

(B) RATE STABILIZATION PROPERTY CONSTITUTES A PRESENT PROPERTY RIGHT:

(1) FOR PURPOSES OF CONTRACTS CONCERNING THE SALE OR PLEDGE OF PROPERTY, EVEN THOUGH THE IMPOSITION AND COLLECTION OF QUALIFIED RATE STABILIZATION CHARGES DEPENDS ON FURTHER ACTS OF THE ELECTRIC COMPANY OR OTHERS THAT HAVE NOT YET OCCURRED; AND

(2) FOR ALL PURPOSES UNTIL THE LATER OF:

(I) THE PERIOD PROVIDED IN THE QUALIFIED RATE ORDER, TO THE EXTENT PROVIDED IN THAT ORDER; OR

(II) THE PAYMENT IN FULL OF THE RATE STABILIZATION BONDS, INCLUDING ALL PRINCIPAL, INTEREST, PREMIUM, COSTS, AND ARREARAGES ON THE BONDS.

(C) ALL REVENUES AND COLLECTIONS RESULTING FROM QUALIFIED RATE STABILIZATION CHARGES ARE PROCEEDS ONLY OF THE RATE STABILIZATION PROPERTY ARISING FROM THE QUALIFIED RATE ORDER.

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A TRANSACTION THAT INVOLVES THE TRANSFER AND OWNERSHIP OF RATE STABILIZATION PROPERTY AND THE RECEIPT OF RATE STABILIZATION CHARGES ARE EXEMPT FROM STATE AND LOCAL INCOME, SALES, FRANCHISE, GROSS RECEIPTS, AND OTHER TAXES OR SIMILAR CHARGES.

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(A) AN AGREEMENT BY AN ELECTRIC COMPANY OR ASSIGNEE TO TRANSFER RATE STABILIZATION PROPERTY THAT EXPRESSLY STATES THAT THE TRANSFER IS A SALE OR OTHER ABSOLUTE TRANSFER SIGNIFIES THAT:

(1) THE TRANSACTION IS A TRUE SALE AND IS NOT A SECURED TRANSACTION; AND

(2) LEGAL AND EQUITABLE TITLE HAS PASSED TO THE ENTITY TO WHICH THE RATE STABILIZATION PROPERTY IS TRANSFERRED.

(B) THE STATUS OF THE TRANSFER AS A TRUE SALE PREVAILS REGARDLESS OF ANY RECOURSE THE PURCHASER MAY HAVE AGAINST THE SELLER, OR ANY OTHER TERM OF THE PARTIES' AGREEMENT, INCLUDING:

(1) THE SELLER'S RETENTION OF AN EQUITY INTEREST IN THE RATE STABILIZATION PROPERTY;

(2) THE FACT THAT THE ELECTRIC COMPANY ACTS AS THE COLLECTOR OF QUALIFIED RATE STABILIZATION CHARGES RELATING TO THE RATE STABILIZATION PROPERTY; AND

(3) THE TREATMENT OF THE TRANSFER AS A FINANCING FOR TAX, FINANCIAL REPORTING, OR OTHER PURPOSES.