondent's experience assisting in the development of regulatory financing decisions concerning investor-owned electric utility securitized transactions. Identify the sponsoring utility, the regulatory commission, and the date of issuance of any financing orders in which the respondent actively participated.

4. Explain the respondent's experience working with the Securities and Exchange Commission (SEC) regarding investor-owned electric utility securitized transactions. In particular, explain the respondent's experience in filing registration statements for investor-owned electric utility securitization bonds on SEC Form S-1 and Form S-3.

5. Explain the respondent's experience reviewing bond development and issuance expenses incurred by a sponsoring utility that would be included in ratepayer charges such as administrative costs, rating agency fees, counsel expenses, and modeling charges.

6. Identify any ratepayer cost savings that can be directly attributed to the respondent's efforts in an investor-owned electric utility securitized transaction.

7. Describe the respondent's experience determining appropriate bond pricing benchmarks for investor-owned electric utility securitized transactions and evaluating pricing versus such benchmarks. Provide the results of the last 5 (or all if less than 5) investor-owned electric utility securitized transactions involving the respondent as a financial advisor to a regulatory commission showing the relative spreads over swaps or treasuries. Compare these results to U.S. Agency securities of similar weighted average life at the time of issuance.

E. Scope of Services (Maximum evaluation points 25)

1. Provide a plan on how the respondent will address each item identified in the scope of services requirements set forth in Section III of this RFP. The plan should include comments concerning anticipated substantive issue(s) to be addressed and anticipated procedural matters.

2. Comment on the sufficiency of the scope of services identified in Section III of the RFP to assist the Commission in discharging its duties and responsibilities under Section 7 of CS/HB 7109 (part 366.95(2)(c)2. and 5.); identify and describe any additional services the respondent would suggest to assist the Commission in its discharging of these duties and responsibilities.

F. References (Maximum evaluation points 5)

1. List in the main body of the proposal and provide (as a separately marked and numbered attachment to the proposal) any letters of recommendation related to experience in providing financial advisory and expert witness services in connection with investor-owned electric utility securitized bonding.

G. Compensation (Maximum evaluation points 15)

1. Any compensation for work performed by the Financial Advisor under this RFP will be paid as described in Section I subsection D. of this RFP. For each petition that may be reviewed, identify the total amount of compensation required by the respondent to perform any such work as described in Section III of this RFP and any additional activities proposed by the respondent pursuant to Section IV subsection E. The requested compensation, which may not exceed $2,500,000 per petition reviewed, will be competitively evaluated.

H. Conflicts of Interest

1. Identify any Florida investor-owned electric utility, its parent, or any affiliate for whom the respondent is currently providing financial services, bond underwriting services, or has a financial relationship.

2. Identify any potential or existing conflicts, the party with whom the conflict exists or might arise, the nature of the conflict and whether the respondent would step aside or resign from engagement or representation creating the conflict.

3. Identify any arrangement with any individual or entity with respect to the sharing of any compensation, fees or profit received from or in relation to acting as a Financial Advisor to the FPSC or whose compensation is based in whole or in part on compensation for acting as the Financial Advisor. If such arrangement exists, provide (as a separately marked and numbered attachment to the proposal)

part on compensation for acting as the Financial Advisor. If such arrangement exists, provide (as a separately marked and numbered attachment to the proposal) copies of any contract(s) relating to the arrangement and describe in detail the nature of the arrangement and the method of computing compensation.

4. Identify any person or firm retained by the respondent for the purpose of assisting the respondent to be selected as the Financial Advisor pursuant to this RFP. If the selection of the respondent to become the Financial Advisor will obligate the respondent to pay any firm or an individual who is not a full time employee of the respondent, identify the individual or firm to be paid and provide (as a separately numbered attachment to the proposal) specific information relating to compensation paid or to be paid including copies of any written contract relating to such arrangement.

V. EVALUATION PROCESS

The responses to this RFP will be independently evaluated by members of the Selection Committee. Evaluation points will be assigned to the proposals pursuant to the point system identified in Section IV. Responses required throughout this RFP for which no points are assigned will not be used in computing the point score awarded to a proposal, but may be used for informational purposes or as a basis for possible disqualification of the respondent.

The FPSC Selection Committee members will evaluate the proposals by reviewing the responses to each of the items identified in Section IV and assigning points up to the maximum points allowed for each item. The ranking of each proposal will be based upon the total points awarded to each proposal by the committee members. The FPSC will post its notice of Intent to Award an Agreement to the respondent who submitted the highest ranked proposal and was not otherwise disqualified. The Agreement will include the RFP, the respondent's proposal, and an executed contract. It is anticipated that a respondent and the FPSC may need to clarify, by mutual agreement, how the RFP, the respondent's proposal, and the FPSC contract will work together. If the parties are not able to clarify the Agreement to the satisfaction of the FPSC, the FPSC reserves the right to reject a respondent's proposal and may select the next highest ranked proposal, subject to any needed clarifications.

VI. FINANCIAL ADVISOR CONTRACT

All mutually agreeable clarifications will be reflected in the contract document along with the language set forth in this Section of the RFP, and routine contractual information including without limitation, the names and addresses of the parties, points of contact, intended purpose and term of the Agreement, a summary of services to be provided, and compensation. Any selected respondent must enter into a signed contract with the FPSC and shall perform services in accordance with such Agreement which

will be comprised of documents, as clarified during various stages of the RFP process, and include: the RFP, the respondent's proposal, and the Commission's contract. Any inconsistency between provisions of these documents will be resolved in the following order of precedence: 1) the contract; 2) the RFP; and 3) the respondent's proposal to the RFP. These documents, including any attachments, will embody the entire Agreement of the parties.

Provision of services to be provided by the Financial Advisor will be subject to the following terms and conditions:

A. The parties agree that time is of the essence for the Financial Advisor's performance under the agreement.

B. The FPSC will identify an FPSC Contract Manager who will act as the primary contact between the Commission and the Financial Advisor after a contract has been executed by both parties. The FPSC Contract Manager will assign tasks to the Financial Advisor, establish timelines for completion of such tasks, and identify any required deliverables.

C. The Financial Advisor will provide the FPSC Contract Manager with monthly reports containing status information on each task assigned by the FPSC Contract Manager, current updates to the market condition reports, a general summary of the status of agreed upon deliverables, and any requests that require approval or actions by the FPSC Contract Manger to keep the work on schedule.

D. The FPSC does not pay Federal excise or sales taxes on direct purchases of tangible personal property. The FPSC will not pay for any personal property taxes levied on the Financial Advisor or for any taxes levied on employees' wages.

E. Neither party shall be responsible for failure to perform under the Agreement if circumstances beyond their control, including, but not limited to, acts of God, governmental authority, war in the United States or other occurrence that makes it illegal or impossible for the Financial Advisor to perform.

F. Work is to be performed by personnel and entities described in the Financial Advisor's proposal to the RFP. The Financial Advisor shall neither change the personnel performing under the Agreement nor transfer any interest in the Agreement without the prior written consent of the FPSC Contract Manager.

G. The Agreement shall be in effect upon execution by both parties, and shall remain in effect until all Commission action untaken pursuant to each petition becomes final and all required post bond issuance reviews are completed and accepted by the Contract Manager.

H. The Financial Advisor and all its agents shall comply with all federal, state and local regulations, including, but not limited to, nondiscrimination, wages, social security, worker's compensation, licenses and registration requirements.

I. The Agreement shall for all purposes be governed by and interpreted in accordance with the laws of the State of Florida. Venue shall be in Leon County, Florida. With regard to limitation of actions, Section 95.11, F.S., shall govern.

J. The Financial Advisor and any of its employees, agents, or assigns are independent contractors and not employees or agents of the FPSC.

K. The Financial Advisor shall be fully liable for the actions of its agents, employees, partners, or subcontractors.

L. The delay or failure by the Commission to exercise or enforce any of its rights under this Agreement shall not constitute or be deemed a waiver of the Commission's right thereafter to enforce those rights, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

M. The FPSC's responsibility for tort claims shall be governed by the provisions of Section 768.28, F.S. Nothing within the Agreement shall be construed as waiving the sovereign immunity of the State of Florida.

N. The FPSC may terminate the Agreement for its convenience or cause by giving ten (10) days written notice by registered mail to the Financial Advisor, specifying the effective date of termination. If the Agreement is terminated, the Financial Advisor shall, subject to the issuance of bonds, be paid for services satisfactorily performed subject to any damages sustained by the FPSC.

- Convenience
  The FPSC, by written notice to the Financial Advisor, may terminate the Agreement in whole or in part when the FPSC determines in its sole discretion that it is in the State's interest to do so. The Financial Advisor shall not perform any services after it receives a notice of termination, except as directed by the FPSC Contract Manager. The Financial Advisor shall not be entitled to recover any cancellation charges or lost profits.

- Cause
  The FPSC may terminate the Agreement if the Financial Advisor fails to (a) deliver a deliverable within the time specified by the FPSC Contract Manager, (b) maintain adequate progress, thus endangering performance under the Agreement, (c) honor any term(s) of the Agreement, or (d) abide by any statutory, regulatory, or licensing requirement.

O. If the Agreement is terminated, all finished or unfinished documents, data, studies, correspondence, reports and other products prepared by or for the Financial Advisor

under the Agreement shall be made available to, and for the exclusive use of, the FPSC for the purposes intended under the Agreement. Notwithstanding the above, the Financial Advisor shall not be relieved of liability to the FPSC for damages by virtue of any termination or breach of the Agreement by the Financial Advisor.

P. If any provision of the Agreement is determined to be prohibited by law or judged to be void or unenforceable, that provision shall, to the extent required, be severed from the Agreement and rendered ineffective without prejudice to the validity and enforceability of the remainder of the provision or the Agreement generally. When possible, the parties shall use reasonable efforts to amend any provision prohibited by law or judged to be void or unenforceable in such a way that it becomes valid and legal and implements the original intent of the parties as to the matter or matters in question.

Q. Unless otherwise exempt from disclosure under Chapter 119, F.S., or Section 24(a) of Article I of the State Constitution, all documents developed for or by the Financial Advisor under the Agreement qualifying as public records shall be made available by the Financial Advisor to the requestor, for public inspection. The FPSC may unilaterally cancel the Agreement for refusal by the Financial Advisor to allow such public access.

R. The parties acknowledge and agree that the State of Florida may make the Agreement, and any documents related thereto, available to the public by posting on the Internet, or by other means.

S. Any change in the Agreement shall be accomplished by a formal written amendment signed by the authorized representatives of both the FPSC and the Financial Advisor. No other document or oral communications shall be construed as an amendment to the Agreement.

T. The Financial Advisor agrees to permanently refrain from using or mentioning its association with the FPSC in advertisements, letterhead, or business cards. The Financial Advisor's services to the FPSC may be generally described in the Financial Advisor's professional resume. The Financial Advisor may not give the impression in any manner, that the FPSC recommends or endorses the Financial Advisor or the services it performs.

U. All contacts with the news media pertaining to the Agreement shall be referred to the FPSC'S Public Information Director at: cmuir@psc.state.fl.us.

VII. ATTACHMENT

Attachment A
Committee Substitute for House Bill 7109 (CS/HB 7109)

An act relating to the Florida Public Service Commission; amending s. 350.01, F.S.; providing term limits for commissioners appointed after a specified date; requiring that specified meetings, workshops, hearings, or proceedings of the commission be streamed live and recorded copies be made available on the commission's website; amending s. 350.031, F.S.; requiring a person who lobbies a member of the Florida Public Service Commission Nominating Council to register as a lobbyist; requiring implementation by joint rule; amending s. 350.041, F.S.; requiring public service commissioners to annually complete ethics training; amending s. 350.042, F.S.; revising the prohibition against ex parte communications to include any matter that a commissioner knows or reasonably expects will be filed within a certain timeframe; providing legislative intent; defining terms; applying the prohibition against ex parte communications to specified meetings; specifying conditions under which the Governor must remove from office any commissioner found to have willfully and knowingly violated the ex parte communications law; amending s. 366.05, F.S.; limiting the use of tiered rates in conjunction with extended billing periods; limiting deposit amounts; requiring a utility to

notify each customer if it has more than one rate for any customer class; requiring the utility to provide good faith assistance to the customer in determining the best rate; assigning responsibility to the customer for the rate selection; requiring the commission to approve new tariffs and certain changes to existing tariffs; amending s. 366.82, F.S.; requiring that money received by a utility for the development of demand-side renewable energy systems be used solely for that purpose; creating s. 366.95, F.S.; defining terms; authorizing electric utilities to petition the commission for certain financing orders that authorize the issuance of nuclear asset-recovery bonds, authorize the imposition, collection, and periodic adjustments of nuclear asset-recovery charges, and authorize the creation of nuclear asset-recovery property; providing requirements; providing exceptions to the commission's jurisdiction for certain aspects of financing orders; specifying duties of electric utilities that have obtained a financing order and issued nuclear asset-recovery bonds; specifying properties, requirements, and limitations relating to nuclear asset-recovery property; providing requirements as to the sufficiency of the description of certain nuclear asset-recovery property; subjecting financing statements to the Uniform Commercial Code;

providing an exception; specifying that nuclear asset-recovery bonds are not public debt; specifying certain state pledges relating to bondholders; declaring that certain entities are not electric utilities under certain circumstances; specifying effect of certain provisions in situations of conflict; providing for protecting validity of certain bonds under certain circumstances; providing penalties; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (3) of section 350.01, Florida Statutes, is amended, and subsection (8) is added to that section, to read:

350.01 Florida Public Service Commission; terms of commissioners; vacancies; election and duties of chair; quorum; proceedings.—

(3) Any person serving on the commission who seeks to be appointed or reappointed shall file with the nominating council no later than June 1 prior to the year in which his or her term expires a statement that he or she desires to serve an additional term. A commissioner appointed after July 1, 2015, may not serve more than three consecutive terms.

(8) Each meeting, including each internal affairs meeting, workshop, hearing, or other proceeding attended by two or more

commissioners, and each such meeting, workshop, hearing, or other proceeding where a decision that concerns the rights or obligations of any person is made, shall be streamed live on the Internet and a recorded copy of the meeting, workshop, hearing, or proceeding shall be made available on the commission's website.

Section 2. Subsection (10) is added to section 350.031, Florida Statutes, to read:

350.031 Florida Public Service Commission Nominating Council.—

(10) In keeping with the purpose of the council, which is to select nominees to be appointed to an arm of the legislative branch of government, a person who is employed and receives payment, or who contracts for economic consideration, for the purpose of influencing or attempting to influence action of the council through oral or written communication or through an attempt to obtain the goodwill of a legislator or nonlegislator member of the council, or a person who is principally employed for governmental affairs by another person or governmental entity to act on behalf of that other person or entity for this purpose, must register as a lobbyist pursuant to s. 11.045 and otherwise comply with the requirements of that section. The Legislature shall implement this subsection by joint rule.

Section 3. Subsection (3) of section 350.041, Florida Statutes, is renumbered as subsection(4), and a new subsection (3) is added to that section to read:

350.041 Commissioners; standards of conduct.—

(3) ETHICS TRAINING.—Beginning January 1, 2016, a commissioner must annually complete at least 4 hours of ethics training that addresses, at a minimum, s. 8, Art. II of the State Constitution, the Code of Ethics for Public Officers and Employees, and the public records and public meetings laws of this state. This requirement may be satisfied by completion of a continuing legal education class or other continuing professional education class, seminar, or presentation, if the required subjects are covered.

Section 4. Subsections (1) and (3) and paragraph (b) of subsection (7) of section 350.042, Florida Statutes, are amended to read:

350.042 Ex parte communications.—

(1) A commissioner should accord to every person who is legally interested in a proceeding, or the person's lawyer, full right to be heard according to law, and, except as authorized by law, shall neither initiate nor consider ex parte communications concerning the merits, threat, or offer of reward in any proceeding under s. 120.569 or s. 120.57 that is currently pending before the commission or that he or she knows or reasonably expects will be filed with the commission within 180 days after the date of any such communication, other than a proceeding under s. 120.54 or s. 120.565, workshops, or internal affairs meetings. An ~~No~~ individual may not ~~shall~~ discuss ex parte with a commissioner the merits of any issue that he or she

knows will be filed with the commission within 180 ~~90~~ days. ~~The provisions of~~ This subsection does ~~shall~~ not apply to commission staff.

(3)(a) The Legislature finds that it is important to have commissioners who are educated and informed on regulatory policies and developments in science, technology, business management, finance, law, and public policy which are associated with the industries that the commissioners regulate. The Legislature also finds that it is in the public interest for commissioners to become educated and informed on these matters through active participation in meetings that are scheduled by organizations that sponsor such educational or informational sessions, programs, conferences, and similar events and that are duly noticed and open to the public.

(b) As used in this subsection, the term "active participation" or "participating in" includes, but is not limited to, attending or speaking at educational sessions, participating in organization governance by attending meetings, serving on committees or in leadership positions, participating in panel discussions, and attending meals and receptions associated with such events that are open to all attendees.

(c) The prohibition in subsection (1) remains in effect at all times at such meetings wherever located. While participating in such meetings, a commissioner shall:

1. Refrain from commenting on or discussing any proceeding under s. 120.569 or s. 120.57 which is currently pending before

the commission or that he or she knows or reasonably expects will be filed with the commission within 180 days after the meeting.

2. Use reasonable care to ensure that the content of the educational session or other session in which the commissioner participates is not designed to address or create a forum to influence the commissioner on any proceeding under s. 120.569 or s. 120.57 which is currently pending before the commission or that he or she knows or reasonably expects will be filed with the commission within 180 days after the meeting ~~This section shall not apply to oral communications or discussions in scheduled and noticed open public meetings of educational programs or of a conference or other meeting of an association of regulatory agencies~~.

(7)

(b) If the Commission on Ethics finds that there has been a violation of this section by a public service commissioner, it shall provide the Governor and the Florida Public Service Commission Nominating Council with a report of its findings and recommendations. The Governor is authorized to enforce the findings and recommendations of the Commission on Ethics, pursuant to part III of chapter 112 and to remove from office a commissioner who is found by the Commission on Ethics to have willfully and knowingly violated this section. The Governor shall remove from office a commissioner who is found by the Commission on Ethics to have willfully and knowingly violated

this section after a previous finding by the Commission on Ethics that the commissioner willfully and knowingly violated this section in a separate matter.

Section 5. Subsection (1) of section 366.05, Florida Statutes, is amended to read:

366.05 Powers.—

(1)(a) In the exercise of such jurisdiction, the commission shall have power to prescribe fair and reasonable rates and charges, classifications, standards of quality and measurements, including the ability to adopt construction standards that exceed the National Electrical Safety Code, for purposes of ensuring the reliable provision of service, and service rules and regulations to be observed by each public utility; to require repairs, improvements, additions, replacements, and extensions to the plant and equipment of any public utility when reasonably necessary to promote the convenience and welfare of the public and secure adequate service or facilities for those reasonably entitled thereto; to employ and fix the compensation for such examiners and technical, legal, and clerical employees as it deems necessary to carry out the provisions of this chapter; and to adopt rules pursuant to ss. 120.536(1) and 120.54 to implement and enforce the provisions of this chapter.

(b) If the commission authorizes a public utility to charge tiered rates based upon levels of usage and to vary its regular billing period, the utility may not charge a customer a

higher rate because of an increase in usage attributable to an extension of the billing period; however, the regular meter reading date may not be advanced or postponed more than 5 days for routine operating reasons without prorating the billing for the period.

(c) Effective January 1, 2016, a utility may not charge or receive a deposit in excess of the following amounts:

1. For an existing account, the total deposit may not exceed 2 months of average actual charges, calculated by adding the monthly charges from the 12-month period immediately before the date any change in the deposit amount is sought, dividing this total by 12, and multiplying the result by 2. If the account has less than 12 months of actual charges, the deposit shall be calculated by adding the available monthly charges, dividing this total by the number of months available, and multiplying the result by 2.

2. For a new service request, the total deposit may not exceed 2 months of projected charges, calculated by adding the 12 months of projected charges, dividing this total by 12, and multiplying the result by 2. Once a new customer has had continuous service for a 12-month period, the amount of the deposit shall be recalculated using actual data. Any difference between the projected and actual amounts must be resolved by the customer paying any additional amount that may be billed by the utility or the utility returning any overcharge.

(d) If a utility has more than one rate for any customer

class, it must notify each customer in that class of the available rates and explain how the rate is charged to the customer. If a customer contacts the utility seeking assistance in selecting the most advantageous rate, the utility must provide good faith assistance to the customer. The customer is responsible for charges for service provided under the selected rate.

(e) New tariffs and changes to an existing tariff, other than an administrative change that does not substantially change the meaning or operation of the tariff, must be approved by majority vote of the commission, except as otherwise specifically provided by law.

Section 6. Subsection (2) of section 366.82, Florida Statutes, is amended to read:

366.82 Definition; goals; plans; programs; annual reports; energy audits.—

(2) The commission shall adopt appropriate goals for increasing the efficiency of energy consumption and increasing the development of demand-side renewable energy systems, specifically including goals designed to increase the conservation of expensive resources, such as petroleum fuels, to reduce and control the growth rates of electric consumption, to reduce the growth rates of weather-sensitive peak demand, and to encourage development of demand-side renewable energy resources. The commission may allow efficiency investments across generation, transmission, and distribution as well as

efficiencies within the user base. Moneys received by a utility to implement measures to encourage the development of demand-side renewable energy systems shall be used solely for such purposes and related administrative costs.

Section 7. Section 366.95, Florida Statutes, is created to read:

366.95 Financing for certain nuclear generating asset retirement or abandonment costs.—

(1) DEFINITIONS.—As used in this section, the term:

(a) "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 nuclear asset-recovery bonds.

(b) "Assignee" means any entity, including, but not limited to, a corporation, limited liability company, partnership or limited partnership, public authority, trust, financing entity, or other legally recognized entity to which an electric utility assigns, sells, or transfers, other than as security, all or a portion of its interest in or right to nuclear asset-recovery property. The term also includes any entity to which an assignee assigns, sells, or transfers, other than as security, its interest in or right to nuclear asset-recovery property.

(c) "Commission" means the Florida Public Service Commission.

(d) "Electric utility" or "utility" has the same meaning as provided in s. 366.8255.

(e) "Financing costs" means:

1. Interest and acquisition, defeasance, or redemption premiums payable on nuclear asset-recovery bonds;

2. 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 documents pertaining to nuclear asset-recovery bonds;

3. Any other cost related to issuing, supporting, repaying, refunding, and servicing nuclear asset-recovery 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 costs necessary to otherwise ensure the timely payment of nuclear asset-recovery bonds or other amounts or charges payable in connection with the bonds, including costs related to obtaining the financing order;

4. Any taxes and license fees imposed on the revenues generated from the collection of the nuclear asset-recovery charge;

5. Any state and local taxes, franchise, gross receipts,

and other taxes or similar charges, including, but not limited to, regulatory assessment fees, in any such case whether paid, payable, or accrued; and

6. Any costs incurred by the commission for any outside consultants or counsel pursuant to subparagraph (2)(c)2.

(f) "Financing order" means an order that authorizes the issuance of nuclear asset-recovery bonds; the imposition, collection, and periodic adjustments of the nuclear asset-recovery charge; and the creation of nuclear asset-recovery property.

(g) "Financing party" means any and all of the following: holders of nuclear asset-recovery bonds and trustees, collateral agents, any party under an ancillary agreement, or any other person acting for the benefit of holders of nuclear asset-recovery bonds.

(h) "Financing statement" has the same meaning as provided in Article 9 of the Uniform Commercial Code.

(i) "Nuclear asset-recovery bonds" means bonds, debentures, notes, certificates of participation, certificates of beneficial interest, certificates of ownership, or other evidences of indebtedness or ownership that are issued by an electric utility or an assignee pursuant to a financing order, the proceeds of which are used directly or indirectly to recover, finance, or refinance commission-approved nuclear asset-recovery costs and financing costs, and that are secured by or payable from nuclear asset-recovery property. If

certificates of participation or ownership are issued, references in this section to principal, interest, or premium shall be construed to refer to comparable amounts under those certificates.

(j) "Nuclear asset-recovery charge" means the amounts authorized by the commission to repay, finance, or refinance nuclear asset-recovery costs and financing costs. If determined appropriate by the commission and provided for in a financing order, such amounts are to be imposed on and be a part of all customer bills and be collected by an electric utility or its successors or assignees, or a collection agent, in full through a nonbypassable charge that is separate and apart from the electric utility's base rates, which charge shall be paid by all existing or future customers receiving transmission or distribution service from the electric utility or its successors or assignees under commission-approved rate schedules or under special contracts, even if a customer elects to purchase electricity from an alternative electricity supplier following a fundamental change in regulation of public utilities in this state.

(k) "Nuclear asset-recovery costs" means:

1. At the option of and upon petition by the electric utility, and as approved by the commission pursuant to sub-subparagraph (2)(c)1.b., pretax costs that an electric utility has incurred or expects to incur which are caused by, associated with, or remain as a result of the early retirement or

abandonment of a nuclear generating asset unit that generated electricity and is located in this state where such early retirement or abandonment is deemed to be reasonable and prudent by the commission through a final order approving a settlement or other final order issued by the commission before July 1, 2017, and where the pretax costs to be securitized exceed $750 million at the time of the filing of the petition. Costs eligible or claimed for recovery pursuant to s. 366.93 are not eligible for securitization under this section unless they were in the electric utility's rate base and were included in base rates before retirement or abandonment.

2. Such pretax costs, where determined appropriate by the commission, include, but are not limited to, the capitalized cost of the retired or abandoned nuclear generating asset unit, other applicable capital and operating costs, accrued carrying charges, deferred expenses, reductions for applicable insurance and salvage proceeds and previously stipulated write-downs or write-offs, if any, and the costs of retiring any existing indebtedness, fees, costs, and expenses to modify existing debt agreements or for waivers or consents related to existing debt agreements.

(l) "Nuclear asset-recovery property" means:

1. All rights and interests of an electric utility or successor or assignee of the electric utility under a financing order, including the right to impose, bill, collect, and receive nuclear asset-recovery charges authorized under the financing

order and to obtain periodic adjustments to such charges as provided in the financing order; or

2. All revenues, collections, claims, rights to payments, payments, money, or proceeds arising from the rights and interests specified in subparagraph 1., regardless of whether such revenues, collections, claims, rights to payment, payments, money, or proceeds are imposed, billed, received, collected, or maintained together with or commingled with other revenues, collections, rights to payment, payments, money, or proceeds.

(m) "Pledgee" means a financing party to which an electric utility or its successors or assignees mortgages, negotiates, hypothecates, pledges, or creates a security interest or lien on all or any portion of its interest in or right to nuclear asset-recovery property.

(n) "Uniform Commercial Code" has the same meaning as provided in chapters 670-680.

(2) FINANCING ORDERS.—

(a) An electric utility may petition the commission for a financing order. For each petition, the electric utility shall:

1. Describe the nuclear asset-recovery costs;

2. Indicate whether the utility proposes to finance all or a portion of the nuclear asset-recovery costs using nuclear asset-recovery bonds. If the utility proposes to finance a portion of such costs, the utility must identify the specific portion in the petition;

3. Estimate the financing costs related to the nuclear

asset-recovery bonds;

4. Estimate the nuclear asset-recovery charges necessary to recover the nuclear asset-recovery costs and financing costs and the period for recovery of such costs;

5. Estimate any projected cost savings, based on current market conditions, or demonstrate how the issuance of nuclear asset-recovery bonds and the imposition of nuclear asset-recovery charges would avoid or significantly mitigate rate impacts to customers as compared with the traditional method of financing and recovering nuclear asset-recovery costs from customers;

6. Demonstrate that securitization has a significant likelihood of resulting in lower overall costs or would avoid or significantly mitigate rate impacts compared to the traditional method of cost recovery; and

7. File direct testimony supporting the petition.

(b) If an electric utility is subject to a settlement agreement that governs the type and amount of principal costs that could be included in nuclear asset-recovery costs, the electric utility must file a petition, or have filed a petition, with the commission for review and approval of those principal costs no later than 60 days before filing a petition for a financing order pursuant to this section. The commission may not authorize any such principal costs to be included or excluded, as applicable, as nuclear asset-recovery costs if such inclusion or exclusion, as applicable, of those costs would otherwise be

precluded by such electric utility's settlement agreement.

(c)1. Proceedings on a petition submitted pursuant to paragraph (a) begin with the petition by an electric utility, filed subject to the timeframe specified in paragraph (b), if applicable, and shall be disposed of in accordance with chapter 120 and applicable rules, except that this section, to the extent applicable, controls.

a. Within 7 days after the filing of a petition, the commission shall publish a case schedule, which must place the matter before the commission on an agenda that permits a commission decision no later than 120 days after the date the petition is filed.

b. No later than 135 days after the date the petition is filed, the commission shall issue a financing order or an order rejecting the petition. A party to the commission proceeding may petition the commission for reconsideration of the financing order within 5 days after the date of its issuance. The commission shall issue a financing order authorizing the financing of reasonable and prudent nuclear asset-recovery costs and financing costs if the commission finds that the issuance of the nuclear asset-recovery bonds and the imposition of nuclear asset-recovery charges authorized by the financing order have a significant likelihood of resulting in lower overall costs or would avoid or significantly mitigate rate impacts to customers as compared with the traditional method of financing and recovering nuclear asset-recovery costs. Any determination of

whether nuclear asset-recovery costs are reasonable and prudent shall be made with reference to the general public interest and in accordance with paragraph (b), if applicable.

2. In a financing order issued to an electric utility, the commission shall:

a. Except as provided in sub-subparagraph d. and subparagraph 4., specify the amount of nuclear asset-recovery costs to be financed using nuclear asset-recovery bonds, taking into consideration, to the extent the commission deems appropriate, any other methods used to recover these costs. The commission shall describe and estimate the amount of financing costs which may be recovered through nuclear asset-recovery charges and specify the period over which such costs may be recovered. Any such determination as to the overall time period for cost recovery must be consistent with a settlement agreement, if any, under paragraph (b);

b. Determine if the proposed structuring, expected pricing, and financing costs of the nuclear asset-recovery bonds have a significant likelihood of resulting in lower overall costs or would avoid or significantly mitigate rate impacts to customers as compared with the traditional method of financing and recovering nuclear asset-recovery costs. A financing order must provide detailed findings of fact addressing cost-effectiveness and associated rate impacts upon retail customers and retail customer classes;

c. Require, for the period specified pursuant to sub-

subparagraph a., that the imposition and collection of nuclear asset-recovery charges authorized under a financing order be nonbypassable and paid by all existing and future customers receiving transmission or distribution service from the electric utility or its successors or assignees under commission-approved rate schedules or under special contracts, even if a customer elects to purchase electricity from an alternative electric supplier following a fundamental change in regulation of public utilities in this state;

d. Include a formula-based true-up mechanism for making expeditious periodic adjustments in the nuclear asset-recovery charges that customers are required to pay pursuant to the financing order and for making any adjustments that are necessary to correct for any overcollection or undercollection of the charges or to otherwise ensure the timely payment of nuclear asset-recovery bonds and financing costs and other required amounts and charges payable in connection with the nuclear asset-recovery bonds;

e. Specify the nuclear asset-recovery property that is, or shall be, created in favor of an electric utility or its successors or assignees and that shall be used to pay or secure nuclear asset-recovery bonds and all financing costs;

f. Specify the degree of flexibility to be afforded to the electric utility in establishing the terms and conditions of the nuclear asset-recovery bonds, including, but not limited to, repayment schedules, expected interest rates, and other

financing costs consistent with sub-subparagraphs a.-e.;

g. Require nuclear asset-recovery charges to be allocated to the customer classes using the criteria set out in s. 366.06(1), in the manner in which these costs or their equivalent was allocated in the cost-of-service study that was approved in connection with the electric utility's last rate case and that is in effect during the nuclear asset-recovery charge annual billing period. If the electric utility's last rate case was resolved by a settlement agreement, the cost-of-service methodology that was adopted in the settlement agreement in that case and that is in effect during the nuclear asset-recovery charge annual billing period shall be used;

h. Require, after the final terms of an issuance of nuclear asset-recovery bonds have been established and before the issuance of nuclear asset-recovery bonds, that the electric utility determine the resulting initial nuclear asset-recovery charge in accordance with the financing order and that such initial nuclear asset-recovery charge be final and effective upon the issuance of such nuclear asset-recovery bonds without further commission action so long as the nuclear asset-recovery charge is consistent with the financing order; and

i. Include any other conditions that the commission considers appropriate and that are authorized by this section.

In performing the responsibilities of this subparagraph and subparagraph 5., the commission may engage outside consultants

and counsel. All expenses associated with such services shall be included as part of financing costs and included in the nuclear asset-recovery charge.

3. A financing order issued to an electric utility may provide that creation of the electric utility's nuclear asset-recovery property pursuant to sub-subparagraph 2.e. is conditioned upon, and simultaneous with, the sale or other transfer of the nuclear asset-recovery property to an assignee and the pledge of the nuclear asset-recovery property to secure nuclear asset-recovery bonds.

4. If the commission issues a financing order and nuclear asset-recovery bonds are issued, the electric utility or assignee must file with the commission at least biannually a petition or a letter applying the formula-based true-up mechanism pursuant to sub-subparagraph 2.d. and, based on estimates of consumption for each rate class and other mathematical factors, requesting administrative approval to make the adjustments described in sub-subparagraph 2.d. The review of such a request is limited to determining whether there is any mathematical error in the application of the formula-based mechanism relating to the amount of any overcollection or undercollection of nuclear asset-recovery charges and the amount of any adjustment. Such adjustments shall ensure the recovery of revenues sufficient to provide for the timely payment of principal, interest, acquisition, defeasance, financing costs, or redemption premium and other fees, costs, and charges

relating to nuclear asset-recovery bonds approved under the financing order. Within 60 days after receiving an electric utility's request pursuant to this paragraph, the commission must approve the request or inform the electric utility of any mathematical errors in its calculation. If the commission informs the utility of mathematical errors in its calculation, the utility may correct the error and refile the request. The timeframes previously described in this paragraph apply to a refiled request.

5. Within 120 days after the issuance of nuclear asset-recovery bonds, the electric utility shall file with the commission information on the actual costs of the nuclear asset-recovery bonds issuance. The commission shall review, on a reasonably comparable basis, such information to determine if such costs incurred in the issuance of the bonds resulted in the lowest overall costs that were reasonably consistent with market conditions at the time of the issuance and the terms of the financing order. The commission may disallow all incremental issuance costs in excess of the lowest overall costs by requiring the electric utility to make a credit to the capacity cost recovery clause in an amount equal to the excess of actual issuance costs incurred, and paid for out of nuclear asset-recovery bonds proceeds, and the lowest overall issuance costs as determined by the commission. The commission may not make adjustments to the nuclear asset-recovery charges for any such excess issuance costs.

6. Subsequent to the transfer of nuclear asset-recovery property to an assignee or the issuance of nuclear asset-recovery bonds authorized thereby, whichever is earlier, a financing order is irrevocable and, except as provided in subparagraph 4. and paragraph (d), the commission may not amend, modify, or terminate the financing order by any subsequent action or reduce, impair, postpone, terminate, or otherwise adjust nuclear asset-recovery charges approved in the financing order. After the issuance of a financing order, the electric utility retains sole discretion regarding whether to assign, sell, or otherwise transfer nuclear asset-recovery property or to cause nuclear asset-recovery bonds to be issued, including the right to defer or postpone such assignment, sale, transfer, or issuance. If the electric utility decides not to cause nuclear asset-recovery bonds to be issued, the electric utility may not recover financing costs, as defined in paragraph (1)(e), from customers.

(d) At the request of an electric utility, the commission may commence a proceeding and issue a subsequent financing order that provides for refinancing, retiring, or refunding nuclear asset-recovery bonds issued pursuant to the original financing order if the commission finds that the subsequent financing order satisfies all of the criteria specified in paragraph (c). Effective upon retirement of the refunded nuclear asset-recovery bonds and the issuance of new nuclear asset-recovery bonds, the commission shall adjust the related nuclear asset-recovery

charges accordingly.

(e) Within 30 days after the commission issues a financing order or a decision denying a request for reconsideration or, if the request for reconsideration is granted, within 30 days after the commission issues its decision on reconsideration, an adversely affected party may petition for judicial review in the Florida Supreme Court. The petition for review must be served upon the executive director of the commission personally or by service at the office of the commission. Review on appeal shall be based solely on the record before the commission and briefs to the court and is limited to determining whether the financing order, or the order on reconsideration, conforms to the State Constitution and state and federal law and is within the authority of the commission under this section. Inasmuch as delay in the determination of the appeal of a financing order will delay the issuance of nuclear asset-recovery bonds, thereby diminishing savings to customers which might be achieved if such nuclear asset-recovery bonds were issued as contemplated by a financing order, the Florida Supreme Court shall proceed to hear and determine the action as expeditiously as practicable and give the action precedence over other matters not accorded similar precedence by law.

(f)1. A financing order remains in effect and all such nuclear asset-recovery property continues to exist until nuclear asset-recovery bonds issued pursuant to the financing order have been paid in full and all commission-approved financing costs of

such nuclear asset-recovery bonds have been recovered in full.

2. A financing order issued to an electric utility remains in effect and unabated notwithstanding the reorganization, bankruptcy or other insolvency proceedings, merger, or sale of the electric utility or its successors or assignees.

(3) EXCEPTIONS TO COMMISSION JURISDICTION.—

(a) If the commission issues a financing order to an electric utility pursuant to this section, the commission may not, in exercising its powers and carrying out its duties regarding any matter within its authority pursuant to this chapter, consider the nuclear asset-recovery bonds issued pursuant to the financing order to be the debt of the electric utility other than for federal income tax purposes, consider the nuclear asset-recovery charges paid under the financing order to be the revenue of the electric utility for any purpose, or consider the nuclear asset-recovery costs or financing costs specified in the financing order to be the costs of the electric utility, nor may the commission determine any action taken by an electric utility which is consistent with the financing order to be unjust or unreasonable.

(b) The commission may not order or otherwise directly or indirectly require an electric utility to use nuclear asset-recovery bonds to finance any project, addition, plant, facility, extension, capital improvement, equipment, or any other expenditure, unless that expenditure is a nuclear asset-recovery cost and the electric utility has filed a petition

pursuant to paragraph (2)(a) to finance such expenditure using nuclear asset-recovery bonds. The commission may not refuse to allow an electric utility to recover nuclear asset-recovery costs in an otherwise permissible fashion, or refuse or condition authorization or approval pursuant to s. 366.04 of the issuance and sale by an electric utility of securities or the assumption by the utility of liabilities or obligations, solely because of the potential availability of nuclear asset-recovery cost financing.

(4) ELECTRIC UTILITY DUTIES.—The electric bills of an electric utility that has obtained a financing order and caused nuclear asset-recovery bonds to be issued must:

(a) Explicitly reflect that a portion of the charges on such bill represents nuclear asset-recovery charges approved in a financing order issued to the electric utility and, if the nuclear asset-recovery property has been transferred to an assignee, must include a statement to the effect that the assignee is the owner of the rights to nuclear asset-recovery charges and that the electric utility or other entity, if applicable, is acting as a collection agent or servicer for the assignee. The tariff applicable to customers must indicate the nuclear asset-recovery charge and the ownership of that charge.

(b) Include the nuclear asset-recovery charge on each customer's bill as a separate line item titled "Asset Securitization Charge" and include both the rate and the amount of the charge on each bill.

The failure of an electric utility to comply with this subsection does not invalidate, impair, or affect any financing order, nuclear asset-recovery property, nuclear asset-recovery charge, or nuclear asset-recovery bonds, but does subject the electric utility to penalties under s. 366.095.

(5) NUCLEAR ASSET-RECOVERY PROPERTY.—

(a)1. All nuclear asset-recovery property that is specified in a financing order constitutes an existing, present property right or interest therein, notwithstanding that the imposition and collection of nuclear asset-recovery charges depends on the electric utility, to which the financing order is issued, performing its servicing functions relating to the collection of nuclear asset-recovery charges and on future electricity consumption. Such property exists regardless of whether the revenues or proceeds arising from the property have been billed, have accrued, or have been collected and notwithstanding the fact that the value or amount of the property is dependent on the future provision of service to customers by the electric utility or its successors or assignees.

2. Nuclear asset-recovery property specified in a financing order exists until nuclear asset-recovery bonds issued pursuant to the financing order are paid in full and all financing costs and other costs of such nuclear asset-recovery bonds have been recovered in full.

3. All or any portion of nuclear asset-recovery property specified in a financing order issued to an electric utility may be transferred, sold, conveyed, or assigned to a successor or assignee, that is wholly owned, directly or indirectly, by the electric utility, created for the limited purpose of acquiring, owning, or administering nuclear asset-recovery property or issuing nuclear asset-recovery bonds under the financing order. All or any portion of nuclear asset-recovery property may be pledged to secure nuclear asset-recovery bonds issued pursuant to the financing order, amounts payable to financing parties and to counterparties under any ancillary agreements, and other financing costs. Each such transfer, sale, conveyance, assignment, or pledge by an electric utility or affiliate of an electric utility is considered to be a transaction in the ordinary course of business.

4. If an electric utility defaults on any required payment of charges arising from nuclear asset-recovery property specified in a financing order, a court, upon application by an interested party, and without limiting any other remedies available to the applying party, shall order the sequestration and payment of the revenues arising from the nuclear asset-recovery property to the financing parties. Any such financing order remains in full force and effect notwithstanding any reorganization, bankruptcy, or other insolvency proceedings with respect to the electric utility or its successors or assignees.

5. The interest of a transferee, purchaser, acquirer,

assignee, or pledgee in nuclear asset-recovery property specified in a financing order issued to an electric utility, and in the revenue and collections arising from that property, is not 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.

6. Any successor to an electric utility, whether pursuant to any reorganization, bankruptcy, or other insolvency proceeding or whether pursuant to any merger or acquisition, sale, or other business combination, or transfer by operation of law, as a result of electric utility restructuring or otherwise, must perform and satisfy all obligations of, and have the same rights under a financing order as, the electric utility under the financing order in the same manner and to the same extent as the electric utility, including collecting and paying to the person entitled to receive the revenues, collections, payments, or proceeds of the nuclear asset-recovery property.

(b)1. Except as provided in this section, the Uniform Commercial Code does not apply to nuclear asset-recovery property or any right, title, or interest of an electric utility or assignee described in subparagraph (1)(l)1., whether before or after the issuance of the financing order. In addition, such right, title, or interest pertaining to a financing order, including, but not limited to, the associated nuclear asset-recovery property and any revenues, collections, claims, rights

to payment, payments, money, or proceeds of or arising from nuclear asset-recovery charges pursuant to such order, is not deemed proceeds of any right or interest other than in the financing order and the nuclear asset-recovery property arising from the order.

2. The creation, attachment, granting, perfection, priority, and enforcement of liens and security interests in nuclear asset-recovery property to secure nuclear asset-recovery bonds is governed solely by this section and, except to the extent provided in this section, not by the Uniform Commercial Code.

3. A valid, enforceable, and attached lien and security interest in nuclear asset-recovery property may be created only upon the later of:

a. The issuance of a financing order;

b. The execution and delivery of a security agreement with a financing party in connection with the issuance of nuclear asset-recovery bonds; or

c. The receipt of value for nuclear asset-recovery bonds.

A valid, enforceable, and attached security interest is perfected against third parties as of the date of filing of a financing statement in the Florida Secured Transaction Registry, as defined in s. 679.527, in accordance with subparagraph 4., and is thereafter a continuously perfected lien; and such security interest in the nuclear asset-recovery property and all

proceeds of such nuclear asset-recovery property, regardless of whether billed, accrued, or collected, and regardless of whether deposited into a deposit account and however evidenced, has priority in accordance with subparagraph 8. and takes precedence over any subsequent judicial or other lien creditor. A continuation statement does not need to be filed to maintain such perfection.

4. Financing statements required to be filed pursuant to this section must be filed, maintained, and indexed in the same manner and in the same system of records maintained for the filing of financing statements in the Florida Secured Transaction Registry, as defined in s. 679.527. The filing of such a financing statement is the only method of perfecting a lien or security interest on nuclear asset-recovery property.

5. The priority of a lien and security interest perfected under this paragraph is not impaired by any later modification of the financing order or nuclear asset-recovery property or by the commingling of funds arising from nuclear asset-recovery property with other funds, and any other security interest that may apply to those funds is terminated as to all funds transferred to a segregated account for the benefit of an assignee or a financing party or to an assignee or financing party directly.

6. If a default or termination occurs under the terms of the nuclear asset-recovery bonds, the financing parties or their representatives may foreclose on or otherwise enforce their lien

and security interest in any nuclear asset-recovery property as if they were a secured party under Article 9 of the Uniform Commercial Code; and a court may order that amounts arising from nuclear asset-recovery property be transferred to a separate account for the financing parties' benefit, to which their lien and security interest applies. Upon application by or on behalf of the financing parties to a circuit court of this state, the court shall order the sequestration and payment to the financing parties of revenues arising from the nuclear asset-recovery property.

7. The interest of a pledgee of an interest or any rights in any nuclear asset-recovery property is not perfected until filing as provided in subparagraph 4.

8. The priority of the conflicting interests of pledgees in the same interest or rights in any nuclear asset-recovery property is determined as follows:

a. Conflicting perfected interests or rights of pledgees rank according to priority in time of perfection. Priority dates from the time a filing covering the interest or right is made in accordance with this paragraph.

b. A perfected interest or right of a pledgee has priority over a conflicting unperfected interest or right of a pledgee.

c. A perfected interest or right of a pledgee has priority over a person who becomes a lien creditor after the perfection of such pledgee's interest or right.

(c) The sale, assignment, or transfer of nuclear asset-

recovery property is governed by this paragraph. All of the following apply to a sale, assignment, or transfer under this paragraph:

1. The sale, conveyance, assignment, or other transfer of nuclear asset-recovery property by an electric utility to an assignee that the parties have in the governing documentation expressly stated to be a sale or other absolute transfer is an absolute transfer and true sale of, and not a pledge of or secured transaction relating to, the transferor's right, title, and interest in, to, and under the nuclear asset-recovery property, other than for federal and state income and franchise tax purposes. After such a transaction, the nuclear asset-recovery property is not subject to any claims of the transferor or the transferor's creditors, other than creditors holding a prior security interest in the nuclear asset-recovery property perfected under paragraph (b).

2. The characterization of the sale, conveyance, assignment, or other transfer as a true sale or other absolute transfer under subparagraph 1. and the corresponding characterization of the transferee's property interest are not affected by:

a. Commingling of amounts arising with respect to the nuclear asset-recovery property with other amounts;

b. The retention by the transferor of a partial or residual interest, including an equity interest, in the nuclear asset-recovery property, whether direct or indirect, or whether

subordinate or otherwise;

c. Any recourse that the transferee may have against the transferor other than any such recourse created, contingent upon, or otherwise occurring or resulting from one or more of the transferor's customers' inability or failure to timely pay all or a portion of the nuclear asset-recovery charge;

d. Any indemnifications, obligations, or repurchase rights made or provided by the transferor, other than indemnity or repurchase rights based solely upon a transferor's customers' inability or failure to timely pay all or a portion of the nuclear asset-recovery charge;

e. The responsibility of the transferor to collect nuclear asset-recovery charges;

f. The treatment of the sale, conveyance, assignment, or other transfer for tax, financial reporting, or other purposes; or

g. The granting or providing to holders of nuclear asset-recovery bonds a preferred right to the nuclear asset-recovery property or credit enhancement by the electric utility or its affiliates with respect to such nuclear asset-recovery bonds.

3. Any right that an electric utility has in the nuclear asset-recovery property before its pledge, sale, or transfer or any other right created under this section or created in the financing order and assignable under this section or assignable pursuant to a financing order is property in the form of a contract right. Transfer of an interest in nuclear asset-

recovery property to an assignee is enforceable only upon the later of the issuance of a financing order, the execution and delivery of transfer documents to the assignee in connection with the issuance of nuclear asset-recovery bonds, and the receipt of value. An enforceable transfer of an interest in nuclear asset-recovery property to an assignee is perfected against all third parties, including subsequent judicial or other lien creditors, when a notice of that transfer has been given by the filing of a financing statement in accordance with subparagraph (b)4. The transfer is perfected against third parties as of the date of filing.

4. Financing statements required to be filed under this section must be maintained and indexed in the same manner and in the same system of records maintained for the filing of financing statements in the Florida Secured Transaction Registry, as defined in s. 679.527. The filing of such a financing statement is the only method of perfecting a transfer of nuclear asset-recovery property.

5. The priority of a transfer perfected under this section is not impaired by any later modification of the financing order or nuclear asset-recovery property or by the commingling of funds arising from nuclear asset-recovery property with other funds. Any other security interest that may apply to those funds, other than a security interest perfected under paragraph (b), is terminated when they are transferred to a segregated account for the assignee or a financing party. If nuclear asset-

recovery property has been transferred to an assignee or financing party, any proceeds of that property must be held in trust for the assignee or financing party.

6. The priority of the conflicting interests of assignees in the same interest or rights in any nuclear asset-recovery property is determined as follows:

a. Conflicting perfected interests or rights of assignees rank according to priority in time of perfection. Priority dates from the time a filing covering the transfer is made in accordance with subparagraph (b)4.

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

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

(6) DESCRIPTION OR INDICATION OF PROPERTY.—The description of nuclear asset-recovery property being transferred to an assignee in any sale agreement, purchase agreement, or other transfer agreement, granted or pledged to a pledgee in any security agreement, pledge agreement, or other security document, or indicated in any financing statement is only sufficient if such description or indication describes the financing order that created the nuclear asset-recovery property and states that such agreement or financing statement covers all or part of such property described in such financing order. This

subsection applies to all purported transfers of, and all purported grants or liens or security interests in, nuclear asset-recovery property, regardless of whether the related sale agreement, purchase agreement, other transfer agreement, security agreement, pledge agreement, or other security document was entered into, or any financing statement was filed, before or after the effective date of this section.

(7) FINANCING STATEMENTS.—All financing statements referenced in this section are subject to Part V of Art. 9 of the Uniform Commercial Code, except that the requirement as to continuation statements does not apply.

(8) CHOICE OF LAW.—The law governing the validity, enforceability, attachment, perfection, priority, and exercise of remedies with respect to the transfer of an interest or right or the pledge or creation of a security interest in any nuclear asset-recovery property shall be the laws of this state, and exclusively, the laws of this section.

(9) NUCLEAR ASSET-RECOVERY BONDS NOT PUBLIC DEBT.—The state or its political subdivisions are not liable on any nuclear asset-recovery bonds, and the bonds are not a debt or a general obligation of the state or any of its political subdivisions, agencies, or instrumentalities. An issue of nuclear asset-recovery bonds does not, directly, indirectly, or contingently obligate the state or any agency, political subdivision, or instrumentality of the state to levy any tax or make any appropriation for payment of the nuclear asset-recovery

bonds, other than in their capacity as consumers of electricity. This subsection does not preclude bond guarantees or enhancements pursuant to this section. All nuclear asset-recovery bonds must contain on the face thereof a statement to the following effect: "Neither the full faith and credit nor the taxing power of the State of Florida is pledged to the payment of the principal of, or interest on, this bond."

(10) NUCLEAR ASSET-RECOVERY BONDS AS LEGAL INVESTMENTS WITH RESPECT TO INVESTORS THAT REQUIRE STATUTORY AUTHORITY REGARDING LEGAL INVESTMENT.—All of the following entities may legally invest any sinking funds, moneys, or other funds belonging to them or under their control in nuclear asset-recovery bonds:

(a) The state, the investment board, municipal corporations, political subdivisions, public bodies, and public officers, except for members of the commission.

(b) Banks and bankers, savings and loan associations, credit unions, trust companies, savings banks and institutions, investment companies, insurance companies, insurance associations, and other persons carrying on a banking or insurance business.

(c) Personal representatives, guardians, trustees, and other fiduciaries.

(d) All other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of a similar nature.

(11) STATE PLEDGE.—

(a) For purposes of this subsection, the term "bondholder" means a person who holds a nuclear asset-recovery bond.

(b) The state pledges to and agrees with bondholders, the owners of the nuclear asset-recovery property, and other financing parties that the state will not:

1. Alter the provisions of this section which make the nuclear asset-recovery charges imposed by a financing order irrevocable, binding, and nonbypassable charges;

2. Take or permit any action that impairs or would impair the value of nuclear asset-recovery property or revises the nuclear asset-recovery costs for which recovery is authorized; or

3. Except as authorized under this section, reduce, alter, or impair nuclear asset-recovery charges that are to be imposed, collected, and remitted for the benefit of the bondholders and other financing parties until any and all principal, interest, premium, financing costs and other fees, expenses, or charges incurred, and any contracts to be performed, in connection with the related nuclear asset-recovery bonds have been paid and performed in full.

This paragraph does not preclude limitation or alteration if full compensation is made by law for the full protection of the nuclear asset-recovery charges collected pursuant to a financing order and of the holders of nuclear asset-recovery bonds and any

assignee or financing party entering into a contract with the electric utility.

(c) Any person or entity that issues nuclear asset-recovery bonds may include the pledge specified in paragraph (b) in the nuclear asset-recovery bonds and related documentation.

(12) NOT AN ELECTRIC UTILITY.—An assignee or financing party is not an electric utility or person providing electric service by virtue of engaging in the transactions described in this section.

(13) CONFLICTS.—If there is a conflict between this section and any other law regarding the attachment, assignment, or perfection, or the effect of perfection, or priority of, assignment or transfer of, or security interest in nuclear asset-recovery property, this section shall govern.

(14) EFFECT OF INVALIDITY ON ACTIONS.—Effective on the date that nuclear asset-recovery bonds are first issued under this section, if any provision of this section is held invalid or is invalidated, superseded, replaced, repealed, or expires for any reason, that occurrence does not affect the validity of any action allowed under this section which is taken by an electric utility, an assignee, a financing party, a collection agent, or a party to an ancillary agreement; and any such action remains in full force and effect with respect to all nuclear asset-recovery bonds issued or authorized in a financing order issued under this section before the date that such provision is held invalid or is invalidated, superseded, replaced, or

repealed, or expires for any reason.

(15) PENALTIES.—A violation of this section or of a financing order issued under this section subjects the utility that obtained the order to penalties under s. 366.095 and to any other penalties or remedies that the commission determines are necessary to achieve the intent of this section and the intent and terms of the financing order and to prevent any increase in financial impact to the utility's customers above that set forth in the financing order. If the commission orders a penalty or a remedy for a violation, the monetary penalty or remedy and the costs of defending against the proposed penalty or remedy may not be recovered from the customers. The commission may not make adjustments to nuclear asset-recovery charges for any such penalties or remedies.

Section 8. This act shall take effect July 1, 2015.