

SENATE SUBSTITUTE  
FOR  
SENATE BILL NO. 564

AN ACT

To repeal sections 386.390, 393.170, and 393.1012, RSMo, and to enact in lieu thereof twenty-three new sections relating to public utilities, with an emergency clause for a certain section.

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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,  
AS FOLLOWS:

1           Section A. Sections 386.390, 393.170, and 393.1012, RSMo,  
2 are repealed and twenty-three new sections enacted in lieu  
3 thereof, to be known as sections 386.390, 393.137, 393.170,  
4 393.1012, 393.1275, 393.1400, 393.1610, 393.1640, 393.1650,  
5 393.1655, 393.1665, 393.1670, 393.1700, 393.1705, 393.1710,  
6 393.1715, 393.1720, 393.1725, 393.1730, 393.1735, 393.1740,  
7 393.1745, and 393.1750, to read as follows:

8           386.390. 1. Complaint may be made by the commission of its  
9 own motion, or by the public counsel or any corporation or  
10 person, chamber of commerce, board of trade, or any civic,  
11 commercial, mercantile, traffic, agricultural or manufacturing  
12 association or organization, or any body politic or municipal  
13 corporation, by petition or complaint in writing, setting forth  
14 any act or thing done or omitted to be done by any corporation,  
15 person or public utility[, including any rule, regulation or  
16 charge heretofore established or fixed by or for any corporation,  
17 person or public utility,] in violation, or claimed to be in  
18 violation, of any provision of law subject to the commission's

1 authority, [or] of any rule promulgated by the commission, of any  
2 utility tariff, or of any order or decision of the commission;  
3 provided, that no complaint shall be entertained by the  
4 commission, except upon its own motion, as to the reasonableness  
5 of any rates or charges of any gas, electrical, water, sewer, or  
6 telephone corporation, unless the same be signed by the public  
7 counsel or the mayor or the president or chairman of the board of  
8 aldermen or a majority of the council, commission or other  
9 legislative body of any city, town, village or county, within  
10 which the alleged violation occurred, or not less than  
11 twenty-five consumers or purchasers, or prospective consumers or  
12 purchasers, of such gas, electricity, water, sewer or telephone  
13 service.

14 2. All matters upon which complaint may be founded may be  
15 joined in one hearing, and no motion shall be entertained against  
16 a complaint for misjoinder of causes of action or grievances or  
17 misjoinder or nonjoinder of parties; and in any review by the  
18 courts of orders or decisions of the commission the same rule  
19 shall apply with regard to the joinder of causes and parties as  
20 herein provided.

21 3. The commission shall not be required to dismiss any  
22 complaint because of the absence of direct damage to the  
23 complainant. Upon the filing of a complaint, the commission  
24 shall cause a copy thereof to be served upon the public utility,  
25 corporation or person complained of.

26 4. Service in all hearings, investigations and proceedings  
27 pending before the commission may be made upon any person upon  
28 whom summons may be served in accordance with the provisions of

1 the code of civil procedure of this state, and may be made  
2 personally or by mailing in a sealed envelope with postage  
3 prepaid.

4 5. The commission shall fix the time when and the place  
5 where a hearing will be had upon the complaint and shall serve  
6 notice thereof, not less than ten days before the time set for  
7 such hearing, unless the commission shall find that the public  
8 necessity requires that such hearing be held at an earlier date.

9 393.137. 1. This section applies to electrical  
10 corporations that do not have a general rate proceeding pending  
11 before the commission as of the later of February 1, 2018, or the  
12 effective date of this section.

13 2. For purposes of this section, the following terms shall  
14 mean:

15 (1) "Commission", the public service commission; and

16 (2) "Electrical corporation", the same as defined in  
17 section 386.020, but shall not include an electrical corporation  
18 as described in subsection 2 of section 393.110.

19 3. If the rates of any electrical corporation to which this  
20 section applies have not already been adjusted to reflect the  
21 effects of the federal 2017 Tax Cut and Jobs Act, Pub. L. No.  
22 115-97, 94 Stat. 2390, the commission shall have one time  
23 authority that shall be exercised within ninety days of the  
24 effective date of this section to adjust such electrical  
25 corporation's rates prospectively so that the income tax  
26 component of the revenue requirement used to set such an  
27 electrical corporation's rates is based upon the provisions of  
28 such federal act without considering any other factor as

1 otherwise required by section 393.270. The commission shall also  
2 require electrical corporations to which this section applies, as  
3 provided for under subsection 1 of this section, to defer to a  
4 regulatory asset the financial impact of such federal act on the  
5 electrical corporation for the period of January 1, 2018, through  
6 the date the electrical corporation's rates are adjusted on a  
7 one-time basis as provided for in the immediately preceding  
8 sentence. The amounts deferred under this subsection shall be  
9 included in the revenue requirement used to set the electrical  
10 corporation's rates in its subsequent general rate proceeding  
11 through an amortization over a period determined by the  
12 commission.

13 4. Upon good cause shown by the electrical corporation, the  
14 commission may, as an alternative to requiring a one-time rate  
15 change and deferral under subsection 2 of this section, allow a  
16 deferral, in whole or in part, of such federal act's financial  
17 impacts to a regulatory asset starting January 1, 2018, through  
18 the effective date of new rates in such electrical corporation's  
19 next general rate proceeding. The deferred amounts shall be  
20 included in the revenue requirement used to set the electrical  
21 corporation's rates in its subsequent general rate proceeding  
22 through an amortization over a period determined by the  
23 commission.

24 393.170. 1. No gas corporation, electrical corporation,  
25 water corporation or sewer corporation shall begin construction  
26 of a gas plant, electric plant, water system or sewer system,  
27 other than an energy generation unit that has a capacity of one  
28 megawatt or less, without first having obtained the permission

1 and approval of the commission.

2 2. No such corporation shall exercise any right or  
3 privilege under any franchise hereafter granted, or under any  
4 franchise heretofore granted but not heretofore actually  
5 exercised, or the exercise of which shall have been suspended for  
6 more than one year, without first having obtained the permission  
7 and approval of the commission. Before such certificate shall be  
8 issued a certified copy of the charter of such corporation shall  
9 be filed in the office of the commission, together with a  
10 verified statement of the president and secretary of the  
11 corporation, showing that it has received the required consent of  
12 the proper municipal authorities.

13 3. The commission shall have the power to grant the  
14 permission and approval herein specified whenever it shall after  
15 due hearing determine that such construction or such exercise of  
16 the right, privilege or franchise is necessary or convenient for  
17 the public service. The commission may by its order impose such  
18 condition or conditions as it may deem reasonable and necessary.  
19 Unless exercised within a period of two years from the grant  
20 thereof, authority conferred by such certificate of convenience  
21 and necessity issued by the commission shall be null and void.

22 393.1012. 1. Notwithstanding any provisions of chapter 386  
23 and this chapter to the contrary, beginning August 28, 2003, a  
24 gas corporation providing gas service may file a petition and  
25 proposed rate schedules with the commission to establish or  
26 change ISRS rate schedules that will allow for the adjustment of  
27 the gas corporation's rates and charges to provide for the  
28 recovery of costs for eligible infrastructure system

1 replacements. The commission may not approve an ISRS to the  
2 extent it would produce total annualized ISRS revenues below the  
3 lesser of one million dollars or one-half of one percent of the  
4 gas corporation's base revenue level approved by the commission  
5 in the gas corporation's most recent general rate proceeding.  
6 The commission may not approve an ISRS to the extent it would  
7 produce total annualized ISRS revenues exceeding ten percent of  
8 the gas corporation's base revenue level approved by the  
9 commission in the gas corporation's most recent general rate  
10 proceeding. An ISRS and any future changes thereto shall be  
11 calculated and implemented in accordance with the provisions of  
12 sections 393.1009 to 393.1015. ISRS revenues shall be subject to  
13 a refund based upon a finding and order of the commission to the  
14 extent provided in subsections 5 and 8 of section 393.1009.

15 2. The commission shall not approve an ISRS for any gas  
16 corporation that has not had a general rate proceeding decided or  
17 dismissed by issuance of a commission order within the past three  
18 years, unless the gas corporation has filed for or is the subject  
19 of a new general rate proceeding. This subsection shall not  
20 apply to a participating gas corporation whose rates are set  
21 under sections 393.1700 to 393.1750.

22 3. In no event shall a gas corporation collect an ISRS for  
23 a period exceeding three years unless the gas corporation has  
24 filed for or is the subject of a new general rate proceeding;  
25 provided that the ISRS may be collected until the effective date  
26 of new rate schedules established as a result of the new general  
27 rate proceeding, or until the subject general rate proceeding is  
28 otherwise decided or dismissed by issuance of a commission order

1 without new rates being established. This subsection shall not  
2 apply to a participating gas corporation whose rates are set  
3 under sections 393.1700 to 393.1750.

4 4. In order for a gas corporation to file a petition with  
5 the commission to establish or change an ISRS, such corporation  
6 shall, by July 1, 2019, develop and file with the commission a  
7 pre-qualification process for contractors seeking to participate  
8 in competitive bidding to install ISRS-eligible gas utility plant  
9 projects. Under the pre-qualification process, the gas  
10 corporation may specify certain eligibility requirements  
11 typically accepted by the industry, including but not limited to,  
12 experience, performance criteria, safety policies, and insurance  
13 or indemnification requirements to be met by any contractor  
14 seeking to participate in competitive bidding to install ISRS-  
15 eligible gas utility plant projects. Contractors that meet the  
16 pre-qualification criteria set by the gas corporation shall be  
17 eligible to participate in the competitive bidding process for  
18 installing ISRS-eligible gas utility plant projects, with the  
19 winning bid awarded to the contractor making the overall lowest  
20 and best bid, as defined in subsection 2 of section 34.010. The  
21 gas corporation shall file, by January 1, 2020, a verified  
22 statement with the commission confirming that it has in place a  
23 pre-qualification process for the competitive bidding of ISRS-  
24 eligible gas utility plant projects, and that such process  
25 conforms with the requirements of this section. The commission  
26 shall have the authority to verify the statement to ensure  
27 compliance with this section. After January 1, 2020, the gas  
28 corporation shall submit with each petition filing to establish

1 or change an ISRS a verified statement confirming that it is  
2 using a competitive bidding process for no less than ten percent  
3 of the combined external installation expenditures made by the  
4 gas corporation's operating units in Missouri for installing  
5 ISRS-eligible gas utility plant projects, and that such process  
6 conforms with the requirements set forth in this section. The  
7 commission shall have the authority to verify the statement to  
8 ensure compliance with this section. Nothing in this section  
9 shall be construed as requiring any gas corporation to use a pre-  
10 qualified contractor or competitive bidding process in the case  
11 of an emergency project, or to terminate any existing contract  
12 with a contractor prior to its expiration; provided however, that  
13 the use of any preexisting contract for the installation of ISRS-  
14 eligible gas utility plant projects shall not qualify as  
15 fulfilling the ten percent requirement set forth in this section  
16 beyond December 31, 2020. For contractors not qualifying through  
17 the competitive bid process, the gas corporation, upon request  
18 from the contractor, shall provide information from the process  
19 in which the contractor can be informed as to how to be better  
20 positioned to qualify for such bid opportunities in the future.

21 5. By December 31, 2021, and annually thereafter, the  
22 commission shall submit a report to the general assembly on the  
23 effects of subsection 4 of this section, including gas  
24 corporation compliance, potential legislative action regarding  
25 subsection 4 of this section, the costs of installing ISRS-  
26 eligible gas utility plant projects prior to the implementation  
27 of subsection 4 of this section compared to after the  
28 implementation of subsection 4 of this section, and any other



1 information regarding the processes established under subsection  
2 4 of this section that the commission deems necessary.

3 6. Nothing in this section shall be construed as  
4 diminishing in any way the current authority and rights of the  
5 commission, on its own motion, the office of the public counsel,  
6 or other authorized entity to file a complaint under section  
7 386.390 alleging that the rates or charges of the gas corporation  
8 are unreasonable or unlawful, provided that the reasonableness  
9 and lawfulness of the rates of a participating gas corporation,  
10 as defined in section 393.1710, shall be governed exclusively by  
11 the processes and procedures set forth in sections 393.1700 to  
12 393.1750.

13 393.1275. 1. For purposes of this section, the following  
14 terms shall mean:

15 (1) "Commission", the public service commission;

16 (2) "Electrical corporation", the same as defined in  
17 section 386.020, but shall not include an electrical corporation  
18 as described in subsection 2 of section 393.110;

19 (3) "Rate base cutoff date", the date rate base additions  
20 are accounted for in a general rate proceeding. In the absence  
21 of a commission order that specifies the rate base cutoff date,  
22 such date as reflected in any jointly proposed procedural  
23 schedule submitted by the parties in the applicable general rate  
24 proceeding, or as otherwise agreed to by such parties, shall be  
25 used;

26 (4) "Cyber and physical security expense", operations and  
27 maintenance expense incurred to protect the reliability and  
28 security of systems, software, equipment, and facilities

1 connected to or controlling the electric system against physical  
2 or cyber-security threats, including but not limited to,  
3 generating stations, substations, and control centers.

4 2. On and after the date an electrical corporation files a  
5 notice under subsection 4 of this section, the electrical  
6 corporation shall defer to a regulatory asset or liability  
7 account any difference in the prudently incurred uncapitalized  
8 state and local property taxes actually incurred, and the  
9 uncapitalized state and local property taxes used to determine  
10 the electrical corporation's revenue requirement in its most  
11 recently completed general rate proceeding. If the notice filed  
12 under subsection 4 of this section is filed on a day other than  
13 January first, the dollar amount of taxes to be deferred for the  
14 calendar year during which such notice was given shall be equal  
15 to such difference multiplied by a fraction, the numerator of  
16 which is the number of days remaining in that calendar year after  
17 the date such notice is filed, and the denominator of which is  
18 the number of calendar days in that year. Such taxes used to  
19 determine the electrical corporation's revenue requirement in its  
20 last general rate proceeding shall be the amount of such taxes  
21 recorded on the electrical corporation's books for the twelve  
22 months ending on the rate base cutoff date in the electrical  
23 corporation's most recently completed general rate proceeding  
24 unless a different amount was used to set such revenue  
25 requirement as determined by the commission in its order  
26 resolving such proceeding or through a commission order approving  
27 a settlement respecting such taxes. The regulatory asset or  
28 liability account balances shall be included in the retail

1 revenue requirement used to set rates through an amortization  
2 over a reasonable period in such corporation's subsequent general  
3 rate proceedings, without any offset, reduction, or adjustment  
4 based on consideration of any other factor. The commission shall  
5 also adjust the rate base used to establish the retail revenue  
6 requirement of such corporation to reflect the unamortized  
7 regulatory asset or liability account balances in such general  
8 rate proceedings.

9 3. On and after the effective date of rates in an  
10 electrical corporation's next general rate proceeding concluding  
11 after the effective date of this section, an electrical  
12 corporation that has filed a notice under subsection 4 of this  
13 section shall defer to a regulatory asset or liability account  
14 any difference in the prudently incurred cyber and physical  
15 security expense actually incurred and the cyber and physical  
16 security expense for such protection used to determine the  
17 electrical corporation's revenue requirement in its most recently  
18 completed general rate proceeding, provided that the commission  
19 shall ensure that such difference to be included in the  
20 regulatory asset or liability does not include costs that were  
21 included in the sums used to determine the electrical  
22 corporation's revenue requirement upon which its base rates are  
23 set in a general rate proceeding. The regulatory asset or  
24 liability account balances shall be included in the retail  
25 revenue requirement used to set rates through an amortization  
26 over a reasonable period in such corporation's subsequent general  
27 rate proceedings, without any offset, reduction, or adjustment  
28 based on consideration of any other factor. The commission shall

1 also adjust the rate base used to establish the retail revenue  
2 requirement of such corporation to reflect the unamortized  
3 regulatory asset or liability account balances in such general  
4 rate proceedings.

5 4. This section shall only apply to an electrical  
6 corporation that has filed a notice with the commission of the  
7 electrical corporation's election to make the deferrals for which  
8 this section provides.

9 5. This section shall expire on December 31, 2028,  
10 provided, that unless the electrical corporation has timely  
11 obtained the order provided for by subsection 5 of section  
12 393.1400, the electrical corporation shall after December 31,  
13 2023, no longer be authorized to make the deferrals provided for  
14 under this section. Upon the expiration this section, the  
15 amortization of the regulatory asset or liability account  
16 balances arising under this section shall continue to be  
17 reflected in the electrical corporation's rates and remaining  
18 regulatory asset or liability account balances shall be included  
19 in the electrical corporation's rate base consistent with the  
20 ratemaking treatment and amortization previously approved by the  
21 commission pursuant to this section.

22 393.1400. 1. For purposes of this section, the following  
23 terms shall mean:

24 (1) "Commission", the public service commission;

25 (2) "Electrical corporation", the same as defined in  
26 section 386.020, but shall not include an electrical corporation  
27 as described in subsection 2 of section 393.110;

28 (3) "Qualifying electric plant", all rate base additions,

1 except rate base additions for new coal-fired generating units,  
2 new nuclear generating units, new natural gas units, or rate base  
3 additions that increase revenues by allowing service to new  
4 customer premises;

5 (4) "Rate base cutoff date", the date rate base additions  
6 are accounted for in a general rate proceeding. In the absence  
7 of a commission order that specifies the rate base cutoff date,  
8 such date as reflected in any jointly proposed procedural  
9 schedule submitted by the parties in the applicable general rate  
10 proceeding, or as otherwise agreed to by such parties, shall be  
11 used;

12 (5) "Weighted average cost of capital", the return on rate  
13 base used to determine the revenue requirement in the electrical  
14 corporation's most recently completed general rate proceeding;  
15 provided, that in the absence of a commission determination of  
16 the return on rate base within the three-year period prior to the  
17 effective date of this section, the weighted average cost of  
18 capital shall be determined using the electrical corporation's  
19 actual capital structure as of December 31, 2017, excluding  
20 short-term debt, the electrical corporation's actual cost of  
21 long-term debt and preferred stock as of December 31, 2017, and a  
22 cost of common equity of nine and one-half percent.

23 2. (1) Notwithstanding any other provision of chapter 393  
24 to the contrary, electrical corporations shall defer to a  
25 regulatory asset all depreciation expense and return associated  
26 with all qualifying electric plant recorded to plant-in-service  
27 on the utility's books commencing on or after the effective date  
28 of this section, if the electrical corporation has made the

1 election provided for by subsection 5 of this section by that  
2 date, or on the date such election is made if the election is  
3 made after the effective date of this section. In each general  
4 rate proceeding concluded after the effective date of this  
5 section, the balance of the regulatory asset as of the rate base  
6 cutoff date shall be included in the electrical corporation's  
7 rate base without any offset, reduction, or adjustment based upon  
8 consideration of any other factor, other than as provided for in  
9 subdivision (2) of this subsection, with the regulatory asset  
10 balance arising from deferrals associated with qualifying  
11 electric plant placed in service after the rate base cutoff date  
12 to be included in rate base in the next general rate proceeding.  
13 The expiration of this section shall not affect the continued  
14 inclusion in rate base and amortization of regulatory asset  
15 balances that arose under this section prior to such expiration.

16 (2) The regulatory asset balances arising under this  
17 section shall be adjusted to reflect any prudence disallowances  
18 ordered by the commission. The provisions of this section shall  
19 not be construed to affect existing law respecting the burdens of  
20 production and persuasion in general rate proceedings for rate  
21 base additions.

22 (3) Parts of regulatory asset balances created under this  
23 section that are not yet being recovered through rates shall  
24 include carrying costs at the electrical corporation's weighted  
25 average cost of capital, plus applicable federal, state, and  
26 local income or excise taxes. Regulatory asset balances arising  
27 under this section and included in rate base shall be recovered  
28 in rates through a twenty-year amortization beginning on the date

1 new rates reflecting such amortization take effect.

2 3. (1) Depreciation expense deferred under this section  
3 shall account for all qualifying electric plant placed into  
4 service less retirements of plant replaced by such qualifying  
5 electric plant.

6 (2) Return deferred under this section shall be determined  
7 using the weighted average cost of capital applied to the change  
8 in plant-related rate base caused by the qualifying electric  
9 plant, plus applicable federal, state, and local income or excise  
10 taxes. In determining the return deferred, the electrical  
11 corporation shall account for changes in all plant-related  
12 accumulated deferred income taxes and changes in accumulated  
13 depreciation, excluding retirements.

14 4. Beginning February 28, 2019, and by each February  
15 twenty-eighth thereafter while the electrical corporation is  
16 allowed to make the deferrals provided for by subsection 2 of  
17 this section, electrical corporations that defer depreciation  
18 expense and return authorized under this section shall submit to  
19 the commission a five-year capital investment plan setting forth  
20 the general categories of capital expenditures the electrical  
21 corporation will pursue in furtherance of replacing, modernizing,  
22 and securing its infrastructure. The plan shall also include a  
23 specific capital investment plan for the first year of the five-  
24 year plan consistent with the level of specificity used for  
25 annual capital budgeting purposes. Project specific information  
26 shall not be included for the five-year period covered by the  
27 plan. Within thirty days of the filing of any capital investment  
28 plan or annual update to an existing plan, the electrical

1 corporation shall host a public stakeholder meeting to answer  
2 questions and receive feedback about the plan. After feedback is  
3 received, the electrical corporation shall file a notice with the  
4 commission of any modifications to the capital investment plan it  
5 has accepted. Changes to the plan, its implementation, or the  
6 level of investments made shall not constitute evidence of  
7 imprudence of the investments made under such plan. The  
8 submission of a capital investment plan under this section shall  
9 not affect in any way the commission's authority with respect to  
10 the grant or denial of a certificate of convenience and necessity  
11 under section 393.170. By February twenty-eighth following each  
12 year in which the electrical corporation submits a capital  
13 investment plan, the electrical corporation shall submit a report  
14 to the commission detailing actual capital investments made the  
15 previous year.

16 5. This section shall only apply to any electrical  
17 corporation that has filed a notice with the commission of the  
18 electrical corporation's election to make the deferrals for which  
19 this section provides. An electrical corporation's election  
20 shall allow it to make the deferrals provided for by subsection 2  
21 of this section, and deferrals under section 393.1275 if the  
22 electrical corporation has made the election required by  
23 subsection 4 of section 393.1275, until December 31, 2023, unless  
24 the electrical corporation requests and the commission approves  
25 the continuation of such deferrals beyond that date and approves  
26 continuation of the discounts authorized by section 393.1640  
27 beyond that date as hereinafter provided. An electrical  
28 corporation that wishes to continue to make the deferrals



1 provided for by subsection 2 of this section and section 393.1275  
2 from January 1, 2024, through December 31, 2028, shall obtain the  
3 commission's approval to do so, shall be subject to the compound  
4 annual growth rate limitations set forth under section 393.1655,  
5 and shall also obtain the commission's approval to continue to  
6 provide the discounts authorized by section 393.1640 in a  
7 commission order issued on or before December 31, 2023. The  
8 commission shall have the authority to grant or deny such  
9 approval based upon the commission's evaluation of the costs and  
10 benefits of such continuation to electrical corporations and  
11 consumers, but shall not be authorized to condition such approval  
12 or otherwise modify the deferrals authorized by subsection 2 of  
13 this section or section 393.1275, or the discounts authorized by  
14 section 393.1640. Failure to obtain such commission approval  
15 shall not affect deferrals made through December 31, 2023, or the  
16 regulatory and ratemaking treatment of the regulatory assets  
17 arising from such deferrals as provided for by this section.

18 6. This section shall expire on December 31, 2028, except  
19 that the amortization of the regulatory asset balances arising  
20 under this section shall continue to be reflected in the  
21 electrical corporation's rates and remaining regulatory asset  
22 balances shall be included in the electrical corporation's rate  
23 base consistent with the ratemaking treatment and amortization  
24 previously approved by the commission pursuant to this section.

25 393.1610. 1. The commission may approve investments by an  
26 electrical corporation in small scale or pilot innovative  
27 technology projects, including but not limited to renewable  
28 generation, micro grids, or energy storage, if the small scale or

1 pilot project is designed to advance the electrical corporation's  
2 operational knowledge of deploying such technologies, including  
3 to gain operating efficiencies that result in customer savings  
4 and benefits as the technology is scaled across the grid or  
5 network.

6 2. For purposes of this section, "electrical corporation"  
7 and "commission" shall mean the same as defined in section  
8 386.020, but an "electrical corporation" shall not include an  
9 electrical corporation as described in subsection 2 of section  
10 393.110.

11 393.1640. 1. Subject to the limitations provided for in  
12 subsection 2 of this section, and upon proper application by an  
13 eligible customer prior to public announcement of a growth  
14 project, a new or existing account meeting the following criteria  
15 shall be considered for qualification for the discount set forth  
16 in this subsection if:

17 (1) The customer adds incremental load, net of any  
18 offsetting load reductions due to the termination of other  
19 accounts of the customer or an affiliate of the customer within  
20 twelve months prior to the commencement of service to the new  
21 load, with average monthly demand that is reasonably projected to  
22 be at least three hundred kilowatts with a load factor of at  
23 least fifty-five percent within two years after the date the  
24 application is submitted;

25 (2) The customer receives local, regional, or state  
26 economic development incentives in conjunction with the  
27 incremental load; and

28 (3) The customer meets the criteria set forth in the

1 electrical corporation's economic development rider tariff sheet,  
2 as approved by the commission, that are not inconsistent with the  
3 provisions of this subsection.

4  
5 The discount shall be a percentage applied to all base rate  
6 components of the bill. The percentage shall be fixed for each  
7 year of service under the discount for a period of up to five  
8 years. Subject to the remaining provisions of this subsection,  
9 the average of the annual discount percentages shall equal forty  
10 percent and shall not be less than thirty percent nor more than  
11 fifty percent in any year. The discount shall be applied to such  
12 incremental load from the date when the meter has been  
13 permanently set until the date that such incremental load no  
14 longer meets the criteria required to qualify for the discount,  
15 as determined under the provisions of subsection 2 of this  
16 section. An eligible customer shall also receive a ten percent  
17 discount of all base rate components of the bill applied to such  
18 incremental load for one year after the initial discount period  
19 ends if the electrical corporation determines that the customer  
20 is taking service from an under-utilized circuit. In no event  
21 shall a customer receive a discount under this subsection after  
22 the date this section expires. The electrical corporation may  
23 include in its tariff additional or alternative terms and  
24 conditions to a customer's utilization of the discount, subject  
25 to approval of such terms and conditions by the commission. The  
26 customer, on forms supplied by the electrical corporation, shall  
27 apply for the discount provided for by this subsection at least  
28 ninety days prior to the date the customer requests that the

1 incremental demand receive the discounts provided for by this  
2 subsection. If the incremental demand is not separately metered,  
3 the electrical corporation's determination of the incremental  
4 demand shall control. Notwithstanding the foregoing provisions  
5 of this subsection, the cents per kilowatt-hour realization  
6 resulting from application of any such discounted rate as  
7 calculated shall be higher than the electrical corporation's  
8 variable cost to serve such accounts in aggregate and the  
9 discounted rate also shall make a positive contribution to fixed  
10 costs associated with such service. If in a subsequent general  
11 rate proceeding the commission determines that application of  
12 such discounted rate is not adequate to cover the electrical  
13 corporation's variable cost to serve such accounts and provide a  
14 positive contribution to fixed costs then the commission shall  
15 increase the rate prospectively to the extent necessary to do so.

16 2. In each general rate proceeding concluded after the  
17 effective date of this section, the reduced level of revenues  
18 arising from the application of discounted rates provided for by  
19 subsection 1 of this section shall be allocated to all the  
20 electrical corporation's customer classes, including the classes  
21 with customers that qualify for discounts under this section.  
22 This increase shall be implemented through the application of a  
23 uniform percentage adjustment to the revenue requirement  
24 responsibility of all customer classes. To qualify for the  
25 discounted rates provided for in this section, if incremental  
26 load is separately metered, customers shall meet the applicable  
27 criteria within twenty-four months after the date the meter is  
28 permanently set based on metering data for calendar months

1 thirteen through twenty-four and annually thereafter. If such  
2 data indicates that the customer did not meet the criteria for  
3 any applicable twelve-month period, it shall thereafter no longer  
4 qualify for the discounted rate. The provisions of this section  
5 do not supersede or limit the ability of an electrical  
6 corporation to continue to utilize economic development or  
7 retention tariffs previously approved by the commission that are  
8 in effect on the effective date of this section. If, however, a  
9 customer is receiving any economic development or retention-  
10 related discounts as of the date it would otherwise qualify for a  
11 discount provided for by this section, the customer shall agree  
12 to relinquish the prior discount concurrently with the date it  
13 begins to receive a discount under this section; otherwise, the  
14 customer shall not be eligible to receive any discount under this  
15 section. Customer demand existing at the time the customer  
16 begins to receive discounted rates under this section shall not  
17 constitute incremental demand. The discounted rates provided for  
18 by this section apply only to base rate components, with the  
19 charges or credits arising from any rate adjustment mechanism  
20 authorized by law to be applied to customers qualifying for  
21 discounted rates under this section in the same manner as such  
22 rate adjustments would apply in the absence of this section.

23 3. For purposes of this section, "electrical corporation"  
24 shall mean the same as defined in section 386.020, but shall not  
25 include an electrical corporation as described in subsection 2 of  
26 section 393.110.

27 4. This section shall expire on December 31, 2028,  
28 provided, that unless the electrical corporation has timely

1 obtained the order provided for by subsection 5 of section  
2 393.1400, the electrical corporation's customers shall, after  
3 December 31, 2023, no longer receive the discounts provided under  
4 this section.

5 393.1650. 1. For purposes of this section, the following  
6 terms shall mean:

7 (1) "Commission", the Missouri public service commission  
8 established under section 386.040;

9 (2) "Electrical corporation", a corporation with more than  
10 one million Missouri retail electric customers in the year in  
11 which this section becomes effective and that otherwise meets the  
12 definition of "electrical corporation" in section 386.020.

13 2. Electrical corporations shall develop a qualification  
14 process and make such process open to all contractors seeking to  
15 provide construction and construction-related services for  
16 projects on the electrical corporation's distribution system.

17 Contractors shall have the opportunity to register on the  
18 electrical corporation's vendor registration site and be  
19 evaluated for bid opportunities. Under the qualification  
20 process, electrical corporations may specify eligibility  
21 requirements typically accepted by the industry, including but  
22 not limited to, experience, performance criteria, safety  
23 policies, and insurance requirements to be met by any contractor  
24 seeking to participate in competitive bidding to provide  
25 construction and construction-related services for distribution  
26 system projects, and the electrical corporation shall not weight  
27 any contractor favorably or unfavorably due to affiliation with a  
28 labor organization or union, except if the work is being

1 performed pursuant to a union-only project labor agreement which  
2 requires that participating contractors use union represented  
3 labor. Contractors that meet the eligibility requirements set by  
4 electrical corporations shall be eligible to participate in the  
5 competitive bidding process for providing construction and  
6 construction-related services for distribution system projects,  
7 and the contractor making the lowest and best bid shall be  
8 awarded such contract.

9 3. Within thirty days after the effective date of this  
10 section, electrical corporations shall file a verified statement  
11 with the commission confirming that they have established a  
12 qualification process for the competitive bidding of construction  
13 and construction-related services for distribution system  
14 projects, and that such process conforms with the requirements of  
15 this section. The commission shall have the authority to verify  
16 the statement to ensure compliance with this section. Whenever  
17 the electrical corporation files a general rate proceeding, it  
18 shall submit concurrently with its submission of the rate  
19 schedules that initiate such general rate proceeding a verified  
20 statement confirming that it is using the qualification process  
21 for the competitive bidding of construction and construction-  
22 related services for distribution system projects required by  
23 this section for no less than ten percent of the combined  
24 external installation expenditures made by the electrical  
25 corporation's operating units in Missouri for construction and  
26 construction-related services for distribution system projects,  
27 and that such process conforms with the requirements set forth in  
28 this section to ensure compliance with this subsection.

1       4. Nothing in this section shall be construed as requiring  
2 any electrical corporation to use a qualified contractor or  
3 competitive bidding process in the case of an emergency project,  
4 or to terminate any existing contract with a contractor prior to  
5 its expiration, provided that the use of any pre-existing  
6 contract for construction or construction-related services for  
7 distribution system projects shall not qualify as fulfilling the  
8 ten percent requirement set forth in subsection 3 of this  
9 section. For contractors not qualifying through the competitive  
10 bid process, the electrical corporation, upon request from the  
11 contractor, shall provide information from the process in which  
12 the contractor can be informed as to how to be better positioned  
13 to qualify for such bid opportunities in the future.

14       5. By December 31, 2020, and annually thereafter, the  
15 commission shall submit a report to the general assembly on the  
16 effects of this section, including electrical corporation  
17 compliance, potential legislative action regarding this section,  
18 the costs of constructing distribution system projects prior to  
19 the implementation of this section compared to after the  
20 implementation of this section, and any other information  
21 regarding the processes established under this section that the  
22 commission deems necessary.

23       393.1655. 1. This section applies to an electrical  
24 corporation that has elected to exercise any option under section  
25 393.1275 or 393.1400 and that has more than two hundred thousand  
26 Missouri retail customers in the year in which this section  
27 becomes effective, and shall continue to apply to such electrical  
28 corporation until December 31, 2023, if the commission has not



1 issued an order approving continuation of the deferrals  
2 authorized by subsection 2 of section 393.1400 and section  
3 393.1275, and continuation of the discounts authorized by section  
4 393.1640 as authorized by subsection 5 of section 393.1400 with  
5 respect to the electrical corporation, or until December 31,  
6 2028, if the commission has issued such an order with respect to  
7 the electrical corporation.

8 2. Notwithstanding any other provision of law and except as  
9 otherwise provided for by this section, an electrical  
10 corporation's base rates shall be held constant for a period  
11 starting on the date new base rates were established in the  
12 electrical corporation's last general rate proceeding concluded  
13 prior to the date the electrical corporation gave notice under  
14 either subsection 4 of section 393.1275 or subsection 5 of  
15 section 393.1400 and ending on the third anniversary of that  
16 date, unless a force majeure event as determined by the  
17 commission occurs. Whether a force majeure event has occurred  
18 shall be subject to commission review and approval in a general  
19 rate proceeding, and shall not preclude the commission from  
20 reviewing the prudence of any revenue reductions or costs  
21 incurred during any proceeding to set rates. This subsection  
22 shall not affect the electrical corporation's ability to adjust  
23 its non-base rates during the three-year period provided for in  
24 this subsection as authorized by its commission-approved rate  
25 adjustment mechanisms arising under sections 386.266, 393.1030,  
26 or 393.1075, or as authorized by any other rate adjustment  
27 mechanism authorized by law.

28 3. If the difference between (a) the electrical

1 corporation's average overall rate at any point in time while  
2 this section applies to the electrical corporation, and (b) the  
3 electrical corporation's average overall rate as of the date new  
4 base rates are set in the electrical corporation's most recent  
5 general rate proceeding concluded prior to the date the  
6 electrical corporation gave notice under either subsection 4 of  
7 section 393.1275 or subsection 5 of section 393.1400, reflects a  
8 compound annual growth rate of more than three percent, the  
9 electrical corporation shall establish a regulatory liability in  
10 the amounts specified in subsection 4 of this section. The  
11 regulatory liability shall be amortized over a reasonable period  
12 as determined by the commission. The electrical corporation  
13 shall not seek to recover the amortized funds from customers. A  
14 separate regulatory liability is required for each general rate  
15 proceeding covered by this subsection for which the three percent  
16 threshold provided by this subsection is exceeded.

17 4. A regulatory liability provided in subsection 3 of this  
18 section shall be twenty-five million dollars for an electrical  
19 corporation with more than one million Missouri retail customers  
20 in the year in which this section becomes effective and six  
21 million dollars for an electrical corporation with more than two  
22 hundred thousand but not more than one million Missouri retail  
23 customers in the year in which this section becomes effective.

24 5. If the difference between (a) the electrical  
25 corporation's average overall rate at any point in time while  
26 this section applies to the electrical corporation, and (b) the  
27 electrical corporation's average overall rate as of the date new  
28 base rates are set in the electrical corporation's most recent

1 general rate proceeding concluded prior to the date the  
2 electrical corporation gave notice under either subsection 4 of  
3 section 393.1275 or subsection 5 of section 393.1400, reflects a  
4 compound annual growth rate of more than three and three-quarters  
5 percent, the electrical corporation shall, in addition to  
6 establishing the regulatory liability as specified in subsections  
7 3 and 4 of this section, starting with the effective date of its  
8 revised base rates that exceed the three and three-quarters  
9 percent threshold provided for in this subsection, cease further  
10 deferrals under sections 393.1275 and 393.1400, with prior  
11 deferrals to be treated as provided in such sections.

12 6. If a change in any rates charged under a rate adjustment  
13 mechanism approved by the commission under sections 386.266 and  
14 393.1030 would cause an electrical corporation's average overall  
15 rate to exceed the compound annual growth rate limitation set  
16 forth in subsection 3 of this section, the electrical corporation  
17 shall reduce the rates charged under that rate adjustment  
18 mechanism in an amount sufficient to ensure that the compound  
19 annual growth rate limitation set forth in subsection 3 is not  
20 exceeded due to the application of the rate charged under such  
21 mechanism and the penalty under subsection 4 is not triggered.  
22 Sums not recovered under any such mechanism because of any  
23 reduction in rates under such a mechanism pursuant to this  
24 subsection shall be deferred to and included in the regulatory  
25 asset arising under section 393.1400 or, if applicable, under the  
26 regulatory and ratemaking treatment ordered by the commission  
27 under subsection 6 of section 393.1400 and subsection 4 of  
28 section 393.1640, and recovered through an amortization in base

1 rates in the same manner as deferrals under that section or order  
2 are recovered in base rates.

3 7. If the difference between (a) the electrical  
4 corporation's class average overall rate at any point in time  
5 while this section applies to the electrical corporation, and (b)  
6 the electrical corporation's class average overall rate as of the  
7 date rates are set in the electrical corporation's most recent  
8 general rate proceeding concluded prior to the date the  
9 electrical corporation gave notice under either subsection 4 of  
10 section 393.1275 or subsection 5 of section 393.1400, reflects a  
11 compound annual growth rate of more than two percent for the  
12 large power service rate class, the class average overall rate  
13 shall increase by an amount so that the increase shall equal a  
14 compound annual growth rate of two percent over such period for  
15 such large power service rate class, with the reduced revenues  
16 arising from limiting the large power service class average  
17 overall rate increase to two percent to be allocated to all the  
18 electrical corporation's other customer classes through the  
19 application of a uniform percentage adjustment to the revenue  
20 requirement responsibility of all the other customer classes.

21 8. For purposes of this section, the following terms shall  
22 mean:

23 (1) "Average base rate", a rate calculated by dividing the  
24 total retail revenue requirement for all the electrical  
25 corporation's rate classes by the total sales volumes stated in  
26 kilowatt-hours for all such rate classes used to set rates in the  
27 applicable general rate proceeding, exclusive of gross receipts  
28 tax, sales tax, and other similar pass-through taxes;

1       (2) "Average overall rate", a rate equal to the sum of the  
2 average base rate and the average rider rate;

3       (3) "Average rider rate", a rate calculated by dividing the  
4 total of the sums to be recovered from all customer classes under  
5 the electrical corporation's rate adjustment mechanisms in place  
6 other than a rate adjustment mechanism under section 393.1075 by  
7 the total sales volumes stated in kilowatt-hours for all of the  
8 electrical corporation's rate classes used to set rates under  
9 such rate adjustment mechanisms, exclusive of gross receipts tax,  
10 sales tax, and other similar pass-through taxes;

11       (4) "Class average base rate", a rate calculated by  
12 dividing the retail revenue requirement from the applicable  
13 general rate proceeding that is allocated to the electrical  
14 corporation's large power service rate class in that general rate  
15 proceeding, by the total sales volumes stated in kilowatt-hours  
16 for that class used to set rates in that general rate proceeding,  
17 exclusive of gross receipts tax, sales tax, and other similar  
18 pass-through taxes;

19       (5) "Class average overall rate", a rate equal to the sum  
20 of the class average base rate and the class average rider rate;

21       (6) "Class average rider rate", a rate calculated by  
22 dividing the total of the sums allocated for recovery from the  
23 large power service rate class under the electrical corporation's  
24 rate adjustment mechanisms in place other than a rate adjustment  
25 mechanism under section 393.1075 by the total sales volumes  
26 stated in kilowatt-hours for that class used to set rates under  
27 such rate adjustment mechanisms, exclusive of gross receipts tax,  
28 sales tax, and other similar pass-through taxes;

1       (7) "Force majeure event", an event or circumstance that  
2 occurs as a result of a weather event, an act of God, war, or  
3 terrorism, or other uncontrollable event as determined by the  
4 commission that causes a reduction in revenues, an increase in  
5 the cost of providing electrical service, or some combination  
6 thereof, and the event has an associated fiscal impact on the  
7 electrical corporation's operations equal to three percent or  
8 greater of the total revenue requirement established in the  
9 electrical corporation's last general rate proceeding concluded  
10 prior to the date the electrical corporation gave a notice under  
11 either subsection 4 of section 393.1275 or subsection 5 of  
12 section 393.1400;

13       (8) "Large power service rate class", the rate class of  
14 each corporation that requires the highest minimum monthly  
15 billing demand of all of the electrical corporation's rate  
16 classes in order to qualify as a member of such rate class, and  
17 that applies to qualifying customers only if they utilize the  
18 electrical corporation's distribution system.

19       393.1665. 1. For purposes of this section, "electrical  
20 corporation" shall mean the same as defined in section 386.020,  
21 but shall not include an electrical corporation as described in  
22 subsection 2 of section 393.110.

23       2. An electrical corporation with one million or more  
24 Missouri electric customers shall invest in the aggregate no less  
25 than fourteen million dollars in utility-owned solar facilities  
26 located in Missouri or in an adjacent state during the period  
27 between the effective date of this section and December 31, 2023.  
28 An electrical corporation with less than one million but more

1 than two-hundred thousand Missouri electric customers shall  
2 invest in the aggregate no less than four million dollars in  
3 utility-owned solar facilities located in Missouri or in an  
4 adjacent state during the period between the effective date of  
5 this section and December 31, 2023. An electrical corporation  
6 with two hundred thousand or fewer Missouri electric customers  
7 shall invest in the aggregate no less than three million five  
8 hundred thousand dollars in utility-owned solar facilities  
9 located in Missouri or in an adjacent state during the period  
10 between the effective date of this section and December 31, 2023.  
11 If the rate impact of the electrical corporation's investment in  
12 such facilities would cause the electrical corporation to exceed  
13 the one percent maximum average retail rate increase limitation  
14 required by subdivision (1) Of subsection 2 of section 393.1030,  
15 that part of such costs that would cause such one percent  
16 limitation to be exceeded shall be deferred by the electrical  
17 corporation to a regulatory asset. Carrying costs at the  
18 electrical corporation's weighted average cost of capital shall  
19 be added to the regulatory asset balance and the regulatory asset  
20 shall be recovered through rates set under section 393.150 or  
21 through a rate adjustment mechanism under section 393.1030 as  
22 soon as is practical.

23 3. An electrical corporation's decision to invest in  
24 utility-owned solar facilities consistent with subsection 2 of  
25 this section shall be deemed to be prudent. An electrical  
26 corporation shall not be required to obtain the permission of the  
27 commission to construct the facilities required by this section,  
28 notwithstanding the provisions of section 393.170. The

1 commission shall retain the authority to review the specific  
2 costs incurred to construct and own the facilities to ensure that  
3 rates are based only on prudently incurred costs.

4 4. Nothing in this section shall preclude an electrical  
5 corporation from recovering costs of investing in or purchasing  
6 electricity from additional solar facilities beyond those  
7 provided for under subsection 2 of this section.

8 5. This section shall expire on December 31, 2023, provided  
9 that after such expiration the electrical corporation shall be  
10 entitled to recover any remaining regulatory asset balance as  
11 provided in subsection 2 of this section.

12 393.1670. 1. Notwithstanding the provisions of subdivision  
13 (1) of subsection 2 of section 393.1030 and section 393.1045 to  
14 the contrary, and subject to the limitations provided for in this  
15 section, an electrical corporation shall, commencing January 1,  
16 2019, make solar rebates available in the amounts specified in  
17 this section. For systems becoming operational between January  
18 1, 2019, and June 30, 2019, the solar rebate shall be fifty cents  
19 per watt, and for systems that become operational after June 30,  
20 2019, through December 31, 2023, the solar rebate shall be  
21 twenty-five cents per watt. The rebates provided for by this  
22 section shall apply to new or expanded solar electric systems up  
23 to a maximum of twenty-five kilowatts per system for residential  
24 customers and up to one hundred fifty kilowatts per system for  
25 nonresidential customers. Customers shall be eligible for  
26 rebates on new or expanded systems for the increment of new or  
27 extended capacity and not for capacity on which rebates offered  
28 under any other provision of law have previously been paid, up to



1 the system kilowatt limits set forth in this section. However,  
2 an electrical corporation's obligation to make solar rebate  
3 payments under this section shall not exceed the following  
4 limitations:

5 (1) Electrical corporations with one million or more  
6 Missouri retail customers as of the effective date of this  
7 section shall not be obligated to pay solar rebates in any  
8 calendar year from 2019 through 2023 in an amount exceeding five  
9 million six hundred thousand dollars or in an aggregate amount  
10 during those calendar years exceeding twenty-eight million  
11 dollars;

12 (2) Electrical corporations with less than one million but  
13 more than two hundred thousand Missouri retail customers as of  
14 the effective date of this section shall not be obligated to pay  
15 solar rebates in any calendar year from 2019 through 2023 in an  
16 amount exceeding one million six hundred thousand dollars or in  
17 an aggregate amount during those calendar years exceeding eight  
18 million dollars; and

19 (3) Electrical corporations with two hundred thousand or  
20 less Missouri retail customers as of the effective date of this  
21 section shall not be obligated to pay solar rebates in any  
22 calendar year from 2019 through 2023 in an amount exceeding one  
23 million four hundred thousand dollars or in an aggregate amount  
24 during those calendar years exceeding seven million dollars.

25 2. At its election, the electrical corporation shall be  
26 permitted to recover the cost of all solar rebate payments it has  
27 made through either base rates or through a rate adjustment  
28 mechanism under section 393.1030, and shall, also at its

1 election, be permitted to defer and amortize the recovery of such  
2 costs, including interest at the electric corporation's short-  
3 term borrowing rate, through either base rates or a surcharge  
4 over a period of the electrical corporation's choice not to  
5 exceed five years; provided that, if recovery of such costs in  
6 such manner and over such a time period would cause the  
7 electrical corporation to exceed the one percent maximum average  
8 retail rate increase limitation required by subdivision (1) of  
9 subsection 2 of section 393.1030, that part of recovery of such  
10 costs that would exceed such one percent limitation shall be  
11 deferred by the electrical corporation to a regulatory asset, to  
12 which carrying costs at the electrical corporation's weighted  
13 average cost of capital shall be added and recovered through base  
14 rates or through a rate adjustment mechanism under section  
15 393.1030 as soon as practicable.

16 3. Solar rebates in the amounts specified for each calendar  
17 year and in the aggregate for calendar years 2019 through 2023  
18 referred to in this section shall become available effective  
19 January 1, 2019. The solar rebate provision of subsection 3 of  
20 section 393.1030, including any commission orders relating to  
21 such provisions applicable to an electrical corporation, are  
22 unaffected by this section.

23 4. Reductions in electrical corporation loads as a result  
24 of the installation of solar systems not owned by the electrical  
25 corporation that provide electricity to the electrical  
26 corporation's customers constitute conservation.

27 5. The commission shall have the authority to promulgate  
28 rules for the implementation of this section, but only to the

1 extent that such rules are consistent with, and do not delay the  
2 implementation of, the provisions of this section. Any rule or  
3 portion of a rule, as that term is defined in section 536.010  
4 that is created under the authority delegated in this section  
5 shall become effective only if it complies with and is subject to  
6 all of the provisions of chapter 536, and, if applicable, section  
7 536.028. This section and chapter 536 are nonseverable and if  
8 any of the powers vested with the general assembly pursuant to  
9 chapter 536, to review, to delay the effective date, or to  
10 disapprove and annul a rule are subsequently held  
11 unconstitutional, then the grant of rulemaking authority and any  
12 rule proposed or adopted after August 28, 2018, shall be invalid  
13 and void.

14 6. For purposes of this section, "electrical corporation"  
15 and "commission" shall mean the same as defined in section  
16 386.020, but an "electrical corporation" shall not include an  
17 electrical corporation as described in subsection 2 of section  
18 393.110.

19 7. This section shall expire on December 31, 2023; provided  
20 however, that after such expiration, the electrical corporation  
21 shall be entitled to recover any remaining regulatory asset  
22 balance as provided in subsection 2 of this section.

23 393.1700. Sections 393.1700 to 393.1750 shall be known and  
24 cited as the "Rate Case Modernization Act".

25 393.1705. It shall be the policy of this state to apply  
26 sections 393.1700 to 393.1750 to gas corporations that  
27 voluntarily choose to be subject to such sections in a manner  
28 that builds upon and extends traditional ratemaking elements and

1 procedures to advance the interests of both utilities and their  
2 customers while contributing to economic growth within the state.

3 393.1710. 1. The provisions of section 386.020 defining  
4 words, phrases, and terms shall apply to and determine the  
5 meaning of all such words, phrases, or terms as used in sections  
6 393.1700 to 393.1750.

7 2. As used in sections 393.1700 to 393.1750, the following  
8 terms shall mean:

9 (1) "Annual rate cap", an annual limitation on the amount  
10 of rate increase that may be made under the annual true-up  
11 provided for in section 393.1725 equal to three percent of the  
12 gas corporation's previous year's Missouri gross jurisdictional  
13 revenues, with excess amounts deferred and booked to a regulatory  
14 asset account for recovery in a later period;

15 (2) "Annual true-up", an annual filing made by a  
16 participating gas corporation to reflect in rates various updated  
17 financial and operational results, and utilizing the ratemaking  
18 and review process described in section 393.1725;

19 (3) "Cost management accountability" or "CMA", an  
20 adjustment mechanism used in the annual true-up to better hold a  
21 participating gas corporation accountable for, and incentivize  
22 effective management of, its costs by comparing the updated O&M  
23 expense to a performance benchmark approved in the corporation's  
24 periodic rate proceeding based on the normalized and annualized  
25 O&M expense in the then concluding year, updated for increases in  
26 the Consumers Price Index-For All Urban Consumers (CPI-U);

27 (4) "Cost stabilization reserve", a mechanism designed to  
28 moderate the impacts of significant extraordinary or force

1 majeure expenses on the revenue requirement recovered through the  
2 annual true-up by permitting such costs to be deferred and booked  
3 to a regulatory asset account and amortized in rates beginning  
4 with the next annual true-up and extending over a period of three  
5 to five years, unless a longer period is otherwise determined by  
6 the commission to be appropriate;

7 (5) "Earnings test", a mechanism that calculates the  
8 achieved earnings level during the updated test year period to  
9 determine if a rate change should be made as part of the annual  
10 true-up, based on any over- or under-earnings beyond a basis  
11 point range above or below the updated return on equity, subject  
12 to the annual rate cap;

13 (6) "Foundational elements", the ratemaking determinations  
14 and methods approved or modified by the commission listed under  
15 subsection 1 of section 393.1715, as updated or adjusted  
16 consistent with the processes and mechanisms set forth in  
17 sections 393.1700 to 393.1750;

18 (7) "Grow and share", a provision of the CMA mechanism  
19 recognizing significant growth in the gas corporation or its  
20 parent corporation. If such growth occurs and the number of  
21 utility customers acquired by the participating gas corporation  
22 is greater than ten percent of the participating gas  
23 corporation's then current number of customers, then the  
24 performance benchmark of the CMA shall not be reset until the  
25 second periodic rate review proceeding conducted after the grow  
26 and share provision became effective. After such period, the  
27 benchmark used for the annual true-up shall be reset based on the  
28 updated O&M expense in the then preceding year;

1       (8) "ISRS", an infrastructure system replacement surcharge  
2 authorized under sections 393.1009 to 393.1015;

3       (9) "Participating gas corporation", a gas corporation that  
4 elects to file an initiating general rate proceeding to update  
5 rates using annual true-up and periodic rate review proceedings  
6 under sections 393.1700 to 393.1750;

7       (10) "Performance measurement indicators", service and  
8 operational metrics approved by the commission utilized to hold a  
9 participating gas corporation accountable for managing  
10 satisfactory levels of performance in key areas, including but  
11 not limited to safety, reliability, customer satisfaction,  
12 service, and operations;

13       (11) "Periodic rate review proceeding", the process  
14 described in section 393.1730 to review and, if necessary and  
15 appropriate, revise foundational elements used to establish rates  
16 in the annual true-up;

17       (12) "Revenue requirement", the amount of revenues to be in  
18 effect for the next annual period, as calculated in the annual  
19 true-up, including any adjustments resulting from the application  
20 of the earnings test, subject to the annual rate cap, and any  
21 adjustment resulting from the application of the CMA, plus any  
22 adjustment resulting from the application of the CMA and revenue  
23 stabilization mechanism;

24       (13) "Revenue stabilization mechanism", a mechanism that  
25 adjusts rates as part of the annual true-up to prevent an over-  
26 or under-recovery of authorized distribution revenues due to  
27 changes in usage by the participating gas corporation's  
28 residential customers and those non-residential customers with

1 annual usage equivalent to, or less than, twenty thousand  
2 decatherms;

3 (14) "Updated cost of capital", a calculation used to set  
4 rates in the annual true-up for the following annual period.  
5 "Updated cost of capital" shall be the product of the updated  
6 rate base and the ending pre-tax weighted average cost of capital  
7 of the participating gas corporation, based on the updated return  
8 on equity and the updated interest rate;

9 (15) "Updated distribution revenues", the distribution-  
10 related revenues, annualized for changes in customer levels.  
11 Such revenues shall reflect amounts billed by the participating  
12 gas corporation during the updated test year, as adjusted to  
13 reflect the annualized revenues of the participating gas  
14 corporation's then effective ISRS, and accruals booked resulting  
15 from the application of the revenue stabilization mechanism, but  
16 excluding revenues accounted for through the participating gas  
17 corporation's purchased gas adjustment and actual cost  
18 adjustment;

19 (16) "Updated ineligible expenses", the updated test year  
20 operations and maintenance expenses of the same kind and  
21 character as those commonly disallowed by the commission in the  
22 participating gas corporation's initiating general rate  
23 proceeding or periodic rate review proceeding. Such ineligible  
24 expenses shall be excluded from the rates established in any  
25 annual true-up unless or until a reviewing court or the  
26 commission subsequently determines that such costs were properly  
27 includable in rates;

1       (17) "Updated interest rate", the weighted average interest  
2 rate for the participating gas corporation's long-term debt and  
3 preferred stock outstanding as of the end of the updated test  
4 year which is used to determine the updated cost of capital for  
5 purposes of setting rates in the annual true-up;

6       (18) "Updated operations and maintenance expense" or  
7 "updated O&M expense", the normalized and annualized distribution  
8 operations and maintenance expense incurred by the participating  
9 gas corporation during the updated test year, which shall be  
10 calculated by reflecting the normalized and annualized net dollar  
11 amount in FERC Accounts 700 through 950 "Operation Expenses",  
12 less any updated ineligible expenses in such accounts. Such  
13 updated O&M expense shall be used for determining the  
14 participating gas corporation's performance under the cost  
15 management accountability mechanism and making any resulting rate  
16 adjustment as part of the corporation's annual true-up;

17       (19) "Updated other expenses", the normalized and  
18 annualized depreciation and amortization expense, as well as all  
19 federal, state and local taxes, other than gross-receipts, sales  
20 and other similar pass-through taxes;

21       (20) "Updated rate base", the ending updated test year  
22 balances for the participating gas corporation's investments in  
23 net utility property, plant and equipment, including reset ISRS  
24 investment amounts, adjusted for related accumulated deferred  
25 income taxes, plus cash working capital and working capital, as  
26 adjusted consistent with the methodology established for the  
27 participating gas corporation in its initiating general rate  
28 proceeding or periodic rate review proceeding, plus the ending



1 balance of any cost stabilization reserve amount. The updated  
2 rate base shall exclude investments being recovered through the  
3 participating gas corporation's purchased gas adjustment and  
4 actual cost adjustment;

5 (21) "Updated return on equity", the return on equity  
6 authorized for the participating gas corporation in its  
7 initiating general rate proceeding or periodic rate review  
8 proceeding, adjusted each year in the annual true-up for results  
9 of the performance measurement indicators and capital market  
10 changes, reflected in long-term United States Treasury Bond yield  
11 rates;

12 (22) "Updated test year", the historic annual period  
13 between the effective dates of each annual true-up, which is used  
14 as the beginning and ending point for establishing the revenue  
15 requirement in the annual true-up process.

16 393.1715. 1. A gas corporation may elect to become a  
17 participating gas corporation by filing with the commission an  
18 initiating general rate proceeding in which it will provide  
19 notice of its election to participate in the update process  
20 established under sections 393.1700 to 393.1750. Such initiating  
21 general rate proceeding shall be conducted in accordance with the  
22 procedures and requirements established by the commission for  
23 general rate proceedings. The commission shall, with the  
24 assistance of the parties to the proceeding, prepare and approve  
25 a supplement to the detailed reconciliation required to be filed  
26 under subsection 4 of section 386.420, which shall include any  
27 additional information required for the participating gas  
28 corporation's periodic rate review proceeding and the

1 foundational elements to be used in calculating rates for the  
2 annual true-up. Such foundational elements shall include a full  
3 and complete description or specification of:

4 (1) The calculation methods to be used to determine the  
5 cash working capital requirement, including the revenue and  
6 expense lag for each revenue and expense item to be considered in  
7 establishing such revenue requirement component in the annual  
8 true-up;

9 (2) The calculation methods to be used to determine working  
10 capital items, including regulatory assets or liabilities  
11 receiving rate base treatment, as well as customer deposits,  
12 contributions in aid of construction, other investments required  
13 for business purposes, such as materials and supplies,  
14 inventories, and prepaid items;

15 (3) Each regulatory asset or liability to be included in  
16 rates, including the ending balance of each regulatory asset or  
17 liability, whether rate base treatment is afforded in working  
18 capital, and the annual amortization amount to be included in  
19 rates in the annual true-up;

20 (4) Each item in the cost stabilization reserve, including  
21 the ending balance of each regulatory asset or liability, whether  
22 rate base treatment is afforded, and the annual amortization  
23 amount to be included in rates in the annual true-up;

24 (5) The weighted capital structure to be included in rates  
25 in the annual true-up including the weighting to be used for each  
26 component consistent with the actual long-term capitalization of  
27 the participating gas corporation, provided that the  
28 participating gas corporation is no less than forty percent and

1 no more than sixty percent of its total capital structure and is  
2 within ten percentage points of the equity component of its  
3 parent corporation's capital structure, if any;

4 (6) The return on equity to be used to calculate rates,  
5 including the starting benchmark capital market rate to be used  
6 for the annual true-up, as calculated based on the most recent  
7 twelve-month average of the thirty-year United States treasury  
8 bond yield of the then-longest duration published by the board of  
9 governors in its weekly H.15 statistical release, or any  
10 successor publication;

11 (7) The performance measurement indicators to be used to  
12 measure the participating gas corporation's performance, and  
13 depending on actual results achieved, potentially adjust the  
14 participating gas corporation's updated return on equity in the  
15 annual true-up. No fewer than four and no more than six metrics  
16 shall be established and approved by the commission for use in  
17 the annual true-up. A benchmark range of acceptable performance  
18 shall be established based on the participating gas corporation's  
19 historical experience in the area measured over the most recent  
20 five years, or shorter period if consistent information is not  
21 available, and such range should be reasonably achievable. Each  
22 metric shall be assigned a value of five basis points, and  
23 performance levels above or below the benchmark range shall be  
24 used to increase or decrease, respectively, the subsequent  
25 updated return on equity;

26 (8) The defined performance benchmark cost level for O&M  
27 expense to be used for the CMA mechanism for the subsequent  
28 annual true-ups to compare against the updated O&M expense. Such

1 benchmark shall be set based on the updated O&M expense in the  
2 then-concluding updated test year, subject to the grow and share  
3 provision of the CMA;

4 (9) The categories and types of ineligible operating  
5 expenses to be excluded from rates in the annual true-up,  
6 including the associated FERC accounts;

7 (10) The methodologies to be used to allocate joint and  
8 common costs included in rates between the participating gas  
9 corporation and its affiliates to the extent the methodologies  
10 differ from those in the commission-approved cost allocation  
11 manual;

12 (11) The billing determinants to be used to establish  
13 rates, for use in the annual true-up and revenue stabilization  
14 mechanism process;

15 (12) The class cost of service method to be used to  
16 allocate costs between and within each customer class, including  
17 the rate design to be used for each class, together with a  
18 specification of the method to be used to allocate any increase  
19 or decrease in revenue requirement for the annual true-up;

20 (13) The depreciation rates to be used to establish rates  
21 included in the annual true-up; and

22 (14) The templates to be used for the surveillance reports  
23 that will be submitted on a quarterly basis to report current  
24 operating expenses, rate base, revenues, and performance metrics  
25 used in the annual true-up.

26 2. If the gas corporation has had new rates become  
27 effective in the past two years as a result of a general rate  
28 proceeding, then the commission shall, upon the filing of a

1 notice by the gas corporation requesting such action, conduct a  
2 proceeding to consider and determine only those foundational  
3 elements that were not otherwise identified by agreement or by a  
4 commission order in the general rate proceeding, provided that  
5 the commission, in its sole discretion, may consider changes to  
6 the return on equity previously established. Such proceeding  
7 shall be conducted and concluded within five months and shall not  
8 result in any change in rates.

9 393.1720. 1. As part of the initiating general rate  
10 proceeding, the commission shall approve a revenue stabilization  
11 mechanism for a participating gas corporation to address the  
12 over- or under-recovery of revenue due to weather and  
13 conservation-related changes in usage by residential customers  
14 and non-residential customers with annual usage equivalent to, or  
15 less than, ten thousand decatherms. The adjustment shall utilize  
16 a deferral account, with interest applied at the participating  
17 gas corporation's short term cost of debt, to track and book as a  
18 regulatory liability or asset, as applicable, any excessive or  
19 deficient revenue due to a change in the assumed commodity use  
20 per customer established in the periodic rate review proceeding.  
21 Such deferral account shall amortize the difference on an  
22 earnings-neutral basis and be excluded from the earnings test.  
23 No adjustment shall be made for a variance in the determinants  
24 based on number of customers.

25 2. Rates shall be adjusted by the amount necessary to  
26 return to, or recover from, customers over the subsequent twelve-  
27 month period the difference between the per customer revenues  
28 actually billed by the participating gas corporation during the

1 most recent updated test year for the customers identified in  
2 subsection 1 of this section, and the per customer revenues  
3 authorized in the participating gas corporation's initiating  
4 general rate proceeding or periodic rate review proceeding for  
5 such customers. The billing determinants used to set rates for  
6 such customers in the initiating general rate proceeding or  
7 periodic rate review proceeding shall be compared to the billing  
8 determinants realized during the updated test year for those same  
9 customers to determine the amount of the necessary adjustment.  
10 Revenue variations accounted and adjusted for in the  
11 participating gas corporation's purchased gas adjustment, actual  
12 cost adjustment, and ISRS shall not be considered.

13 393.1725. 1. At least forty-five days prior to the end of  
14 each updated test year, the participating gas corporation shall  
15 file tariffs, rate schedules, and minimum filing requirements,  
16 including full and complete schedules and supporting  
17 documentation, to be used to establish and allocate the revenue  
18 requirement to be reflected in rates in the corporation's annual  
19 true-up based on an application of the foundational elements most  
20 recently determined by the commission to actual results and  
21 application at the CMA, earnings test, and other updates and  
22 adjustments authorized by sections 393.1700 to 393.1750. Any  
23 rate changes resulting from such filing shall be placed into  
24 effect on an interim basis on the date following the end of the  
25 current updated test year, subject to refund. The commission, at  
26 its discretion, may implement a future test year for the annual  
27 update.

1           2. The participating gas corporation's annual true-up  
2 filing shall be based upon the most recent three quarters of  
3 information on the participating gas corporation's books and a  
4 pro forma forecast for the remaining quarter. Such forecast  
5 shall be of sufficient line item detail to permit adequate review  
6 by commission staff, and updated actual results shall be filed at  
7 least thirty days before the commission staff's recommendation is  
8 due. Any supporting information that is proprietary or  
9 confidential may be submitted on a confidential basis under the  
10 commission's rules governing such matters.

11           3. Minimum filing requirements shall include:

12           (1) Financial reports for the participating gas  
13 corporation's regulated Missouri utility operations for the  
14 updated test year as such financial reports are finalized based  
15 on actual results, including the income statement, balance sheet,  
16 and cash flow statement with line-item detail matching the level  
17 of the FERC Form 2 or the annual distribution utility report  
18 provided to the commission. The financials should be adjusted to  
19 reflect the application of the foundational elements approved in  
20 the initiating general rate proceeding or the most recently  
21 concluded periodic rate review proceeding;

22           (2) Accounting schedules of the type normally provided in a  
23 general rate case proceeding showing updated rate base amounts,  
24 including ending balances for regulatory assets and liabilities  
25 and cost stabilization reserve amounts, as well as annual  
26 amortization amounts to be included in rates, updated ineligible  
27 operating expenses that are consistent with the determinations

1 made by the commission in the initiating general rate proceeding  
2 or most recently concluded periodic rate review proceeding;

3 (3) A full and complete set of cost of service schedules  
4 normally provided in a general rate proceeding along with any  
5 detailed schedules used to annualize, normalize, or otherwise  
6 adjust each updated distribution revenue, updated O&M expense,  
7 updated other expense, and updated cost of capital item for  
8 ratemaking purposes;

9 (4) A full and complete schedule for the earnings test  
10 performed using the schedules and amounts prepared under this  
11 subdivision. If the return achieved in the updated test year  
12 exceeds or falls below a range of fifty basis points of the  
13 updated return on equity, such test shall determine the increase  
14 or decrease to the revenue requirement necessary to bring the  
15 return back to the updated return on equity, subject to the  
16 annual rate cap. The updated return on equity shall first apply  
17 adjustments based on the results of the performance measurement  
18 indicators and capital market changes as follows:

19 (a) Performance measurement indicator adjustments shall  
20 compare performance achieved during the updated test year for  
21 each metric to the benchmark range of expected performance  
22 approved in the most recent periodic rate review proceeding. For  
23 each instance in which the participating gas corporation's  
24 performance exceeds the benchmark range of performance for the  
25 metric, five basis points shall be added to the updated return on  
26 equity used for the earnings test in the current annual true-up.  
27 For each instance in which the participating gas corporation's  
28 performance falls below the benchmark range of performance, five



1 basis points shall be subtracted from the updated return on  
2 equity used for the earnings test in the current annual true-up.  
3 No change in the updated return on equity shall be made for a  
4 performance level that falls within the benchmark performance  
5 range. To the extent the participating gas corporation's  
6 performance in relation to a specific metric was adversely  
7 affected during the updated test year by significant changes in  
8 its operational systems or processes done to enhance the quality  
9 of utility service, or by extraordinary events beyond the  
10 participating gas corporation's control, then no adjustment for  
11 that metric shall be made to the updated return on equity;

12 (b) The updated return on equity used for the earnings test  
13 in the current annual true-up shall be adjusted for capital  
14 market changes by comparing the starting benchmark capital market  
15 rate determined in the initiating general rate proceeding or  
16 periodic rate review proceeding to any increase or decrease in  
17 the twelve-month average of the thirty-year United States  
18 Treasury Bond yield during the applicable updated test year, and  
19 the difference shall be applied to adjust the updated return on  
20 equity;

21 (5) A full and complete calculation of the CMA, comparing  
22 achieved updated O&M expense during the updated test year to the  
23 performance benchmark O&M expense level determined at the  
24 initiating general rate proceeding or the most recently completed  
25 periodic rate review proceeding. An update to that benchmark  
26 shall be applied using an inflation factor equal to the CPI-U  
27 factor for the updated test year, or one percent, whichever is  
28 greater. To the extent the updated O&M expense exceeds or falls

1 below the updated performance benchmark by more than one percent,  
2 then half of that difference shall be credited or charged to  
3 customers with such credits or charges excluded from the earnings  
4 test.

5 4. Within four months of the annual true-up filing, the  
6 commission staff shall submit its recommendation verifying that  
7 the revenue requirement was calculated and implemented in  
8 conformity with this section and based on prudently incurred and  
9 just and reasonable costs, or identifying with specificity any  
10 ways in which the update filing was not in conformity with the  
11 requirements of this section.

12 5. If the parties to the annual true-up are unable to  
13 jointly recommend a revenue requirement to the commission within  
14 twenty days of the filing of commission staff's report, the  
15 commission shall establish a procedural schedule so that any  
16 contested issues may be adjudicated by the commission with a  
17 report and order resolving such differences issued within five  
18 months after the filing of the commission staff's report. The  
19 commission shall, in such report and order, make permanent the  
20 interim rates filed by the participating gas corporation to the  
21 extent such rates have been calculated in compliance with the  
22 requirements of sections 393.1700 to 393.1750. Any adjustments  
23 made by the commission to the revenue requirement shall be  
24 reflected in the next annual true-up filing made by the  
25 participating gas corporation, subject to judicial review.

26 6. The revenue requirement to be in effect for the next  
27 annual period shall include a rebasing of all ISRS costs  
28 implemented and in effect during the updated test period. Any

1 participating gas corporation shall be permitted to make filings  
2 under sections 393.1009 to 393.1015 and shall submit a schedule  
3 reflecting its estimated capital expenditures for ISRS-eligible  
4 projects for the annual period, provided that the annual rate  
5 cap, timing, periodic rate review proceeding requirements, and  
6 rebasing ISRS charges set forth in this subsection shall be  
7 substituted for any similar rate caps, ISRS rebasing, or general  
8 rate proceeding requirements under sections 393.1009 to 393.1015.

9 7. Any annual rate adjustment resulting from the  
10 application of the earnings test shall not, when combined with  
11 any ISRS charges reset in the annual true-up during the same  
12 annual period, exceed an annual increase to the revenue  
13 requirement amount equal to three percent of the prior year's  
14 Missouri gross jurisdictional revenues. In addition to the rate  
15 adjustment, the participating gas corporation shall be permitted  
16 to collect any applicable gross receipts tax, sales tax, or other  
17 similar pass-through taxes, and such taxes shall not be counted  
18 against the annual rate cap. Any costs not recovered as a result  
19 of the annual rate cap limitation on rate adjustments shall be  
20 deferred, at a carrying cost each month equal to the  
21 participating gas corporation's net of tax, long-term cost of  
22 capital, for recovery in a subsequent year's annual true-up or  
23 periodic rate review proceeding.

24 393.1730. 1. After each third rate year effectuating an  
25 annual true-up, the participating gas corporation shall file a  
26 periodic rate review proceeding at least six months prior to the  
27 participating gas corporation's next annual true-up filing. Such  
28 filing shall include the participating gas corporation's proposed

1 positions and supporting documentation on each of the  
2 foundational elements identified in subsection 1 of section  
3 393.1715.

4 2. The commission shall have the authority to set interim  
5 deadlines for interested stakeholders and the gas corporation to  
6 make their respective filings, but the commission shall issue an  
7 order presenting its determinations and findings within five  
8 months of the filing date of the periodic rate review proceeding.  
9 Such determinations shall be used to set rates in subsequent  
10 annual true-ups, subject to the right of the participating gas  
11 corporation and other parties to seek judicial review of the  
12 determinations in accordance with applicable law. The existence  
13 of a judicial review proceeding shall not preclude a  
14 participating gas corporation from filing, or the commission from  
15 processing, any subsequent initiating general rate proceeding,  
16 annual true-up, or periodic rate review proceeding.

17 393.1735. 1. Within six months of the effective date of  
18 sections 393.1700 to 393.1750, any participating gas corporation  
19 may file, and the commission shall approve, tariffs authorizing  
20 programs designed to retain or attract businesses, jobs, and  
21 investment within the state of Missouri or to extend gas service  
22 to new areas. Such programs may achieve this goal by providing  
23 discounted rates or financing arrangements on terms that, at a  
24 minimum, recover the depreciation, property tax, and carrying  
25 cost of any incremental investment and any incremental variable  
26 costs incurred to serve such customer or customers while making  
27 some positive contribution to the participating gas corporation's  
28 fixed costs of serving other customers.

1       2. The rates approved by the commission during the annual  
2 true-up shall reflect the actual annualized revenues being  
3 received under the discounted rate or long-term financing  
4 arrangement.

5       393.1740. A participating gas corporation may voluntarily  
6 terminate its participation in the update process at the  
7 conclusion of any updated test year. Upon termination, whether  
8 such termination occurs by operation of law, by voluntary action  
9 of a participating gas corporation, or for any other reason, the  
10 then current rates established under sections 393.1700 to  
11 393.1750 shall remain in effect until such time as new rates are  
12 set under section 393.150, subject to any adjustment that may be  
13 made to such rates based on the commission staff's audit of the  
14 last updated test year.

15       393.1745. On or after December 31, 2025, the commission  
16 shall prepare and file with the general assembly a report on the  
17 impact of sections 393.1700 to 393.1750 on participating gas  
18 corporations and their customers. Participating gas corporations  
19 shall cooperate in good faith to provide the data necessary for  
20 the preparation of the report required by this section.

21       393.1750. The commission shall have the authority to  
22 promulgate rules and regulations to implement the provisions of  
23 sections 393.1700 to 393.1745, but only to the extent such rules  
24 are consistent with and do not delay the implementation of  
25 sections 393.1700 to 393.1745. Any rule or portion of a rule, as  
26 that term is defined in section 536.010 that is created under the  
27 authority delegated in this section shall become effective only  
28 if it complies with and is subject to all of the provisions of

1 chapter 536, and, if applicable, section 536.028. This section  
2 and chapter 536 are nonseverable and if any of the powers vested  
3 with the general assembly pursuant to chapter 536, to review, to  
4 delay the effective date, or to disapprove and annul a rule are  
5 subsequently held unconstitutional, then the grant of rulemaking  
6 authority and any rule proposed or adopted after August 28, 2018,  
7 shall be invalid and void.

8       Section B. Because immediate action is necessary to reduce  
9 the electric bills of consumers due to the implementation of  
10 federal tax cuts, the enactment of section 393.137 of this act is  
11 deemed necessary for the immediate preservation of the public  
12 health, welfare, peace and safety, and is hereby declared to be  
13 an emergency act within the meaning of the constitution, and the  
14 enactment of section 393.137 of this act shall be in full force  
15 and effect upon its passage and approval.