

SENATE BILL NO. 1177

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR CIERPIOT.

5513S.01I

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal section 393.1715, RSMo, and to enact in lieu thereof one new section relating to ratemaking for electrical corporations.

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

Section A. Section 393.1715, RSMo, is repealed and one
2 new section enacted in lieu thereof, to be known as section
3 393.1715, to read as follows:

393.1715. 1. An electrical corporation may petition
2 the commission for a determination of the ratemaking
3 principles and treatment, as proposed by the electrical
4 corporation, that will apply to the reflection in base rates
5 of the electrical corporation's capital and noncapital costs
6 associated with the proposed retirement of one or more of
7 the electrical corporation's generating facilities. Without
8 limiting the foregoing, such principles and treatment may
9 also establish the retirement date and useful life
10 parameters used to set depreciation rates for such
11 facilities. Except as provided for in subsection 4 of this
12 section, the ratemaking principles and treatment approved by
13 the commission under this section for such facilities shall
14 apply to the determination of the revenue requirement in
15 each of the electrical corporation's post-determination
16 general rate proceedings until such time as such facility is
17 fully depreciated on the electrical corporation's books.

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

18 2. If the commission fails to issue a determination
19 within two hundred fifteen days that a petition for
20 determination of ratemaking principles and treatment is
21 filed, the ratemaking principles and treatment proposed by
22 the petitioning electrical corporation shall be deemed to
23 have been approved by the commission.

24 3. Subject to the provisions of subsection 4 of this
25 section, ratemaking principles and treatment approved by the
26 commission, or deemed to have been approved under subsection
27 2 of this section, shall be binding for ratemaking purposes.

28 4. (1) An electrical corporation with ratemaking
29 principles and treatment approved by the commission, or
30 deemed to have been approved under subsection 2 of this
31 section, shall monitor the major factors and circumstances
32 relating to the facility to which such principles and
33 treatment apply. Such factors and circumstances include,
34 but are not limited to:

- 35 (a) Terrorist activity or an act of God;
- 36 (b) A significant change in federal or state tax laws;
- 37 (c) A significant change in federal utility laws or
38 regulations or a significant change in generally accepted
39 accounting principles;
- 40 (d) An unexpected, extended outage or shutdown of a
41 major generating unit, other than any major generating unit
42 shut down due to an extended outage at the time of the
43 approval of the ratemaking principles and treatment;
- 44 (e) A significant change in the cost or reliability of
45 power generation technologies;
- 46 (f) A significant change in fuel prices and wholesale
47 electric market conditions;
- 48 (g) A significant change in the cost or effectiveness
49 of emission control technologies;

50 (h) A significant change in the price of emission
51 allowances;

52 (i) A significant change in the electrical
53 corporation's load forecast;

54 (j) A significant change in capital market conditions;

55 (k) A significant change in the scope or effective
56 dates of environmental regulations; or

57 (l) A significant change in federal or state
58 environmental laws.

59 (2) If the electrical corporation determines that one
60 or more major factor or circumstance has changed in a manner
61 that warrants a change in the approved ratemaking principles
62 and treatment, then it shall file a notice in the docket in
63 which the approved ratemaking principles and treatment were
64 established within forty-five days of any such
65 determination. In its notification, the electrical
66 corporation shall:

67 (a) Explain and specify the changes it contends are
68 appropriate to the ratemaking principles and treatment and
69 the reasons for the proposed changes;

70 (b) Provide a description of the alternatives that it
71 evaluated and the process that it went through in developing
72 its proposed changes; and

73 (c) Provide detailed workpapers that support the
74 evaluation and the process whereby proposed changes were
75 developed.

76 (3) If a party has concerns regarding the proposed
77 changes, that party shall file a notice of its concerns
78 within thirty days of the electrical corporation's filing.
79 If the parties agree on a resolution of the concerns, the
80 agreement shall be submitted to the commission for
81 approval. If the parties do not reach agreement on changes

82 to the ratemaking principles and treatment within ninety
83 days of the date the electrical corporation filed its
84 notice, whether the previously approved ratemaking and
85 treatment will be changed shall be determined by the
86 commission. If a party to the docket in which the approved
87 ratemaking principles and treatment were approved believes
88 that one or more major factor or circumstance has changed in
89 a manner that warrants a change in the approved ratemaking
90 principles and treatment and if the electrical corporation
91 does not agree the principles and treatment should be
92 changed, such party shall file a notice in the docket in
93 which the approved ratemaking principles and treatment were
94 established within forty-five days of any such
95 determination. In its notification, such party shall:

96 (a) Explain and specify the changes it contends are
97 appropriate to the ratemaking principles and treatment and
98 the reasons for the proposed changes;

99 (b) Provide a description of the alternatives that it
100 evaluated and the process that it went through in developing
101 its proposed changes; and

102 (c) Provide detailed workpapers that support the
103 evaluation and the process whereby proposed changes were
104 developed.

105 (4) If a party, including the electrical corporation,
106 has concerns regarding the proposed changes, that party
107 shall file a notice of its concerns within thirty days of
108 the other party's filing. If the parties do not reach
109 agreement on changes to the ratemaking principles and
110 treatment within ninety days of the date the notice was
111 filed, whether the previously approved ratemaking and
112 treatment will be changed shall be determined by the
113 commission.

114 5. A determination of ratemaking principles and
115 treatment under this section does not preclude an electrical
116 corporation from also petitioning the commission under
117 either or both of sections 393.1700 and 393.1705, provided
118 that any costs to which such ratemaking principles and
119 treatment would have applied in the electrical corporation's
120 general rate proceedings which become funded by securitized
121 utility tariff bond proceeds from a securitized utility
122 tariff bond issued under section 393.1700 shall not
123 thereafter be reflected in the electrical corporation's base
124 rates.

125 6. If determined by the commission to be just,
126 reasonable, and necessary for the provision of safe and
127 adequate service, the electrical corporation may be
128 permitted to retain coal-fired generating assets in rate
129 base and recover costs associated with operating the coal-
130 fired assets that remain in service to provide greater
131 certainty that generating capacity will be available to
132 provide essential service to customers, including during
133 extreme weather events[, and]. The commission [shall not]
134 **may** disallow any portion of such cost recovery on the basis
135 that such coal-fired generating assets operate at a low
136 capacity factor, or are offline and providing capacity only,
137 during normal operating conditions.

138 7. The commission may promulgate rules necessary to
139 implement the provisions of sections 393.1700 to 393.1715.
140 Any rule or portion of a rule, as that term is defined in
141 section 536.010, that is created under the authority
142 delegated in this section shall become effective only if it
143 complies with and is subject to all of the provisions of
144 chapter 536 and, if applicable, section 536.028. This
145 section and chapter 536 are nonseverable and if any of the

146 powers vested with the general assembly pursuant to chapter
147 536 to review, to delay the effective date, or to disapprove
148 and annul a rule are subsequently held unconstitutional,
149 then the grant of rulemaking authority and any rule proposed
150 or adopted after August 28, 2021, shall be invalid and void.

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