

FIRST REGULAR SESSION

[TRULY AGREED TO AND FINALLY PASSED]

SENATE SUBSTITUTE NO. 2 FOR

SENATE BILL NO. 4

103RD GENERAL ASSEMBLY

2025

0120S.08T

AN ACT

To repeal sections 137.010, 137.080, 137.115, 204.300, 204.610, 386.370, 386.572, 386.600, 386.754, 386.756, 386.760, 393.108, 393.130, 393.135, 393.150, 393.320, 393.1030, 393.1400, 393.1506, 393.1656, and 393.1700, RSMo, and to enact in lieu thereof thirty-two new sections relating to utilities.

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

Section A. Sections 137.010, 137.080, 137.115, 204.300,
2 204.610, 386.370, 386.572, 386.600, 386.754, 386.756, 386.760,
3 393.108, 393.130, 393.135, 393.150, 393.320, 393.1030,
4 393.1400, 393.1506, 393.1656, and 393.1700, RSMo, are repealed
5 and thirty-two new sections enacted in lieu thereof, to be known
6 as sections 137.010, 137.080, 137.115, 204.300, 204.610,
7 386.370, 386.572, 386.600, 386.720, 386.752, 386.754, 386.756,
8 386.760, 386.820, 386.1100, 393.108, 393.109, 393.130, 393.135,
9 393.138, 393.150, 393.320, 393.401, 393.1030, 393.1080,
10 393.1400, 393.1506, 393.1645, 393.1656, 393.1680, 393.1700, and
11 393.1900, to read as follows:

137.010. The following words, terms and phrases when
2 used in laws governing taxation and revenue in the state of
3 Missouri shall have the meanings ascribed to them in this
4 section, except when the context clearly indicates a
5 different meaning:

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

6 (1) "Grain and other agricultural crops in an
7 unmanufactured condition" shall mean grains and feeds
8 including, but not limited to, soybeans, cow peas, wheat,
9 corn, oats, barley, kafir, rye, flax, grain sorghums,
10 cotton, and such other products as are usually stored in
11 grain and other elevators and on farms; but excluding such
12 grains and other agricultural crops after being processed
13 into products of such processing, when packaged or sacked.
14 The term "processing" shall not include hulling, cleaning,
15 drying, grating, or polishing;

16 (2) "Hydroelectric power generating equipment", very-
17 low-head turbine generators with a nameplate generating
18 capacity of at least four hundred kilowatts but not more
19 than six hundred kilowatts and machinery and equipment used
20 directly in the production, generation, conversion, storage,
21 or conveyance of hydroelectric power to land-based devices
22 and appurtenances used in the transmission of electrical
23 energy;

24 (3) "Intangible personal property", for the purpose of
25 taxation, shall include all property other than real
26 property and tangible personal property, as defined by this
27 section;

28 (4) "Real property" includes land itself, whether laid
29 out in town lots or otherwise, and all growing crops,
30 buildings, structures, improvements and fixtures of whatever
31 kind thereon, hydroelectric power generating equipment, the
32 installed poles used in the transmission or reception of
33 electrical energy, audio signals, video signals or similar
34 purposes, provided the owner of such installed poles is also
35 an owner of a fee simple interest, possessor of an easement,
36 holder of a license or franchise, or is the beneficiary of a
37 right-of-way dedicated for public utility purposes for the

38 underlying land; attached wires, transformers, amplifiers,
39 substations, and other such devices and appurtenances used
40 in the transmission or reception of electrical energy, audio
41 signals, video signals or similar purposes when owned by the
42 owner of the installed poles, otherwise such items are
43 considered personal property; and stationary property used
44 for transportation or storage of liquid and gaseous
45 products, including, but not limited to, petroleum products,
46 natural gas, propane or LP gas equipment, water, and sewage;

47 (5) "Reliever airport", any land and improvements,
48 exclusive of structures, on privately owned airports that
49 qualify as reliever airports under the National Plan of
50 Integrated Airport Systems that may receive federal airport
51 improvement project funds through the Federal Aviation
52 Administration;

53 (6) "Tangible personal property" includes every
54 tangible thing being the subject of ownership or part
55 ownership whether animate or inanimate, other than money,
56 and not forming part or parcel of real property as herein
57 defined, but does not include household goods, furniture,
58 wearing apparel and articles of personal use and adornment,
59 as defined by the state tax commission, owned and used by a
60 person in his home or dwelling place. **"Tangible personal
61 property" shall include solar panels, racking systems,
62 inverters, and related solar equipment, components,
63 materials, and supplies installed in connection with solar
64 photovoltaic energy systems, as described in subdivision
65 (46) of subsection 2 of section 144.030, that were
66 constructed and producing solar energy prior to August 9,
67 2022.**

137.080. Real estate and tangible personal property
2 shall be assessed annually at the assessment which commences

3 on the first day of January. For purposes of assessing and
4 taxing tangible personal property, all tangible personal
5 property shall be divided into the following subclasses:

6 (1) Grain and other agricultural crops in an
7 unmanufactured condition;

8 (2) Livestock;

9 (3) Farm machinery;

10 (4) Vehicles, including recreational vehicles, but not
11 including manufactured homes, as defined in section 700.010,
12 which are actually used as dwelling units;

13 (5) Manufactured homes, as defined in section 700.010,
14 which are actually used as dwelling units;

15 (6) Motor vehicles which are eligible for registration
16 and are registered as historic motor vehicles under section
17 301.131;

18 (7) **Solar panels, racking systems, inverters, and**
19 **related solar equipment, components, materials, and supplies**
20 **installed in connection with solar photovoltaic energy**
21 **systems, as described in subdivision (46) of subsection 2 of**
22 **section 144.030, that were constructed and producing solar**
23 **energy prior to August 9, 2022; and**

24 (8) All taxable tangible personal property not
25 included in subclass (1), subclass (2), subclass (3),
26 subclass (4), subclass (5), [or] subclass (6), **or subclass**
27 **(7).**

137.115. 1. All other laws to the contrary
2 notwithstanding, the assessor or the assessor's deputies in
3 all counties of this state including the City of St. Louis
4 shall annually make a list of all real and tangible personal
5 property taxable in the assessor's city, county, town or
6 district. Except as otherwise provided in subsection 3 of
7 this section and section 137.078, the assessor shall

8 annually assess all personal property at thirty-three and
9 one-third percent of its true value in money as of January
10 first of each calendar year. The assessor shall annually
11 assess all real property, including any new construction and
12 improvements to real property, and possessory interests in
13 real property at the percent of its true value in money set
14 in subsection 5 of this section. The true value in money of
15 any possessory interest in real property in subclass (3),
16 where such real property is on or lies within the ultimate
17 airport boundary as shown by a federal airport layout plan,
18 as defined by 14 CFR 151.5, of a commercial airport having a
19 FAR Part 139 certification and owned by a political
20 subdivision, shall be the otherwise applicable true value in
21 money of any such possessory interest in real property, less
22 the total dollar amount of costs paid by a party, other than
23 the political subdivision, towards any new construction or
24 improvements on such real property completed after January
25 1, 2008, and which are included in the above-mentioned
26 possessory interest, regardless of the year in which such
27 costs were incurred or whether such costs were considered in
28 any prior year. The assessor shall annually assess all real
29 property in the following manner: new assessed values shall
30 be determined as of January first of each odd-numbered year
31 and shall be entered in the assessor's books; those same
32 assessed values shall apply in the following even-numbered
33 year, except for new construction and property improvements
34 which shall be valued as though they had been completed as
35 of January first of the preceding odd-numbered year. The
36 assessor may call at the office, place of doing business, or
37 residence of each person required by this chapter to list
38 property, and require the person to make a correct statement
39 of all taxable tangible personal property owned by the

40 person or under his or her care, charge or management,
41 taxable in the county. On or before January first of each
42 even-numbered year, the assessor shall prepare and submit a
43 two-year assessment maintenance plan to the county governing
44 body and the state tax commission for their respective
45 approval or modification. The county governing body shall
46 approve and forward such plan or its alternative to the plan
47 to the state tax commission by February first. If the
48 county governing body fails to forward the plan or its
49 alternative to the plan to the state tax commission by
50 February first, the assessor's plan shall be considered
51 approved by the county governing body. If the state tax
52 commission fails to approve a plan and if the state tax
53 commission and the assessor and the governing body of the
54 county involved are unable to resolve the differences, in
55 order to receive state cost-share funds outlined in section
56 137.750, the county or the assessor shall petition the
57 administrative hearing commission, by May first, to decide
58 all matters in dispute regarding the assessment maintenance
59 plan. Upon agreement of the parties, the matter may be
60 stayed while the parties proceed with mediation or
61 arbitration upon terms agreed to by the parties. The final
62 decision of the administrative hearing commission shall be
63 subject to judicial review in the circuit court of the
64 county involved. In the event a valuation of subclass (1)
65 real property within any county with a charter form of
66 government, or within a city not within a county, is made by
67 a computer, computer-assisted method or a computer program,
68 the burden of proof, supported by clear, convincing and
69 cogent evidence to sustain such valuation, shall be on the
70 assessor at any hearing or appeal. In any such county,
71 unless the assessor proves otherwise, there shall be a

72 presumption that the assessment was made by a computer,
73 computer-assisted method or a computer program. Such
74 evidence shall include, but shall not be limited to, the
75 following:

76 (1) The findings of the assessor based on an appraisal
77 of the property by generally accepted appraisal techniques;
78 and

79 (2) The purchase prices from sales of at least three
80 comparable properties and the address or location thereof.
81 As used in this subdivision, the word "comparable" means
82 that:

83 (a) Such sale was closed at a date relevant to the
84 property valuation; and

85 (b) Such properties are not more than one mile from
86 the site of the disputed property, except where no similar
87 properties exist within one mile of the disputed property,
88 the nearest comparable property shall be used. Such
89 property shall be within five hundred square feet in size of
90 the disputed property, and resemble the disputed property in
91 age, floor plan, number of rooms, and other relevant
92 characteristics.

93 2. Assessors in each county of this state and the City
94 of St. Louis may send personal property assessment forms
95 through the mail.

96 3. The following items of personal property shall each
97 constitute separate subclasses of tangible personal property
98 and shall be assessed and valued for the purposes of
99 taxation at the following percentages of their true value in
100 money:

101 (1) Grain and other agricultural crops in an
102 unmanufactured condition, one-half of one percent;

103 (2) Livestock, twelve percent;

104 (3) Farm machinery, twelve percent;
105 (4) Motor vehicles which are eligible for registration
106 as and are registered as historic motor vehicles pursuant to
107 section 301.131 and aircraft which are at least twenty-five
108 years old and which are used solely for noncommercial
109 purposes and are operated less than two hundred hours per
110 year or aircraft that are home built from a kit, five
111 percent;

112 (5) Poultry, twelve percent; [and]

113 (6) Tools and equipment used for pollution control and
114 tools and equipment used in retooling for the purpose of
115 introducing new product lines or used for making
116 improvements to existing products by any company which is
117 located in a state enterprise zone and which is identified
118 by any standard industrial classification number cited in
119 subdivision (7) of section 135.200, twenty-five percent; and

120 **(7) Solar panels, racking systems, inverters, and**
121 **related solar equipment, components, materials, and supplies**
122 **installed in connection with solar photovoltaic energy**
123 **systems, as described in subdivision (46) of subsection 2 of**
124 **section 144.030, that were constructed and producing solar**
125 **energy prior to August 9, 2022, five percent.**

126 4. The person listing the property shall enter a true
127 and correct statement of the property, in a printed blank
128 prepared for that purpose. The statement, after being
129 filled out, shall be signed and either affirmed or sworn to
130 as provided in section 137.155. The list shall then be
131 delivered to the assessor.

132 5. (1) All subclasses of real property, as such
133 subclasses are established in Section 4(b) of Article X of
134 the Missouri Constitution and defined in section 137.016,
135 shall be assessed at the following percentages of true value:

136 (a) For real property in subclass (1), nineteen
137 percent;

138 (b) For real property in subclass (2), twelve percent;
139 and

140 (c) For real property in subclass (3), thirty-two
141 percent.

142 (2) A taxpayer may apply to the county assessor, or,
143 if not located within a county, then the assessor of such
144 city, for the reclassification of such taxpayer's real
145 property if the use or purpose of such real property is
146 changed after such property is assessed under the provisions
147 of this chapter. If the assessor determines that such
148 property shall be reclassified, he or she shall determine
149 the assessment under this subsection based on the percentage
150 of the tax year that such property was classified in each
151 subclassification.

152 6. Manufactured homes, as defined in section 700.010,
153 which are actually used as dwelling units shall be assessed
154 at the same percentage of true value as residential real
155 property for the purpose of taxation. The percentage of
156 assessment of true value for such manufactured homes shall
157 be the same as for residential real property. If the county
158 collector cannot identify or find the manufactured home when
159 attempting to attach the manufactured home for payment of
160 taxes owed by the manufactured home owner, the county
161 collector may request the county commission to have the
162 manufactured home removed from the tax books, and such
163 request shall be granted within thirty days after the
164 request is made; however, the removal from the tax books
165 does not remove the tax lien on the manufactured home if it
166 is later identified or found. For purposes of this section,
167 a manufactured home located in a manufactured home rental

168 park, rental community or on real estate not owned by the
169 manufactured home owner shall be considered personal
170 property. For purposes of this section, a manufactured home
171 located on real estate owned by the manufactured home owner
172 may be considered real property.

173 7. Each manufactured home assessed shall be considered
174 a parcel for the purpose of reimbursement pursuant to
175 section 137.750, unless the manufactured home is deemed to
176 be real estate as defined in subsection 7 of section 442.015
177 and assessed as a realty improvement to the existing real
178 estate parcel.

179 8. Any amount of tax due and owing based on the
180 assessment of a manufactured home shall be included on the
181 personal property tax statement of the manufactured home
182 owner unless the manufactured home is deemed to be real
183 estate as defined in subsection 7 of section 442.015, in
184 which case the amount of tax due and owing on the assessment
185 of the manufactured home as a realty improvement to the
186 existing real estate parcel shall be included on the real
187 property tax statement of the real estate owner.

188 9. The assessor of each county and each city not
189 within a county shall use the trade-in value published in
190 the October issue of the National Automobile Dealers'
191 Association Official Used Car Guide, or its successor
192 publication, as the recommended guide of information for
193 determining the true value of motor vehicles described in
194 such publication. The assessor shall not use a value that
195 is greater than the average trade-in value in determining
196 the true value of the motor vehicle without performing a
197 physical inspection of the motor vehicle. For vehicles two
198 years old or newer from a vehicle's model year, the assessor
199 may use a value other than average without performing a

200 physical inspection of the motor vehicle. In the absence of
201 a listing for a particular motor vehicle in such
202 publication, the assessor shall use such information or
203 publications which in the assessor's judgment will fairly
204 estimate the true value in money of the motor vehicle.

205 10. Before the assessor may increase the assessed
206 valuation of any parcel of subclass (1) real property by
207 more than fifteen percent since the last assessment,
208 excluding increases due to new construction or improvements,
209 the assessor shall conduct a physical inspection of such
210 property.

211 11. If a physical inspection is required, pursuant to
212 subsection 10 of this section, the assessor shall notify the
213 property owner of that fact in writing and shall provide the
214 owner clear written notice of the owner's rights relating to
215 the physical inspection. If a physical inspection is
216 required, the property owner may request that an interior
217 inspection be performed during the physical inspection. The
218 owner shall have no less than thirty days to notify the
219 assessor of a request for an interior physical inspection.

220 12. A physical inspection, as required by subsection
221 10 of this section, shall include, but not be limited to, an
222 on-site personal observation and review of all exterior
223 portions of the land and any buildings and improvements to
224 which the inspector has or may reasonably and lawfully gain
225 external access, and shall include an observation and review
226 of the interior of any buildings or improvements on the
227 property upon the timely request of the owner pursuant to
228 subsection 11 of this section. Mere observation of the
229 property via a drive-by inspection or the like shall not be
230 considered sufficient to constitute a physical inspection as
231 required by this section.

232 13. A county or city collector may accept credit cards
233 as proper form of payment of outstanding property tax or
234 license due. No county or city collector may charge
235 surcharge for payment by credit card which exceeds the fee
236 or surcharge charged by the credit card bank, processor, or
237 issuer for its service. A county or city collector may
238 accept payment by electronic transfers of funds in payment
239 of any tax or license and charge the person making such
240 payment a fee equal to the fee charged the county by the
241 bank, processor, or issuer of such electronic payment.

242 14. Any county or city not within a county in this
243 state may, by an affirmative vote of the governing body of
244 such county, opt out of the provisions of this section and
245 sections 137.073, 138.060, and 138.100 as enacted by house
246 bill no. 1150 of the ninety-first general assembly, second
247 regular session and section 137.073 as modified by house
248 committee substitute for senate substitute for senate
249 committee substitute for senate bill no. 960, ninety-second
250 general assembly, second regular session, for the next year
251 of the general reassessment, prior to January first of any
252 year. No county or city not within a county shall exercise
253 this opt-out provision after implementing the provisions of
254 this section and sections 137.073, 138.060, and 138.100 as
255 enacted by house bill no. 1150 of the ninety-first general
256 assembly, second regular session and section 137.073 as
257 modified by house committee substitute for senate substitute
258 for senate committee substitute for senate bill no. 960,
259 ninety-second general assembly, second regular session, in a
260 year of general reassessment. For the purposes of applying
261 the provisions of this subsection, a political subdivision
262 contained within two or more counties where at least one of
263 such counties has opted out and at least one of such

264 counties has not opted out shall calculate a single tax rate
265 as in effect prior to the enactment of house bill no. 1150
266 of the ninety-first general assembly, second regular
267 session. A governing body of a city not within a county or
268 a county that has opted out under the provisions of this
269 subsection may choose to implement the provisions of this
270 section and sections 137.073, 138.060, and 138.100 as
271 enacted by house bill no. 1150 of the ninety-first general
272 assembly, second regular session, and section 137.073 as
273 modified by house committee substitute for senate substitute
274 for senate committee substitute for senate bill no. 960,
275 ninety-second general assembly, second regular session, for
276 the next year of general reassessment, by an affirmative
277 vote of the governing body prior to December thirty-first of
278 any year.

279 15. The governing body of any city of the third
280 classification with more than twenty-six thousand three
281 hundred but fewer than twenty-six thousand seven hundred
282 inhabitants located in any county that has exercised its
283 authority to opt out under subsection 14 of this section may
284 levy separate and differing tax rates for real and personal
285 property only if such city bills and collects its own
286 property taxes or satisfies the entire cost of the billing
287 and collection of such separate and differing tax rates.
288 Such separate and differing rates shall not exceed such
289 city's tax rate ceiling.

290 16. Any portion of real property that is available as
291 reserve for strip, surface, or coal mining for minerals for
292 purposes of excavation for future use or sale to others that
293 has not been bonded and permitted under chapter 444 shall be
294 assessed based upon how the real property is currently being
295 used. Any information provided to a county assessor, state

296 tax commission, state agency, or political subdivision
297 responsible for the administration of tax policies shall, in
298 the performance of its duties, make available all books,
299 records, and information requested, except such books,
300 records, and information as are by law declared confidential
301 in nature, including individually identifiable information
302 regarding a specific taxpayer or taxpayer's mine property.
303 For purposes of this subsection, "mine property" shall mean
304 all real property that is in use or readily available as a
305 reserve for strip, surface, or coal mining for minerals for
306 purposes of excavation for current or future use or sale to
307 others that has been bonded and permitted under chapter 444.

204.300. 1. In all counties except counties of the
2 first classification which have a charter form of government
3 and which contain all or any portion of a city with a
4 population of three hundred fifty thousand or more
5 inhabitants, the governing body of the county, by
6 resolution, order, or ordinance, shall appoint five
7 trustees, the majority of whom shall reside within the
8 boundaries of the district. In the event the district
9 extends into any county bordering the county in which the
10 greater portion of the district lies, the presiding
11 commissioner or other chief executive officer of the
12 adjoining county shall be an additional member of the
13 appointed board of trustees. **Subject to the provisions of**
14 **section 105.454**, the trustees may be paid reasonable
15 compensation by the district for their services[; except
16 that, any compensation schedule shall be approved by
17 resolution of the board of trustees] **outside their duties as**
18 **trustees. Each trustee of the board may receive an**
19 **attendance fee not to exceed one hundred dollars for**
20 **attending each regularly called board meeting, or special**

21 meeting, but shall not be paid for attending more than two
22 meetings in any calendar month, except that in a county of
23 the first classification, a trustee shall not be paid for
24 attending more than four meetings in any calendar month.
25 However, no trustee shall be paid more than one attendance
26 fee if such trustee attends more than one board meeting in a
27 calendar week. Each trustee of the board shall be
28 reimbursed for his or her actual expenditures in the
29 performance of his or her duties on behalf of the district.

30 The board of trustees shall be responsible for the control
31 and operation of the sewer district. The term of each board
32 member shall be five years; except that, members of the
33 governing body of the county sitting upon the board shall
34 not serve beyond the expiration of their term as members of
35 such governing body of the county. The first board of
36 trustees shall be appointed for terms ranging from one to
37 five years so as to establish one vacancy per year
38 thereafter. If the governing body of the county with the
39 right of appointment under this section fails to appoint a
40 trustee to fill a vacancy on the board within sixty days
41 after receiving written notice from the common sewer
42 district of the existence of such vacancy, then the vacancy
43 may be filled by a majority of the remaining members then in
44 office of the board of trustees of such common sewer
45 district. **Subject to the provisions of section 105.454**, the
46 trustees may be paid reasonable compensation by the district
47 for their services [; except that, any compensation schedule
48 shall be approved by resolution, order, or ordinance of the
49 governing body of the county. Any and all expenses incurred
50 in the performance of their duties shall be reimbursed by
51 the district] **outside their duties as trustees. Each**
52 **trustee of the board may receive an attendance fee not to**

53 exceed one hundred dollars for attending each regularly
54 called board meeting, or special meeting, but shall not be
55 paid for attending more than two meetings in any calendar
56 month, except that in a county of the first classification,
57 a trustee shall not be paid for attending more than four
58 meetings in any calendar month. However, no trustee shall
59 be paid more than one attendance fee if such trustee attends
60 more than one board meeting in a calendar week. Each
61 trustee of the board shall be reimbursed for his or her
62 actual expenditures in the performance of his or her duties
63 on behalf of the district. The board of trustees shall have
64 the power to employ and fix the compensation of such staff
65 as may be necessary to discharge the business and purposes
66 of the district, including clerks, attorneys, administrative
67 assistants, and any other necessary personnel. The board of
68 trustees shall select a treasurer, who may be either a
69 member of the board of trustees or another qualified
70 individual. The treasurer selected by the board shall give
71 such bond as may be required by the board of trustees. The
72 board of trustees shall appoint the sewer engineer for the
73 county in which the greater part of the district lies as
74 chief engineer for the district, and the sewer engineer
75 shall have the same powers, responsibilities and duties in
76 regard to planning, construction and maintenance of the
77 sewers, and treatment facilities of the district as he now
78 has by virtue of law in regard to the sewer facilities
79 within the county for which he is elected. If there is no
80 sewer engineer in the county in which the greater part of
81 the district lies, the board of trustees may employ a
82 registered professional engineer as chief engineer for the
83 district under such terms and conditions as may be necessary
84 to discharge the business and purposes of the district. The

85 provisions of this subsection shall not apply to any county
86 of the first classification which has a charter form of
87 government and which contains all or any portion of a city
88 with a population of three hundred fifty thousand or more
89 inhabitants.

90 2. In any county of the first classification which has
91 a charter form of government and which contains all or any
92 portion of a city with a population of three hundred fifty
93 thousand or more inhabitants, [and in any county of the
94 first classification without a charter form of government
95 and which has a population of more than sixty-three thousand
96 seven hundred but less than seventy-five thousand,] there
97 shall be a ten-member board of trustees to consist of the
98 county executive, the mayors of the five cities constituting
99 the largest users by flow during the previous fiscal year,
100 the mayors of three cities which are not among the five
101 largest users and who are members of the advisory board of
102 the district established pursuant to section 204.310, and
103 one member of the county legislature to be appointed by the
104 county executive, with the concurrence of the county
105 legislature. If the county executive does not appoint such
106 members of the county legislature to the board of trustees
107 within sixty days, the county legislature shall make the
108 appointments. The advisory board members shall be appointed
109 annually by the advisory board. In the event the district
110 extends into any county bordering the county in which the
111 greater portion of the district lies, the number of members
112 on the board of trustees shall be increased to a total of
113 eleven and the presiding commissioner or county executive of
114 the adjoining county shall be an additional member of the
115 board of trustees. The trustees **of a district with an**
116 **eleven-member board and located in two counties** shall

117 receive no compensation for their services[,] but may be
118 compensated for their reasonable expenses normally incurred
119 in the performance of their duties. **Each trustee of a ten-**
120 **member board may receive an attendance fee not to exceed one**
121 **hundred dollars for attending each regularly called board**
122 **meeting, or special meeting, but shall not be paid for**
123 **attending more than two meetings in any calendar month.**
124 **However, no trustee of a ten-member board shall be paid more**
125 **than one attendance fee if such trustee attends more than**
126 **one board meeting in a calendar week. Each trustee of a ten-**
127 **member board shall be reimbursed for his or her actual**
128 **expenditures in the performance of his or her duties on**
129 **behalf of the district. Subject to the provisions of**
130 **section 105.454, the trustees of a ten-member board may be**
131 **paid reasonable compensation by the district for their**
132 **services outside their duties as trustees.** The board of
133 trustees may employ and fix the compensation of such staff
134 as may be necessary to discharge the business and purposes
135 of the district, including clerks, attorneys, administrative
136 assistants, and any other necessary personnel. The board of
137 trustees may employ and fix the duties and compensation of
138 an administrator for the district. The administrator shall
139 be the chief executive officer of the district subject to
140 the supervision and direction of the board of trustees and
141 shall exercise the powers, responsibilities and duties
142 heretofore exercised by the chief engineer prior to
143 September 28, 1983. The administrator of the district may,
144 with the approval of the board of trustees, retain
145 consulting engineers for the district under such terms and
146 conditions as may be necessary to discharge the business and
147 purposes of the district. The provisions of this subsection
148 shall only apply to counties of the first classification

149 which have a charter form of government and which contain
150 all or any portion of a city with a population of three
151 hundred fifty thousand or more inhabitants.

204.610. 1. There shall be five trustees, appointed
2 or elected as provided for in the circuit court decree or
3 amended decree of incorporation for a reorganized common
4 sewer district, who shall reside within the boundaries of
5 the district. Each trustee shall be a voter of the district
6 and shall have resided in said district for twelve months
7 immediately prior to the trustee's election or appointment.
8 A trustee shall be at least twenty-five years of age and
9 shall not be delinquent in the payment of taxes at the time
10 of the trustee's election or appointment. Regardless of
11 whether or not the trustees are elected or appointed, in the
12 event the district extends into any county bordering the
13 county in which the greater portion of the district lies,
14 the presiding commissioner or other chief executive officer
15 of the adjoining county shall be an additional member of the
16 board of trustees, or the governing body of such bordering
17 county may appoint a citizen from such county to serve as an
18 additional member of the board of trustees. Said additional
19 trustee shall meet the qualifications set forth in this
20 section for a trustee.

21 2. [The trustees shall receive no compensation for
22 their services but may be compensated for reasonable
23 expenses normally incurred in the performance of their
24 duties.] **Each trustee of the board may receive an attendance
25 fee not to exceed one hundred dollars for attending each
26 regularly called board meeting, or special meeting, but
27 shall not be paid for attending more than two meetings in
28 any calendar month. However, no trustee shall be paid more
29 than one attendance fee if such trustee attends more than**

30 one board meeting in a calendar week. Each trustee of the
31 board shall be reimbursed for his or her actual expenditures
32 in the performance of his or her duties on behalf of the
33 district. Subject to the provisions of section 105.454, the
34 trustees may be paid reasonable compensation by the district
35 for their services outside their duties as trustees. The
36 board of trustees may employ and fix the compensation of
37 such staff as may be necessary to discharge the business and
38 purposes of the district, including clerks, attorneys,
39 administrative assistants, and any other necessary
40 personnel. The board of trustees may employ and fix the
41 duties and compensation of an administrator for the
42 district. The administrator shall be the chief executive
43 officer of the district subject to the supervision and
44 direction of the board of trustees. The administrator of
45 the district may, with the approval of the board of
46 trustees, retain consulting engineers for the district under
47 such terms and conditions as may be necessary to discharge
48 the business and purposes of the district.

49 3. Except as provided in subsection 1 of this section,
50 the term of office of a trustee shall be five years. The
51 remaining trustees shall appoint a person qualified under
52 this section to fill any vacancy on the board. The initial
53 trustees appointed by the circuit court shall serve until
54 the first Tuesday after the first Monday in June or until
55 the first Tuesday after the first Monday in April, depending
56 upon the resolution of the trustees. In the event that the
57 trustees are elected, said elections shall be conducted by
58 the appropriate election authority under chapter 115.
59 Otherwise, trustees shall be appointed by the county
60 commission in accordance with the qualifications set forth
61 in subsection 1 of this section.

62 4. Notwithstanding any other provision of law, if
63 there is only one candidate for the post of trustee, then no
64 election shall be held, and the candidate shall assume the
65 responsibilities of office at the same time and in the same
66 manner as if elected. If there is no candidate for the post
67 of trustee, then no election shall be held for that post and
68 it shall be considered vacant, to be filled under the
69 provisions of subsection 3 of this section.

 386.370. 1. The commission shall, prior to the
2 beginning of each fiscal year beginning with the fiscal year
3 commencing on July 1, 1947, make an estimate of the expenses
4 to be incurred by it during such fiscal year reasonably
5 attributable to the regulation of public utilities as
6 provided in chapters 386, 392 and 393 and shall also
7 separately estimate the amount of such expenses directly
8 attributable to such regulation of each of the following
9 groups of public utilities: electrical corporations, gas
10 corporations, water corporations, heating companies and
11 telephone corporations, telegraph corporations, sewer
12 corporations, and any other public utility as defined in
13 section 386.020, as well as the amount of such expenses not
14 directly attributable to any such group. For purposes of
15 this section, water corporations and sewer corporations will
16 be combined and considered one group of public utilities.

 2. The commission shall allocate to each such group of
18 public utilities the estimated expenses directly
19 attributable to the regulation of such group and an amount
20 equal to such proportion of the estimated expenses not
21 directly attributable to any group as the gross intrastate
22 operating revenues of such group during the preceding
23 calendar year bears to the total gross intrastate operating
24 revenues of all public utilities subject to the jurisdiction

25 of the commission, as aforesaid, during such calendar year.
26 The commission shall then assess the amount so allocated to
27 each group of public utilities, subject to reduction as
28 herein provided, to the public utilities in such group in
29 proportion to their respective gross intrastate operating
30 revenues during the preceding calendar year, except that the
31 total amount so assessed to all such public utilities,
32 **except telecommunications corporations,** shall not exceed
33 **[three hundred fifteen] four hundred fifty** thousandths of
34 one percent of the total gross intrastate operating revenues
35 of all **public utilities, except telecommunications**
36 **corporations,** subject to the jurisdiction of the
37 commission. **The total amount to be assessed to all**
38 **telecommunications corporations, including interconnected**
39 **voice over internet protocol service providers, shall not**
40 **exceed two hundred fifty thousandths of one percent of the**
41 **total gross intrastate operating revenues of all**
42 **telecommunications corporations and interconnected voice**
43 **over internet protocol service providers subject to the**
44 **jurisdiction of the commission.**

45 3. The commission shall render a statement of such
46 assessment to each such public utility on or before July
47 first and the amount so assessed to each such public utility
48 shall be paid by it to the director of revenue in full on or
49 before July fifteenth next following the rendition of such
50 statement, except that any such public utility may at its
51 election pay such assessment in four equal installments not
52 later than the following dates next following the rendition
53 of said statement, to wit: July fifteenth, October
54 fifteenth, January fifteenth and April fifteenth. The
55 director of revenue shall remit such payments to the state
56 treasurer.

57 4. The state treasurer shall credit such payments to a
58 special fund, which is hereby created, to be known as "The
59 Public Service Commission Fund", which fund, or its
60 successor fund created pursuant to section 33.571, shall be
61 devoted solely to the payment of expenditures actually
62 incurred by the commission and attributable to the
63 regulation of such public utilities subject to the
64 jurisdiction of the commission, as aforesaid. Any amount
65 remaining in such special fund or its successor fund at the
66 end of any fiscal year shall not revert to the general
67 revenue fund, but shall be applicable by appropriation of
68 the general assembly to the payment of such expenditures of
69 the commission in the succeeding fiscal year and shall be
70 applied by the commission to the reduction of the amount to
71 be assessed to such public utilities in such succeeding
72 fiscal year, such reduction to be allocated to each group of
73 public utilities in proportion to the respective gross
74 intrastate operating revenues of the respective groups
75 during the preceding calendar year.

76 5. In order to enable the commission to make the
77 allocations and assessments herein provided for, each public
78 utility subject to the jurisdiction of the commission as
79 aforesaid shall file with the commission, within ten days
80 after August 28, 1996, and thereafter on or before March
81 thirty-first of each year, a statement under oath showing
82 its gross intrastate operating revenues for the preceding
83 calendar year, and if any public utility shall fail to file
84 such statement within the time aforesaid the commission
85 shall estimate such revenue which estimate shall be binding
86 on such public utility for the purpose of this section.

 386.572. 1. No corporation, person, public utility,
2 or municipality that owns any gas plant shall violate any

3 law or any order, decision, decree, rule, direction, demand,
4 or requirement of the commission or any part or portion
5 thereof relating to federally mandated natural gas safety
6 standards. Notwithstanding the above, a municipality that
7 owns any gas plant shall be subject to the provisions of
8 this section only for violations of natural gas safety laws,
9 rules, or orders.

10 2. The maximum penalties for violations of federally
11 mandated natural gas safety standards, or such stricter
12 natural gas safety standards or rules as may be approved by
13 the commission, shall [not be greater than fifteen thousand
14 dollars for each violation with a maximum penalty for a
15 continuing violation or a multiple series of violations of
16 the same standard or rule provision not to exceed one
17 hundred fifty thousand dollars,] **not exceed an amount as**
18 **determined by the Secretary of Transportation of the United**
19 **States pursuant to 49 CFR Part 190.223(a)**, notwithstanding
20 any provisions of subsection 1 of section 386.570 to the
21 contrary. [The maximum penalty for each violation shall
22 increase to twenty thousand dollars, effective January 1,
23 2015, twenty-five thousand dollars, effective January 1,
24 2025, thirty thousand dollars, effective January 1, 2035,
25 and forty thousand dollars, effective January 1, 2040. The
26 maximum penalty for a continuing violation or a multiple
27 series of violations of the same standard or rule provision
28 shall increase to two hundred thousand dollars, effective
29 January 1, 2015, two hundred fifty thousand dollars,
30 effective January 1, 2025, three hundred thousand dollars,
31 effective January 1, 2035, and four hundred thousand
32 dollars, effective January 1, 2040.] In determining the
33 amount of the penalty, the commission shall consider the
34 nature, circumstances, and gravity of the violation, and

35 also shall consider, with respect to the entity found to
36 have committed the violation:

- 37 (1) The degree of culpability;
- 38 (2) Any history of prior violations;
- 39 (3) The effect of the penalty on the entity's ability
40 to continue operation;
- 41 (4) Any good faith effort in attempting to achieve
42 compliance;
- 43 (5) Ability to pay the penalty; and
- 44 (6) Such other matters as are relevant in the case.

45 3. Every violation of a specific natural gas safety
46 standard or rule by any corporation, person, public utility,
47 or municipality that owns any gas plant is a separate and
48 distinct offense, regardless of whether such violations
49 relate to the same incident. In case of a continuing
50 violation, each day's continuance thereof shall be a
51 separate and distinct offense.

52 4. In construing and enforcing the provisions of this
53 section, the act, omission, or failure of any officer,
54 agent, or employee of any corporation, person, public
55 utility, or municipality that owns any gas plant acting
56 within the scope of official duties of employment shall in
57 every case be considered the act, omission, or failure of
58 such corporation, person, public utility, or municipality
59 that owns any gas plant.

386.600. An action to recover a penalty or a
2 forfeiture under this chapter or to enforce the powers of
3 the commission under this or any other law may be brought in
4 any circuit court in this state in the name of the state of
5 Missouri and shall be commenced and prosecuted to final
6 judgment by the general counsel to the commission, **or for**
7 **actions commenced under section 386.752 to 386.764, the**

8 **attorney general.** No filing or docket fee shall be required
9 of the general counsel **or the attorney general.** In any such
10 action all penalties and forfeitures incurred up to the time
11 of commencing the same may be sued for and recovered
12 therein, and the commencement of an action to recover a
13 penalty or forfeiture shall not be, or be held to be, a
14 waiver of the right to recover any other penalty or
15 forfeiture; if the defendant in such action shall prove that
16 during any portion of the time for which it is sought to
17 recover penalties or forfeitures for a violation of an order
18 or decision of the commission the defendant was actually and
19 in good faith prosecuting a suit to review such order or
20 decision in the manner as provided in this chapter, the
21 court shall remit the penalties or forfeitures incurred
22 during the pendency of such proceeding. All moneys
23 recovered as a penalty or forfeiture shall be paid to the
24 public school fund of the state. Any such action may be
25 compromised or discontinued on application of the commission
26 upon such terms as the court shall approve and order.

386.720. 1. **The public counsel shall, prior to the**
2 **beginning of each fiscal year beginning with the fiscal year**
3 **commencing on July 1, 2026, make an estimate of the expenses**
4 **to be incurred by his or her office during such fiscal year**
5 **reasonably attributable to the performance of his or her**
6 **powers, duties, and functions pursuant to sections 386.700**
7 **and 386.710, and shall also separately estimate the amount**
8 **of such expenses directly attributable to such duties for**
9 **each of the following groups of public utilities:**
10 **electrical corporations, gas corporations, water**
11 **corporations, heating companies, sewer corporations, and any**
12 **other public utility as defined in section 386.020, as well**
13 **as the amount of such expenses not directly attributable to**

14 any such group. For purposes of this section, water
15 corporations and sewer corporations will be combined and
16 considered one group of public utilities. Telephone and
17 telegraph corporations shall be exempt from this section.

18 2. The public counsel shall allocate to each such
19 group of public utilities the estimated expenses directly
20 attributable to the regulation of such group and an amount
21 equal to such proportion of the estimated expenses not
22 directly attributable to any group as the gross intrastate
23 operating revenues of such group during the preceding
24 calendar year bears to the total gross intrastate operating
25 revenues of all public utilities subject to the jurisdiction
26 of the commission during such calendar year. The public
27 counsel shall then assess the amount so allocated to each
28 group of public utilities, subject to reduction as herein
29 provided, in proportion to their respective gross intrastate
30 operating revenues during the preceding calendar year,
31 except that the total amount so assessed to all such public
32 utilities shall not exceed fifty-seven thousandths of one
33 percent of the total gross intrastate operating revenues of
34 all utilities subject to the jurisdiction of the commission.

35 3. The public counsel shall render a statement of such
36 assessment to each such public utility on or before July
37 first of each year and the amount so assessed to each such
38 public utility shall be paid by it to the director of
39 revenue in full on or before July fifteenth next following
40 the rendition of such statement, except that any such public
41 utility may at its election pay such assessment in four
42 equal installments not later than the following dates next
43 following the rendition of such statement, to wit: July
44 fifteenth, October fifteenth, January fifteenth, and April

45 fifteenth. The director of revenue shall remit such
46 payments to the state treasurer.

47 4. The state treasurer shall credit such payments to a
48 special fund, which is hereby created, to be known as the
49 "Office of the Public Counsel Fund", which fund, or its
50 successor fund created pursuant to section 33.571, shall be
51 devoted solely to the payment of expenditures actually
52 incurred by the public counsel and attributable to the
53 regulation of such public utilities subject to the
54 jurisdiction of the commission. Any amount remaining in
55 such special fund or its successor fund at the end of any
56 fiscal year shall not revert to the general revenue fund,
57 but shall be applicable by appropriation of the general
58 assembly to the payment of such expenditures of the public
59 counsel in the succeeding fiscal year and shall be applied
60 by the public counsel to the reduction of the amount to be
61 assessed to such public utilities in such succeeding fiscal
62 year, such reduction to be allocated to each group of public
63 utilities in proportion to the respective gross intrastate
64 operating revenues of the respective groups during the
65 preceding calendar year.

386.752. The provisions of sections 386.752 to 386.764
2 shall be known as and may be cited as the "Fair Competition
3 Law".

386.754. For the purposes of sections [386.754]
2 386.752 to 386.764, the following terms mean:

3 (1) "Affiliate", any entity not regulated by the
4 public service commission which is owned, controlled by, or
5 under common control with a utility and is engaged in HVAC
6 services;

7 (2) "HVAC services", the warranty, sale, lease,
8 rental, installation, construction, modernization, retrofit,

9 maintenance or repair of heating, ventilating and air
10 conditioning equipment;

11 (3) "Utility", an electrical corporation, gas
12 corporation or heating company, as defined in section
13 386.020;

14 (4) "Utility contractor", a person, including an
15 individual, corporation, firm, incorporated or
16 unincorporated association or other business or legal
17 entity, that contracts, whether in writing or not in
18 writing, with a utility to engage in or assist any entity in
19 engaging in HVAC services, but does not include employees of
20 a utility.

386.756. 1. [Except by an affiliate,] A utility may
2 not engage in HVAC services, unless otherwise provided in
3 subsection [7 or] 8 of this section.

4 2. No affiliate or utility contractor may use any
5 vehicles, service tools, instruments, employees, or any
6 other utility assets, the cost of which are recoverable in
7 the regulated rates for utility service, to engage in HVAC
8 services unless the utility is compensated for the use of
9 such assets at cost to the utility.

10 3. A utility may not use or allow any affiliate or
11 utility contractor to use the name of such utility to engage
12 in HVAC services unless the utility, affiliate or utility
13 contractor discloses, in plain view and in bold type on the
14 same page as the name is used on all advertisements or in
15 plain audible language during all solicitations of such
16 services, a disclaimer that states the services provided are
17 not regulated by the public service commission.

18 4. A utility may not engage in or assist any affiliate
19 or utility contractor in engaging in HVAC services in a
20 manner which subsidizes the activities of such utility,

21 affiliate or utility contractor to the extent of changing
22 the rates or charges for the utility's regulated services
23 above or below the rates or charges that would be in effect
24 if the utility were not engaged in or assisting any
25 affiliate or utility contractor in engaging in such
26 activities.

27 5. Any affiliates or utility contractors engaged in
28 HVAC services shall maintain accounts, books and records
29 separate and distinct from the utility.

30 6. The provisions of this section shall apply to any
31 affiliate or utility contractor engaged in HVAC services
32 that is owned, controlled or under common control with a
33 utility providing regulated utility service in this state or
34 any other state.

35 7. A utility engaging in HVAC services in this state
36 five years prior to August 28, 1998, may continue providing,
37 to existing as well as new customers, the same type of
38 services as those provided by the utility five years prior
39 to August 28, 1998. The provisions of this section only
40 apply to the area of service which the utility was actually
41 supplying service to on a regular basis prior to August 28,
42 1993. The provisions of this section shall not apply to any
43 subsequently expanded areas of service made by a utility
44 through either existing affiliates or subsidiaries or
45 through affiliates or subsidiaries purchased after August
46 28, 1993, unless such services were being provided in the
47 expanded area prior to August 28, 1993.

48 8. The provisions of this section shall not be
49 construed to prohibit a utility from providing emergency
50 service, providing any service required by law or providing
51 a program pursuant to an existing tariff, rule or order of

52 the public service commission that is consistent with the
53 provisions of this section.

54 9. Any utility that directly or indirectly engages a
55 utility contractor that may provide HVAC services shall
56 develop a qualification process and make such process open
57 to all utility contractors seeking to provide HVAC
58 services. Utility contractors shall have the opportunity to
59 register on the utility's vendor registration site and be
60 evaluated for bid opportunities.

61 10. Upon receiving information that raises a
62 reasonable inference that any provision of sections 386.754
63 to 386.764 has been violated by any firm, person, or
64 corporation under the jurisdiction of the commission, the
65 commission's staff shall investigate and report its findings
66 to the commission. The commission upon finding reasonable
67 cause to believe a violation has occurred, may open a case
68 before it under section 386.330 and may also promptly act to
69 abate the violation and impose any required penalties and
70 seek their collection under sections 386.360 and 386.600.
71 Any person informing the commission of an apparent or actual
72 violation of the provisions of sections 386.754 to 386.764
73 may be allowed to intervene in the proceeding at their
74 option. The person informing the commission of an apparent
75 or actual violation of the provisions of sections 386.754 to
76 386.764, and any other interested person, shall be provided
77 a copy of the final disposition of the complaint, but not
78 the work-product or attorney-client privileged documents of
79 the commission's staff or general counsel or the attorney
80 general.

81 11. A utility that violates any provision of this
82 section is guilty of a civil offense and may be subject to a
83 civil penalty of up to twelve thousand five hundred dollars

84 for each violation. The attorney general may enforce the
85 provisions of this section pursuant to any powers granted to
86 him or her pursuant to any relevant provisions provided by
87 Missouri statutes or the Missouri Constitution.

88 [10.] 12. Any utility claiming an exemption as
89 provided in subsection 7 of this section shall comply with
90 all applicable state and local laws, ordinances or
91 regulations relating to the installation or maintenance of
92 HVAC systems including all permit requirements. A
93 continuing pattern of failure to comply with said
94 requirements shall provide the basis for a finding by any
95 court of competent jurisdiction or the public service
96 commission that the utility has waived its claim of
97 exemption pursuant to subsection 7 of this section.

386.760. 1. The public service commission shall have
2 full authority to administer and ensure compliance with
3 sections 386.754 to 386.764, provided that the commission
4 shall not impose, by rule or otherwise, requirements
5 regarding HVAC services that are inconsistent with or in
6 addition to those set forth in sections 386.754 to 386.764
7 or with requirements set forth in section 386.315.

8 **2. The public service commission shall not adopt any**
9 **rule, tariff, order, or any other action that purports to**
10 **allow a violation of sections 386.754 to 386.764.**

11 [2.] 3. No rule or portion of a rule promulgated
12 pursuant to the provisions of sections 386.754 to 386.764
13 shall become effective unless it has been promulgated
14 pursuant to the provisions of chapter 536.

386.820. 1. For purposes of this section, the
2 **following terms mean:**

3 (1) "Advanced meter", a meter or metering device
4 system that is owned or leased by a utility or its agent and
5 that meets one or more of the following requirements:

6 (a) Measures, records, and sends a customer's utility
7 usage or other data by use of radio waves or broadband over
8 power lines;

9 (b) Allows for two-way communication between the meter
10 and the utility or its agent; and

11 (c) Allows for a utility or its agent to control a
12 customer's thermostat, appliance, or service;

13 (2) "Hub meter", an advanced meter that generates
14 stronger radio waves as a result of the meter serving as a
15 hub for other advanced meters it communicates with in a
16 given area;

17 (3) "Inaccurate information", the intentional under-
18 reporting of meter data in an effort to not pay for
19 services. Inaccurate information does not mean minor
20 differences in readings by less than two percent to account
21 for variations based on the time of day that the meter is
22 read and similar factors;

23 (4) "Regular basis", once per billing cycle;

24 (5) "Traditional meter", a commercially available
25 meter that is unable to transmit usage information and is
26 only intended to be read by an individual through a visual
27 display. A traditional meter is not designed or capable of
28 transmitting usage data by using radio waves or broadband
29 over power lines, allowing two-way communication between the
30 meter and the utility or its agents, or allowing a utility
31 or its agents to control a customer's thermostat, appliance,
32 or service. A traditional meter does not include an
33 advanced meter that has certain functionality turned off or
34 deactivated;

35 (6) "Utility", any public utility that is rate
36 regulated by the public service commission under chapters
37 386 or 393.

38 2. (1) The commission shall promulgate commercially
39 reasonable rules governing an opt-out process using an
40 advanced meter or hub meter for customers no later than June
41 30, 2026. Commencing July 1, 2026, a residential utility
42 customer may at any time communicate with the utility that
43 the customer would like to opt out of using an advanced
44 meter or hub meter.

45 (2) Within a commercially reasonable time after
46 receiving a residential customer's request that an advanced
47 meter be removed from the customer's residence or business,
48 a utility shall remove the advanced meter and replace it at
49 a location of the utility's choice with a traditional
50 meter. A utility may charge a one-time all-inclusive fee,
51 not to exceed one hundred twenty-five dollars, to remove the
52 advanced meter and to provide and install a traditional
53 meter. A utility may charge a monthly fee, not to exceed
54 fifteen dollars, for the use of a traditional meter.

55 (3) If a residential customer utilizes a traditional
56 meter and desires to read its own meter rather than having
57 the utility read the meter, the customer shall report
58 accurate energy usage to the utility on a regular basis. A
59 utility shall provide the customer with the detailed process
60 to report meter readings on a secure website, by telephone,
61 or by other commercially reasonable means. At least once
62 every twelve months, the utility shall obtain an actual
63 meter reading of the customer's energy usage to verify the
64 accuracy of readings reported under this section.
65 Notwithstanding this subsection to the contrary, a
66 representative of a utility may manually read the customer's

67 meter on a regular basis as otherwise permitted by law and
68 correct a reading as necessary. If the customer fails to
69 report usage, inaccurately reports usage, or the utility
70 does not receive the customer's service usage report on
71 time, the utility may manually read the customer's meter or
72 charge that customer based on an estimate of prior energy
73 use in a manner approved by the commission. The utility may
74 charge the customer interest on any unpaid amount due to the
75 customer's failure to report usage or inaccurate report of
76 usage in any given billing cycle. Such interest rate shall
77 be no greater than five percent. The commission is
78 authorized to approve charges to be assessed pursuant to an
79 electrical corporation's rate schedule to be assessed on
80 customers that intentionally report inaccurate usage.

81 (4) A utility shall not be liable for any injuries or
82 other damages sustained by a customer or other individuals
83 due to a customer's reading of the customer's utility usage
84 unless such injuries or damages are caused by the willful
85 misconduct or gross negligence of the utility.

86 3. The commission shall promulgate rules to implement
87 the provisions of this section. Any rule or portion of a
88 rule, as that term is defined in section 536.010, that is
89 created under the authority delegated in this section shall
90 become effective only if it complies with and is subject to
91 all of the provisions of chapter 536 and, if applicable,
92 section 536.028. This section and chapter 536 are
93 nonseverable and if any of the powers vested with the
94 general assembly pursuant to chapter 536 to review, to delay
95 the effective date, or to disapprove and annul a rule are
96 subsequently held unconstitutional, then the grant of
97 rulemaking authority and any rule proposed or adopted after
98 August 28, 2025, shall be invalid and void.

386.1100. If the commission has ordered adoption of
2 time-of-use rates on a mandatory basis for an electrical
3 corporation's residential customers before the effective
4 date of this section, then within one year from the
5 effective date of this section, the commission shall issue
6 an order which allows for mandated time-of-use rate
7 customers to opt out of participating in time-of-use rates
8 and elect to participate in non-time-of-use rates. The
9 transition to opt out of time-of-use rates may occur in a
10 general rate case or in a stand-alone tariff proceeding to
11 allow for the transition to conclude no later than one year
12 from the effective date of this section.

393.108. For purposes of this section, the hot weather
2 rule shall mean the period of time from June first to
3 September thirtieth, in which the discontinuance of gas and
4 electric service to all residential users, including all
5 residential tenants of apartment buildings, for nonpayment
6 of bills where gas or electricity is used as the source of
7 cooling or to operate the only cooling equipment at the
8 residence, is prohibited in the following situations:

9 (1) On any day when the National Weather Service local
10 forecast between 6:00 a.m. and 9:00 p.m. for the following
11 **[twenty-four] seventy-two** hours predicts that the
12 temperature shall rise above ninety-five degrees Fahrenheit
13 or that the heat index shall rise above one hundred five
14 degrees Fahrenheit;

15 (2) On any day when utility personnel are not
16 available to reconnect utility service during the
17 immediately succeeding day or days and the National Weather
18 Service local forecast between 6:00 a.m. and 9:00 p.m.
19 predicts that the temperature during the period of
20 unavailability shall rise above ninety-five degrees

21 Fahrenheit or that the heat index shall rise above one
22 hundred five degrees Fahrenheit; and

23 (3) In any other applicable situations provided for in
24 rules established and amended by the public service
25 commission.

393.109. For purposes of this section, the cold
2 weather rule shall mean the period of time from November
3 first to March thirty-first, in which the discontinuance of
4 gas and electric service to all residential users, including
5 all residential tenants of apartment buildings, for
6 nonpayment of bills where gas or electricity is used as the
7 source of heating or to operate the only heating equipment
8 at the residence, is prohibited in the following situations:

9 (1) On any day when the National Weather Service local
10 forecast between 6:00 a.m. and 9:00 p.m. for the following
11 seventy-two hours predicts that the temperature shall fall
12 below thirty-two degrees Fahrenheit;

13 (2) On any day when utility personnel are not
14 available to reconnect utility service during the
15 immediately succeeding day or days and the National Weather
16 Service local forecast between 6:00 a.m. and 9:00 p.m.
17 predicts that the temperature during the period of
18 unavailability shall fall below thirty-two degrees
19 Fahrenheit; and

20 (3) In any other applicable situations provided for in
21 rules established and amended by the public service
22 commission.

393.130. 1. Every gas corporation, every electrical
2 corporation, every water corporation, and every sewer
3 corporation shall furnish and provide such service
4 instrumentalities and facilities as shall be safe and
5 adequate and in all respects just and reasonable. All

6 charges made or demanded by any such gas corporation,
7 electrical corporation, water corporation or sewer
8 corporation for gas, electricity, water, sewer or any
9 service rendered or to be rendered shall be just and
10 reasonable and not more than allowed by law or by order or
11 decision of the commission. Every unjust or unreasonable
12 charge made or demanded for gas, electricity, water, sewer
13 or any such service, or in connection therewith, or in
14 excess of that allowed by law or by order or decision of the
15 commission is prohibited.

16 2. No gas corporation, electrical corporation, water
17 corporation or sewer corporation shall directly or
18 indirectly by any special rate, rebate, drawback or other
19 device or method, charge, demand, collect or receive from
20 any person or corporation a greater or less compensation for
21 gas, electricity, water, sewer or for any service rendered
22 or to be rendered or in connection therewith, except as
23 authorized in this chapter, than it charges, demands,
24 collects or receives from any other person or corporation
25 for doing a like and contemporaneous service with respect
26 thereto under the same or substantially similar
27 circumstances or conditions.

28 3. No gas corporation, electrical corporation, water
29 corporation or sewer corporation shall make or grant any
30 undue or unreasonable preference or advantage to any person,
31 corporation or locality, or to any particular description of
32 service in any respect whatsoever, or subject any particular
33 person, corporation or locality or any particular
34 description of service to any undue or unreasonable
35 prejudice or disadvantage in any respect whatsoever.

36 4. Nothing in this section shall be taken to prohibit
37 a gas corporation, electrical corporation, water corporation

38 or sewer corporation from establishing a sliding scale for a
39 fixed period for the automatic adjustment of charges for
40 gas, electricity, water, sewer or any service rendered or to
41 be rendered and the dividends to be paid stockholders of
42 such gas corporation, electrical corporation, water
43 corporation or sewer corporation; provided, that the sliding
44 scale shall first have been filed with and approved by the
45 commission; but nothing in this subsection shall operate to
46 prevent the commission after the expiration of such fixed
47 period from fixing proper, just and reasonable rates and
48 charges to be made for service as authorized in sections
49 393.110 to 393.285.

50 5. No water corporation shall be permitted to charge
51 any municipality or fire protection district a rate for the
52 placing and providing of fire hydrants for distribution of
53 water for use in protecting life and property from the
54 hazards of fire within such municipality or fire protection
55 district. Nothing herein shall prevent such water
56 corporation from including the cost of placement and
57 maintenance of such fire hydrants in its cost basis in
58 determining a fair and reasonable rate to be charged for
59 water. Any such fee or rental charge being made for such
60 fire hydrants whether by contract or otherwise at the time
61 this act shall take effect may remain in effect for a period
62 of one hundred twenty days after this section shall take
63 effect.

64 6. In any home rule city with more than four hundred
65 thousand inhabitants and located in more than one county,
66 any deposits held by the city for any water or sewerage
67 services provided to a customer at any premises shall accrue
68 interest if the customer is current in payments for water
69 and sewerage services and if the city has held the deposit

70 for two or more years. Interest for each year, or part
71 thereof, shall accrue at the rate set for six month United
72 States treasury bills effective December thirty-first of the
73 preceding year. For any deposit held by the city on or
74 before the December thirty-first prior to August 28, 2002,
75 if that deposit is still held by the city on the December
76 thirty-first one year next following August 28, 2002,
77 interest accruing pursuant to this section from the
78 effective date shall be credited to the customer's
79 individual account, or paid to the customer, at the city's
80 discretion.

81 **7. Each electrical corporation providing electric**
82 **service to more than two hundred fifty thousand customers**
83 **shall develop and submit to the commission schedules to**
84 **include in the electrical corporation's service tariff**
85 **applicable to customers who are reasonably projected to have**
86 **above an annual peak demand of one hundred megawatts or**
87 **more. The schedules should reasonably ensure such**
88 **customers' rates will reflect the customers' representative**
89 **share of the costs incurred to serve the customers and**
90 **prevent other customer classes' rates from reflecting any**
91 **unjust or unreasonable costs arising from service to such**
92 **customers. Each electrical corporation providing electric**
93 **service to two hundred fifty thousand or fewer customers as**
94 **of January 1, 2025, shall develop and submit to the**
95 **commission such schedules applicable to customers who are**
96 **reasonably projected to have above an annual peak demand of**
97 **fifty megawatts or more. The commission may order**
98 **electrical corporations to submit similar tariffs to**
99 **reasonably ensure that the rates of customers who are**
100 **reasonably projected to have annual peak demands below the**
101 **above-referenced levels will reflect the customers'**

102 representative share of the costs incurred to serve the
103 customers and prevent other customer classes' rates from
104 reflecting any unjust or unreasonable costs arising from
105 service to such customers.

393.135. 1. Except as provided in subsection 2 of
2 this section, any charge made or demanded by an electrical
3 corporation for service, or in connection therewith, which
4 is based on the costs of construction in progress upon any
5 existing or new facility of the electrical corporation, or
6 any other cost associated with owning, operating,
7 maintaining, or financing any property before it is fully
8 operational and used for service, is unjust and
9 unreasonable, and is prohibited.

10 2. (1) An electrical corporation may be permitted,
11 subject to the limitations in this subsection, to include
12 construction work in progress for any new natural gas-
13 generating unit in rate base. The inclusion of construction
14 work in progress allowed under this subsection shall be in
15 lieu of any otherwise applicable allowance for funds used
16 during construction that would have accrued from and after
17 the effective date of new base rates that reflect inclusion
18 of the construction work in progress in rate base. The
19 commission shall determine, in a proceeding under section
20 393.170, the amount of construction work in progress that
21 may be included in rate base. The amount shall be limited
22 by:

23 (a) The estimated cost of such project; and

24 (b) Project expenditures made within the estimated
25 construction period for such project.

26 Base rate recoveries arising from inclusion of construction
27 work in progress in rate base are subject to refund, with

28 interest on the refunded amount at the same rate as the rate
29 of interest for delinquent taxes determined by the director
30 of revenue in accordance with section 32.065, if, and to the
31 extent the commission determines, in a subsequent complaint
32 or general rate proceeding, that construction costs giving
33 rise to the construction work in progress included in rate
34 base were imprudently incurred or if the project for which
35 construction costs have been included in the rate base is
36 not placed in service within a reasonable amount of time, as
37 determined by the commission. Rate base used to determine
38 return deferred under subdivision (2) of subsection 3 of
39 section 393.1400 shall include an offset for rate base that
40 has been used to determine return included in base rates as
41 a result of construction work in progress inclusion in rate
42 base under this subsection. The offset shall apply from and
43 after the in-service date of the asset that has been used to
44 determine return included in base rates as a result of
45 construction work in progress inclusion in rate base under
46 this subsection.

47 (2) This subsection shall expire on December 31, 2035,
48 unless the commission determines, after a hearing conducted
49 in 2035, upon a submission from an electrical corporation of
50 an application requesting and demonstrating that good cause
51 exists to extend the effectiveness of this subsection
52 through December 31, 2045. The secretary of the commission
53 shall notify the revisor of statutes when the conditions set
54 forth for the extension of this subsection have been met.

393.138. 1. For purposes of this section, the
2 following terms shall mean:

- 3 (1) "Commission", as defined in section 386.020;
- 4 (2) "Electrical corporation", as defined in section
5 393.1400.

6 2. If a reduction is made to the federal income tax
7 rates of electrical corporations between January 20, 2025,
8 and December 31, 2029, the commission shall have a one-time
9 authority to adjust each electrical corporation's rates
10 prospectively so that the income tax component of the
11 revenue requirement used to set such electrical
12 corporation's rates is based upon the provisions of the
13 federal act without considering any other factor as
14 otherwise required by section 393.270. Beginning with the
15 effective date of the federal corporate income tax reduction
16 through the date the electrical corporation's rates are
17 adjusted on a one-time basis, the commission shall require
18 electrical corporations to defer to a regulatory asset the
19 financial impact of such federal act. The amounts deferred
20 under this subsection shall be included in the revenue
21 requirement used to set the electrical corporation's rates
22 in its subsequent general rate proceeding through an
23 amortization over a period determined by the commission.

24 3. Upon a public interest finding by the commission,
25 the commission may, as an alternative to requiring a one-
26 time rate change and deferral under subsection 2 of this
27 section, allow a deferral, in whole or in part, of such
28 federal act's financial impacts to a regulatory asset
29 starting with the effective date of the federal corporate
30 income tax reduction through the effective date of new rates
31 in such electrical corporation's next general rate
32 proceeding. The deferred amounts shall be included in the
33 revenue requirement used to set the electrical corporation's
34 rates in its subsequent general rate proceeding through an
35 amortization over a period determined by the commission.

393.150. 1. Whenever there shall be filed with the
2 commission by any gas corporation, electrical corporation,

3 water corporation or sewer corporation any schedule stating
4 a new rate or charge, or any new form of contract or
5 agreement, or any new rule, regulation or practice relating
6 to any rate, charge or service or to any general privilege
7 or facility, the commission shall have, and it is hereby
8 given, authority, either upon complaint or upon its own
9 initiative without complaint, at once, and if it so orders
10 without answer or other formal pleading by the interested
11 gas corporation, electrical corporation, water corporation
12 or sewer corporation, but upon reasonable notice, to enter
13 upon a hearing concerning the propriety of such rate,
14 charge, form of contract or agreement, rule, regulation or
15 practice, and pending such hearing and the decision thereon,
16 the commission upon filing with such schedule, and
17 delivering to the gas corporation, electrical corporation,
18 water corporation or sewer corporation affected thereby, a
19 statement in writing of its reasons for such suspension, may
20 suspend the operation of such schedule and defer the use of
21 such rate, charge, form of contract or agreement, rule,
22 regulation or practice, but not for a longer period than one
23 hundred and twenty days beyond the time when such rate,
24 charge, form of contract or agreement, rule, regulation or
25 practice would otherwise go into effect; and after full
26 hearing, whether completed before or after the rate, charge,
27 form of contract or agreement, rule, regulation or practice
28 goes into effect, the commission may make such order in
29 reference to such rate, charge, form of contract or
30 agreement, rule, regulation or practice as would be proper
31 in a proceeding initiated after the rate, charge, form of
32 contract or agreement, rule, regulation or practice had
33 become effective. **In any proceeding under this section**
34 **wherein testimony is pre-filed, each party shall be afforded**

35 **an opportunity to respond to any rebuttal testimony and**
36 **exhibits of other parties through pre-filed testimony.**

37 2. If any such hearing cannot be concluded within the
38 period of suspension, as above stated, the commission may,
39 in its discretion, extend the time of suspension for a
40 further period not exceeding six months, **the last day of**
41 **which period shall be considered the operation of law date.**

42 At any hearing involving a rate sought to be increased, the
43 burden of proof to show that the increased rate or proposed
44 increased rate is just and reasonable shall be upon the gas
45 corporation, electrical corporation, water corporation or
46 sewer corporation, and the commission shall give to the
47 hearing and decision of such questions preference over all
48 other questions pending before it and decide the same as
49 speedily as possible.

50 3. (1) **Beginning July 1, 2026, the test year for**
51 **proceedings under this section shall, if requested by a gas**
52 **corporation, water corporation, or sewer corporation, be a**
53 **future year consisting of the first twelve full calendar**
54 **months after the operation of law date determined in**
55 **subsections 1 and 2 of this section for schedules stating**
56 **new base rates filed by a gas corporation, water**
57 **corporation, or sewer corporation under this section, unless**
58 **the commission makes a determination that using a future**
59 **test year under this section is detrimental to the public**
60 **interest. For ratemaking purposes, the average of the**
61 **projected month-end total rate base amount during the future**
62 **test year shall be used to establish new base rates. Unless**
63 **otherwise ordered by the commission, new base rates shall**
64 **not go into effect before the first day of the future test**
65 **year.**

66 (2) With respect to gas corporations, water
67 corporations, or sewer corporations that elect to utilize a
68 future test year and notwithstanding section 393.270 to the
69 contrary, within forty-five days of the end of the future
70 test year, such gas corporation, water corporation, or sewer
71 corporation shall update its base rates that were approved
72 by the commission in its report and order issued under
73 subsections 1 and 2 of this section to reflect the total
74 rate base, annualized depreciation expense, income tax
75 expense, payroll expense, employee benefits (other than
76 pensions and other post-retirement benefits), and rate case
77 expense at the end of the future test year. The total
78 ending rate base and expense items reflected in this update
79 shall not be greater than the total ending rate base and
80 expense items approved by the commission in its report and
81 order establishing base rates. The commission and parties
82 to the case shall have sixty days to review the updated
83 information provided by a gas corporation, water
84 corporation, or sewer corporation, unless any party who was
85 a party to the rate case files a request for a hearing at
86 which point the commission shall suspend the filed tariffs
87 and order a procedural schedule. The commission shall order
88 the corporation to file new tariff sheets that reflect any
89 update approved by the commission.

90 4. A gas corporation, water corporation, or sewer
91 corporation that requests a test year under subsection 3 of
92 this section shall not recover the costs of any plant
93 investments made during the test year period under any of
94 the mechanisms provided for in sections 393.1000, 393.1003,
95 393.1006, 393.1009, 393.1012, 393.1015, 393.1500, 393.1503,
96 393.1506, or 393.1509.

97 5. For a gas corporation, water corporation, or sewer
98 corporation that elected to use a future test year, a
99 reconciliation of the rate base at the end of the future
100 test year shall be provided to the commission within forty-
101 five days of the end of the future test year. If the actual
102 average month-end total rate base amount during the future
103 test year is less than the average month-end total rate base
104 amount used to set base rates in the prior general rate
105 proceeding under subsections 1 and 2 of this section, and
106 notwithstanding section 393.270 to the contrary, the portion
107 of the annual revenue requirement comprising the average
108 total rate base difference shall be returned to customers.
109 The revenue requirement shall be calculated using rate base,
110 depreciation expense, income tax expense, and the pre-tax
111 rate of return from the prior general rate proceeding under
112 subsections 1 and 2 of this section. The difference in
113 revenue requirement shall be placed into a regulatory
114 liability to be returned to customers in the next general
115 rate proceeding with such regulatory liability to accrue
116 carrying costs at the utility's weighted average cost of
117 capital.

118 6. The commission may take into account any change in
119 business risk to the corporation resulting from
120 implementation of the adjustment mechanism in setting the
121 corporation's allowed return in any rate proceeding, in
122 addition to any other changes in business risk experienced
123 by the corporation.

124 7. For a gas corporation, water corporation, or sewer
125 corporation that elected to use a future test year, a
126 reconciliation of depreciation expense, income tax expense,
127 payroll expense, employee benefits except for pensions and
128 other post-retirement benefits, and rate case expense

129 incurred during the future test year shall be provided to
130 the commission within forty-five days of the end of the
131 future test year. If the actual amounts for these expenses
132 are less than the amounts used to calculate the revenue
133 requirement in the prior general rate proceeding under
134 subsections 1 and 2 of this section, and notwithstanding
135 section 393.270 to the contrary, the differences shall be
136 returned to customers. The difference in revenue
137 requirement shall be placed into a regulatory liability to
138 be returned to customers in the next general rate case with
139 such regulatory liability to accrue carrying costs at the
140 utility's weighted average cost of capital. Expense
141 differences to be returned to customers resulting from this
142 reconciliation shall not be used to offset additional
143 capital spending in the reconciliation described in
144 subsection 5 of section 393.150.

145 8. The commission shall promulgate rules to implement
146 the provisions of this section no later than July 1, 2027.
147 Such rules shall include a procedure allowing any party to a
148 rate proceeding that utilizes a future test year as provided
149 in subsection 3 of this section to undertake a meaningful
150 review of the update provided by the gas corporation, water
151 corporation, or sewer corporation under subsection 3 of this
152 section and the reconciliations provided by the gas
153 corporation, water corporation, or sewer corporation under
154 subsections 5 and 7 of this section, and to argue for the
155 disallowance of any costs included in the total rate base,
156 depreciation expense, income tax expense, payroll expense,
157 employee benefits (other than pensions and other post-
158 retirement benefits), and rate case expense at the end of
159 the future test year that differs from the projected values
160 upon which the commission relied in issuing its report and

161 order to approve new base rates under subsections 1 and 2 of
162 this section. Any rule or portion of a rule, as that term
163 is defined in section 536.010, that is created under the
164 authority delegated in this section shall become effective
165 only if it complies with and is subject to all of the
166 provisions of chapter 536 and, if applicable, section
167 536.028. This section and chapter 536 are nonseverable and
168 if any of the powers vested with the general assembly
169 pursuant to chapter 536 to review, to delay the effective
170 date, or to disapprove and annul a rule are subsequently
171 held unconstitutional, then the grant of rulemaking
172 authority and any rule proposed or adopted after August 28,
173 2025, shall be invalid and void.

174 9. For purposes of this section, the following terms
175 shall mean:

176 (1) "Base rates", rates or charges for public utility
177 service other than rates or charges under any rate
178 adjustment mechanism including, but not limited to, those
179 approved under the provisions of sections 386.266, 393.1000,
180 393.1009, 393.1030, 393.1075, and 393.1500;

181 (2) "Revenue requirement", the amount of retail
182 revenues from base rates charged to retail customers for
183 public utility service needed for a public utility to
184 recover its cost to provide utility service including
185 reasonable and necessary expenses, prudent investments, and
186 the cost of capital.

393.320. 1. As used in this section, the following
2 terms mean:

3 (1) "Large water public utility", a public utility:

4 (a) That regularly provides water service [or sewer
5 service] to more than eight thousand customer connections,
6 regularly provides sewer service to more than eight thousand

7 **customer connections, or regularly provides a combination of**
8 **either to more than eight thousand customer connections; and**

9 (b) That provides safe and adequate service but shall
10 not include a sewer district established under Section
11 30(a), Article VI of the Missouri Constitution, sewer
12 districts established under the provisions of chapter 204,
13 249, or 250, public water supply districts established under
14 the provisions of chapter 247, or municipalities that own
15 water or sewer systems;

16 (2) "Small water utility", a public utility that
17 regularly provides water service or sewer service to eight
18 thousand or fewer customer connections; a water district
19 established under the provisions of chapter 247 that
20 regularly provides water or sewer service to eight thousand
21 or fewer customer connections; a sewer district established
22 under the provisions of chapter 204, 249, or 250 that
23 regularly provides sewer service to eight thousand or fewer
24 customer connections; or a water system or sewer system
25 owned by a municipality that regularly provides water
26 service or sewer service to eight thousand or fewer customer
27 connections; and all other entities that regularly provide
28 water service or sewer service to eight thousand or fewer
29 customer connections.

30 2. The procedures contained in this section may be
31 chosen by a large water public utility, and if so chosen
32 shall be used by the public service commission to establish
33 the ratemaking rate base of a small water utility during an
34 acquisition, **provided that the public service commission**
35 **independently concludes that a certificate of convenience**
36 **and necessity should be granted pursuant to section**
37 **393.170. In making such determination, the commission may**

38 **take into account rates that may result from such**
39 **acquisition.**

40 3. (1) An appraisal shall be performed by **[three] no**
41 **less than two** appraisers. One appraiser shall be appointed
42 by the small water utility, one appraiser shall be appointed
43 by the large water public utility, and the third appraiser
44 **[shall] may** be appointed by the **[two appraisers so**
45 **appointed] public service commission.** Each of the
46 appraisers shall be a disinterested person who is a
47 certified general appraiser under chapter 339.

48 (2) The appraisers shall:

49 (a) Jointly prepare **[an] a fair and independent**
50 appraisal of the fair market value of the water system
51 and/or sewer system, **along with supporting rationale.** The
52 determination of fair market value shall be in accordance
53 with Missouri law and with the Uniform Standards of
54 Professional Appraisal Practice; and

55 (b) Return **only** their **final** appraisal, in writing **and**
56 **at the same time,** to the small water utility and large water
57 public utility in a reasonable and timely manner. **However,**
58 **nothing shall prohibit the appraisers from issuing a**
59 **corrected report if factual errors are identified subsequent**
60 **to the issuance of the appraisal.**

61 (3) If all three appraisers cannot agree as to the
62 appraised value, the appraisal, when signed by two of the
63 appraisers, constitutes a good and valid appraisal.

64 4. Nothing in this section shall prohibit a party from
65 declining to proceed with an acquisition or be deemed as
66 establishing the final purchase price of an acquisition.

67 5. (1) The lesser of the purchase price or the
68 appraised value, together with the reasonable and prudent
69 transaction, closing, and transition costs incurred by the

70 large water public utility, shall constitute the ratemaking
71 rate base for the small water utility as acquired by the
72 acquiring large water public utility; provided, however,
73 that if the small water utility is a public utility subject
74 to chapter 386 and the small water utility completed a rate
75 case prior to the acquisition, the public service commission
76 may select as the ratemaking rate base for the small water
77 utility as acquired by the acquiring large water public
78 utility a ratemaking rate base in between:

79 (a) The lesser of the purchase price or the appraised
80 value, together with the reasonable and prudent transaction,
81 closing, and transition costs incurred by the large water
82 public utility unless such transaction, closing, and
83 transition costs are elsewhere recoverable in rates; and

84 (b) The ratemaking rate base of the small water
85 utility as ordered by the public service commission in the
86 small water utility's last previous rate case as adjusted by
87 improvements and depreciation reserve since the previous
88 rate case together with the transaction, closing, and
89 transition costs incurred by the large water public utility
90 unless such transaction, closing, and transition costs are
91 elsewhere recoverable in rates. If the small water utility
92 and large water public utility proceed with the sale, any
93 past-due fees due to the state from the small water utility
94 or its customers under chapter 640 or 644 shall be resolved
95 prior to the transfer of ownership or the liability for such
96 past-due fees becomes the responsibility of the large water
97 public utility. Such fees shall not be included in the
98 large water public utility's rate base.

99 (2) The public service commission shall issue its
100 decision establishing the ratemaking rate base of the small
101 water utility in its order approving the acquisition. **For**

102 any acquisition with an appraised value of five million
103 dollars or less, such decision shall be issued within six
104 months from the submission of the application by the large
105 public water utility to acquire the small water utility.

106 (3) Prior to the expiration of the six-month period,
107 the public service commission staff or the office of public
108 counsel may request, upon a showing of good cause, from the
109 public service commission an extension for approval of the
110 application for an additional thirty days.

111 6. Upon the date of the acquisition of a small water
112 utility by a large water public utility, whether or not the
113 procedures for establishing ratemaking rate base provided by
114 this section have been utilized, the small water utility
115 shall, for ratemaking purposes, become part of an existing
116 service area, as defined by the public service commission,
117 of the acquiring large water public utility that is either
118 contiguous to the small water utility, the closest
119 geographically to the small water utility, or best suited
120 due to operational or other factors. This consolidation
121 shall be approved by the public service commission in its
122 order approving the acquisition.

123 7. Any new permit issued pursuant to chapters 640 and
124 644, when a small water utility is acquired by a large water
125 public utility, shall include a plan to resolve all
126 outstanding permit compliance issues. After the transfer of
127 ownership, the acquiring large public water utility shall
128 continue providing service to all customers that were served
129 by the small water utility at the time of sale.

130 8. This section is intended for the specific and
131 unique purpose of determining the ratemaking rate base of
132 small water utilities and shall be exclusively applied to
133 large water public utilities in the acquisition of a small

134 water utility. A large water public utility's choice to
135 comply with the provisions of this section does not
136 automatically ensure that the transaction is in the public
137 interest. The public service commission shall independently
138 determine whether the acquisition is in the public interest,
139 regardless of whether the matter has been put to a vote of
140 the small water utility's ratepayers. This section is not
141 intended to apply beyond its specific purpose and shall not
142 be construed in any manner to apply to electric
143 corporations, natural gas corporations, or any other utility
144 regulated by the public service commission.

145 9. The commission shall promulgate rules to implement
146 the provisions of this section. Any rule or portion of a
147 rule, as that term is defined in section 536.010, that is
148 created under the authority delegated in this section shall
149 become effective only if it complies with and is subject to
150 all of the provisions of chapter 536 and, if applicable,
151 section 536.028. This section and chapter 536 are
152 nonseverable and if any of the powers vested with the
153 general assembly pursuant to chapter 536 to review, to delay
154 the effective date, or to disapprove and annul a rule are
155 subsequently held unconstitutional, then the grant of
156 rulemaking authority and any rule proposed or adopted after
157 August 28, 2025, shall be invalid and void.

393.401. 1. For purposes of this section, the
2 following terms shall mean:

3 (1) "Dispatchable power resource", a source of
4 electricity that is, under normal operating conditions,
5 available for use on demand and that can have its power
6 output adjusted according to market needs, except during
7 routine maintenance and repair;

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

11 (3) "Existing electric generating power plant", a
12 thermal power plant of over one hundred megawatts in
13 nameplate capacity, a generating unit at a thermal power
14 plant with a nameplate capacity of over one hundred
15 megawatts, or two or more generating units at a thermal
16 power plant with a combined nameplate capacity of over one
17 hundred megawatts;

18 (4) "Regional transmission operator", a regional
19 transmission organization, independent system operator, or
20 equivalent entity approved by the Federal Energy Regulatory
21 Commission, or successor agency, that exercises functional
22 control over electric transmission facilities located within
23 this state;

24 (5) "Reliable electric generation", electric
25 generation meeting the accreditation requirements provided
26 for in this section;

27 (6) "Unexpected or unplanned cause or event", a
28 natural disaster, physical sabotage, equipment failure or
29 damage causing a forced prolonged outage, or an adverse
30 decision of a court or a change in a state or federal law or
31 regulation which causes the closure of an existing electric
32 generating plant.

33 2. Prior to the closure of an existing electric
34 generating power plant in Missouri if the closure occurs on
35 or after January 1, 2026, and subject to subsection 3 of
36 this section, an electrical corporation registered and doing
37 business in this state shall first certify to the public
38 service commission that such utility company has secured and
39 placed on the electric grid an equal or greater amount of

40 reliable electric generation as accredited power resources
41 based on the regional transmission operator's resource
42 accreditation for the reliable electric generation
43 technology at issue with consideration of the electrical
44 corporation's anticipated loss of load, if any. To
45 determine if an equal or greater amount of reliable electric
46 generation is being placed on the electric grid to replace
47 the existing electric generating power plant that is to be
48 closed, the electrical corporation shall compare the
49 relevant regional transmission operator's average of the
50 summer and winter accredited capacity for the generation
51 technology of the to-be-closed existing electric generating
52 power plant to the relevant regional transmission operator's
53 average of the summer and winter accredited capacity for the
54 generation technology of the replacement reliable electric
55 generation with consideration of the electrical
56 corporation's anticipated loss of load, if any. Such
57 average of the summer and winter accredited capacity for the
58 replacement reliable electric generation shall equal or
59 exceed such average of the summer and winter accredited
60 capacity for the existing electric generating plant that is
61 to be closed with consideration of the electrical
62 corporation's anticipated loss of load, if any.
63 Dispatchable power resources shall comprise at least eighty
64 percent of the average of the summer and winter accredited
65 capacity of the replacement reliable electric generation.

66 3. With respect to the replacement reliable electric
67 generation required by subsection 2 of this section,
68 adequate electric transmission lines shall be in place and
69 the replacement reliable electric generation shall be fully
70 operational concurrently with the closure of the existing
71 electric generating plant, except where some or all of the

72 replacement reliable electric generation utilizes some or
73 all of the interconnection facilities used by the existing
74 electric generating power plant, or where the existing
75 electric generating power plant is closed as a result of an
76 unexpected or unplanned cause or event. In the event that
77 some or all of the replacement reliable electric generation
78 utilizes some or all of the interconnection facilities
79 utilized by the existing electric generating power plant,
80 then such replacement facilities shall be fully operational
81 within one hundred eighty days of the closure of the
82 existing electric generating power plant. In the event that
83 the existing electric generating power plant is closed as a
84 result of an unexpected or unplanned cause or event, then
85 the following process shall apply:

86 (1) Within one hundred twenty days after the event
87 causing the closure occurs, the electrical corporation shall
88 file an application with the commission outlining its plan
89 to install replacement reliable electric generation. The
90 application shall specify the generation technology the
91 electrical corporation proposes to be used for the
92 replacement, its estimated cost, and shall demonstrate that
93 the replacement reliable electric generation's average
94 accredited capacity is equal to or greater than the average
95 accredited capacity of the closed plant according to the
96 process outlined in subsection 2 of this section. The
97 application under this section shall be submitted to the
98 commission prior to the electrical corporation's filing of
99 an application to the commission under subsection 1 of
100 section 393.170. Within two hundred seventy days of the
101 application's filing, the commission shall either approve or
102 deny the electrical corporation's application.

103 (2) Promptly after issuance of the commission's order
104 under subdivision (1) of this subsection, the electrical
105 corporation shall proceed and use all reasonable efforts to
106 procure, build, and place into operation the approved
107 alternative reliable generation. During any periods allowed
108 by this subsection where the replacement reliable electric
109 generation is not fully operational by the time of the
110 closure of the existing electric generating power plant, the
111 electrical corporation shall use all reasonable efforts to
112 contract for or otherwise acquire additional available firm
113 generating capacity in a quantity necessary to meet the
114 planning reserve margin requirement of the regional
115 transmission operator in which the electrical corporation
116 operates without reliance on such replacement reliable
117 electric generation. At such time as such replacement
118 reliable electric generation is fully operational, such
119 additional available firm generating capacity shall no
120 longer be required under this section. An electrical
121 corporation shall not enter into a voluntary or negotiated
122 settlement with a third party that requires closure of an
123 existing electric generating plant unless the electrical
124 corporation determines that such a settlement is in the best
125 interest of its customers and would maintain electric
126 reliability. Electrical corporations shall not enter into
127 such a settlement in order to meet pollution reduction or
128 other corporate or societal goals beyond those required by
129 law.

130 4. (1) The average of the summer and winter
131 accredited capacity of the replacement reliable electric
132 generation determined in accordance with subsection 2 of
133 this section shall be equal to or greater than the average
134 summer and winter accredited capacity of the to-be-closed

135 dispatchable existing electric generating power plant
136 determined in accordance with subsection 2 of this section,
137 using the regional transmission operator's resource
138 accreditation as of the time of the electrical corporation's
139 application to the commission under subsection 1 of section
140 393.170 with consideration of the electrical corporation's
141 anticipated loss of load, if any.

142 (2) The commission may consider information regarding
143 anticipated loss of load submitted by the electrical
144 corporation to the pertinent regional transmission operator
145 for purposes of its long-term resource plans. As part of
146 its approval of the replacement reliable electric generation
147 under subsection 1 of section 393.170, the public service
148 commission shall certify that the requirements of this
149 subsection shall be met by the replacement reliable electric
150 generation.

151 (3) If information is submitted to the commission that
152 the electrical corporation has experienced a significant and
153 long-term loss of load, pursuant to this section, the
154 commission, prior to a review of potential replacement
155 reliable electric generation under subsection 1 of section
156 393.170, shall determine if the acquisition or construction
157 of full replacement generation is in the public interest.
158 If the commission determines that full replacement
159 generation is not in the public interest, the requirements
160 of subsection 2 of this section shall not apply.

161 5. Such reliable electric generation may be
162 constructed in Missouri or in a state that neighbors
163 Missouri, if the generation is connected to the electric
164 grid of the regional transmission operator of which the
165 electrical corporation is a member or is located in a
166 neighboring regional transmission operator which also

167 operates in Missouri and shares a seam with that member's
168 regional transmission operator.

169 6. On or before the date that the new reliable
170 electric generation is placed in service, the electrical
171 corporation shall provide certification to the public
172 service commission, the general assembly, and the governor
173 that it has met the requirements of this section.

174 7. To the extent existing electric generating power
175 plant capacity is replaced pursuant to this section, such
176 capacity shall not be replaced by "replacement resources"
177 under section 393.1705.

393.1030. 1. The commission shall, in consultation
2 with the department, prescribe by rule a portfolio
3 requirement for all electric utilities to generate or
4 purchase electricity generated from renewable energy
5 resources. Such portfolio requirement shall provide that
6 electricity from renewable energy resources shall constitute
7 the following portions of each electric utility's sales:

8 (1) No less than two percent for calendar years 2011
9 through 2013;

10 (2) No less than five percent for calendar years 2014
11 through 2017;

12 (3) No less than ten percent for calendar years 2018
13 through 2020; and

14 (4) No less than fifteen percent in each calendar year
15 beginning in 2021.

16 At least two percent of each portfolio requirement shall be
17 derived from solar energy. The portfolio requirements shall
18 apply to all power sold to Missouri consumers whether such
19 power is self-generated or purchased from another source in
20 or outside of this state. A utility may comply with the

21 standard in whole or in part by purchasing RECs. Each
22 kilowatt-hour of eligible energy generated in Missouri shall
23 count as 1.25 kilowatt-hours for purposes of compliance.

24 **2. (1) This subsection applies to electric utilities**
25 **with more than two hundred fifty thousand but less than one**
26 **million retail customers in Missouri as of the end of the**
27 **calendar year 2024.**

28 **(2) Energy meeting the criteria of the renewable**
29 **energy portfolio requirements set forth in subsection 1 of**
30 **this section that is generated from renewable energy**
31 **resources and contracted for by an accelerated renewable**
32 **buyer shall:**

33 **(a) Have all associated renewable energy certificates**
34 **retired by the accelerated renewable buyer, or on their**
35 **behalf, and the certificates shall not be used to meet the**
36 **electric utility's portfolio requirements pursuant to**
37 **subsection 1 of this section;**

38 **(b) Be excluded from the total electric utility's**
39 **sales used to determine the portfolio requirements pursuant**
40 **to subsection 1 of this section; and**

41 **(c) Be used to offset all or a portion of its electric**
42 **load for purposes of determining compliance with the**
43 **portfolio requirements pursuant to subsection 1 of this**
44 **section.**

45 **(3) The accelerated renewable buyer shall be exempt**
46 **from any renewable energy standard compliance costs as may**
47 **be established by the utility and approved by the**
48 **commission, based on the amount of renewable energy**
49 **certificates retired pursuant to this subsection in**
50 **proportion to the accelerated renewable buyer's total**
51 **electric energy consumption, on an annual basis.**

52 (4) An "accelerated renewable buyer" means a customer
53 of an electric utility, with an aggregate load over eighty
54 average megawatts, that enters into a contract or contracts
55 to obtain:

56 (a) Renewable energy certificates from renewable
57 energy resources as defined in section 393.1025; or

58 (b) Energy and renewable energy certificates from
59 solar or wind generation resources located within the
60 Southwest Power Pool region and initially placed in
61 commercial operation after January 1, 2020, including any
62 contract with the electric utility for such generation
63 resources that does not allocate to or recover from any
64 other customer of the utility the cost of such resources.

65 (5) Each electric utility shall certify, and verify as
66 necessary, to the commission that the accelerated renewable
67 buyer has satisfied the exemption requirements of this
68 subsection for each year, or an accelerated renewable buyer
69 may choose to certify satisfaction of this exemption by
70 reporting to the commission individually.

71 (6) The commission may promulgate such rules and
72 regulations as may be necessary to implement the provisions
73 of this subsection. Any rule or portion of a rule, as that
74 term is defined in section 536.010, that is created under
75 the authority delegated in this section shall become
76 effective only if it complies with and is subject to all of
77 the provisions of chapter 536 and, if applicable, section
78 536.028. This section and chapter 536 are nonseverable and
79 if any of the powers vested with the general assembly
80 pursuant to chapter 536 to review, to delay the effective
81 date, or to disapprove and annul a rule are subsequently
82 held unconstitutional, then the grant of rulemaking

83 **authority and any rule proposed or adopted after August 28,**
84 **2025, shall be invalid and void.**

85 **(7) Nothing in this section shall be construed as**
86 **imposing or authorizing the imposition of any reporting,**
87 **regulatory, or financial burden on an accelerated renewable**
88 **buyer.**

89 **3.** The commission, in consultation with the department
90 and within one year of November 4, 2008, shall select a
91 program for tracking and verifying the trading of renewable
92 energy credits. An unused credit may exist for up to three
93 years from the date of its creation. A credit may be used
94 only once to comply with sections 393.1020 to 393.1030 and
95 may not also be used to satisfy any similar nonfederal
96 requirement. An electric utility may not use a credit
97 derived from a green pricing program. Certificates from net-
98 metered sources shall initially be owned by the customer-
99 generator. The commission, except where the department is
100 specified, shall make whatever rules are necessary to
101 enforce the renewable energy standard. Such rules shall
102 include:

103 (1) A maximum average retail rate increase of one
104 percent determined by estimating and comparing the electric
105 utility's cost of compliance with least-cost renewable
106 generation and the cost of continuing to generate or
107 purchase electricity from entirely nonrenewable sources,
108 taking into proper account future environmental regulatory
109 risk including the risk of greenhouse gas regulation.
110 Notwithstanding the foregoing, until June 30, 2020, if the
111 maximum average retail rate increase would be less than or
112 equal to one percent if an electric utility's investment in
113 solar-related projects initiated, owned or operated by the
114 electric utility is ignored for purposes of calculating the

115 increase, then additional solar rebates shall be paid and
116 included in rates in an amount up to the amount that would
117 produce a retail rate increase equal to the difference
118 between a one percent retail rate increase and the retail
119 rate increase calculated when ignoring an electric utility's
120 investment in solar-related projects initiated, owned, or
121 operated by the electric utility. Notwithstanding any
122 provision to the contrary in this section, even if the
123 payment of additional solar rebates will produce a maximum
124 average retail rate increase of greater than one percent
125 when an electric utility's investment in solar-related
126 projects initiated, owned or operated by the electric
127 utility are included in the calculation, the additional
128 solar rebate costs shall be included in the prudently
129 incurred costs to be recovered as contemplated by
130 subdivision (4) of this subsection;

131 (2) Penalties of at least twice the average market
132 value of renewable energy credits for the compliance period
133 for failure to meet the targets of subsection 1 of this
134 section. An electric utility will be excused if it proves
135 to the commission that failure was due to events beyond its
136 reasonable control that could not have been reasonably
137 mitigated, or that the maximum average retail rate increase
138 has been reached. Penalties shall not be recovered from
139 customers. Amounts forfeited under this section shall be
140 remitted to the department to purchase renewable energy
141 credits needed for compliance. Any excess forfeited
142 revenues shall be used by the division of energy solely for
143 renewable energy and energy efficiency projects;

144 (3) Provisions for an annual report to be filed by
145 each electric utility in a format sufficient to document its
146 progress in meeting the targets;

147 (4) Provision for recovery outside the context of a
148 regular rate case of prudently incurred costs and the pass-
149 through of benefits to customers of any savings achieved by
150 an electrical corporation in meeting the requirements of
151 this section.

152 [3.] 4. As provided for in this section, except for
153 those electrical corporations that qualify for an exemption
154 under section 393.1050, each electric utility shall make
155 available to its retail customers a solar rebate for new or
156 expanded solar electric systems sited on customers'
157 premises, up to a maximum of twenty-five kilowatts per
158 system, measured in direct current that were confirmed by
159 the electric utility to have become operational in
160 compliance with the provisions of section 386.890. The
161 solar rebates shall be two dollars per watt for systems
162 becoming operational on or before June 30, 2014; one dollar
163 and fifty cents per watt for systems becoming operational
164 between July 1, 2014, and June 30, 2015; one dollar per watt
165 for systems becoming operational between July 1, 2015, and
166 June 30, 2016; fifty cents per watt for systems becoming
167 operational between July 1, 2016, and June 30, 2017; fifty
168 cents per watt for systems becoming operational between July
169 1, 2017, and June 30, 2019; twenty-five cents per watt for
170 systems becoming operational between July 1, 2019, and June
171 30, 2020; and zero cents per watt for systems becoming
172 operational after June 30, 2020. An electric utility may,
173 through its tariffs, require applications for rebates to be
174 submitted up to one hundred eighty-two days prior to the
175 June thirtieth operational date. Nothing in this section
176 shall prevent an electrical corporation from offering
177 rebates after July 1, 2020, through an approved tariff. If
178 the electric utility determines the maximum average retail

179 rate increase provided for in subdivision (1) of subsection
180 [2] 3 of this section will be reached in any calendar year,
181 the electric utility shall be entitled to cease paying
182 rebates to the extent necessary to avoid exceeding the
183 maximum average retail rate increase if the electrical
184 corporation files with the commission to suspend its rebate
185 tariff for the remainder of that calendar year at least
186 sixty days prior to the change taking effect. The filing
187 with the commission to suspend the electrical corporation's
188 rebate tariff shall include the calculation reflecting that
189 the maximum average retail rate increase will be reached and
190 supporting documentation reflecting that the maximum average
191 retail rate increase will be reached. The commission shall
192 rule on the suspension filing within sixty days of the date
193 it is filed. If the commission determines that the maximum
194 average retail rate increase will be reached, the commission
195 shall approve the tariff suspension. The electric utility
196 shall continue to process and pay applicable solar rebates
197 until a final commission ruling; however, if the continued
198 payment causes the electric utility to pay rebates that
199 cause it to exceed the maximum average retail rate increase,
200 the expenditures shall be considered prudently incurred
201 costs as contemplated by subdivision (4) of subsection [2] 3
202 of this section and shall be recoverable as such by the
203 electric utility. As a condition of receiving a rebate,
204 customers shall transfer to the electric utility all right,
205 title, and interest in and to the renewable energy credits
206 associated with the new or expanded solar electric system
207 that qualified the customer for the solar rebate for a
208 period of ten years from the date the electric utility
209 confirmed that the solar electric system was installed and
210 operational.

211 [4.] 5. The department shall, in consultation with the
212 commission, establish by rule a certification process for
213 electricity generated from renewable resources and used to
214 fulfill the requirements of subsection 1 of this section.
215 Certification criteria for renewable energy generation shall
216 be determined by factors that include fuel type, technology,
217 and the environmental impacts of the generating facility.
218 Renewable energy facilities shall not cause undue adverse
219 air, water, or land use impacts, including impacts
220 associated with the gathering of generation feedstocks. If
221 any amount of fossil fuel is used with renewable energy
222 resources, only the portion of electrical output
223 attributable to renewable energy resources shall be used to
224 fulfill the portfolio requirements.

225 [5.] 6. In carrying out the provisions of this
226 section, the commission and the department shall include
227 methane generated from the anaerobic digestion of farm
228 animal waste and thermal depolymerization or pyrolysis for
229 converting waste material to energy as renewable energy
230 resources for purposes of this section.

231 [6.] 7. The commission shall have the authority to
232 promulgate rules for the implementation of this section, but
233 only to the extent such rules are consistent with, and do
234 not delay the implementation of, the provisions of this
235 section. Any rule or portion of a rule, as that term is
236 defined in section 536.010, that is created under the
237 authority delegated in this section shall become effective
238 only if it complies with and is subject to all of the
239 provisions of chapter 536 and, if applicable, section
240 536.028. This section and chapter 536 are nonseverable and
241 if any of the powers vested with the general assembly
242 pursuant to chapter 536 to review, to delay the effective

243 date, or to disapprove and annul a rule are subsequently
244 held unconstitutional, then the grant of rulemaking
245 authority and any rule proposed or adopted after August 28,
246 2013, shall be invalid and void.

393.1080. 1. The commission may require an electrical
2 corporation to provide documentation annually, in a format
3 determined by the commission, reflecting its plan to own or
4 have rights to sufficient capacity to meet its capacity
5 obligations for the upcoming planning year and each of the
6 three subsequent planning years. The electrical corporation
7 shall submit such documentation, which shall include its
8 actual capacity position for the upcoming planning year and
9 a reasonable forecast of its capacity position for the three
10 subsequent planning years consistent with resource adequacy
11 requirements of the appropriate regional transmission
12 organization or independent system operator or commission,
13 including by season or other applicable period, within
14 thirty days after the appropriate regional transmission
15 organization or independent system operator or commission,
16 if applicable, makes a final determination as to the
17 electrical corporation's resource adequacy requirements for
18 the upcoming planning year.

19 2. The commission may require any additional audits
20 and reporting as the commission considers necessary to
21 determine if an electrical corporation's plan provides for
22 electrical corporation ownership or contractual rights to
23 sufficient capacity for the planning year beginning four
24 years after the beginning of the current planning year.

25 3. If an electrical corporation fails to have
26 sufficient capacity for the upcoming planning year and it is
27 determined by the commission to be the result of the
28 electrical corporation's imprudence, the commission may

29 disallow, after a hearing, any associated costs related to
30 said failure in a future proceeding. The commission may
31 require submission of a plan within six months to resolve
32 any expected capacity deficiency for the subsequent three
33 planning years.

34 4. As used in this section, the following terms shall
35 mean:

36 (1) "Appropriate regional transmission organization or
37 independent system operator", the Midcontinent Independent
38 System Operator or any successor organization or the
39 Southwest Power Pool, or any successor organization;

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

43 (3) "Sufficient capacity", owned or contracted-for
44 capacity that meets the planning reserve margin or successor
45 metric established by the appropriate regional transmission
46 organization or independent system operator or, in the case
47 of an electrical corporation that is not a participant in a
48 regional transmission organization or independent system
49 operator, that meets the planning reserve margin or
50 successor metric established by the commission.

51 5. The commission may promulgate rules necessary to
52 implement the provisions of this section. Any rule or
53 portion of a rule, as that term is defined in section
54 536.010, that is created under the authority delegated in
55 this section shall become effective only if it complies with
56 and is subject to all of the provisions of chapter 536 and,
57 if applicable, section 536.028. This section and chapter
58 536 are nonseverable and if any of the powers vested with
59 the general assembly pursuant to chapter 536 to review, to
60 delay the effective date, or to disapprove and annul a rule

61 **are subsequently held unconstitutional, then the grant of**
62 **rulemaking authority and any rule proposed or adopted after**
63 **August 28, 2025, shall be invalid and void.**

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

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

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

7 (3) "Qualifying electric plant", all rate-base
8 additions, except rate-base additions for new coal-fired
9 generating units, new nuclear generating units, [new natural
10 gas units,] or rate-base additions that increase revenues by
11 allowing service to new customer premises;

12 (4) "Rate-base cutoff date", the date rate-base
13 additions are accounted for in a general rate proceeding.
14 In the absence of a commission order that specifies the rate-
15 base cutoff date, such date as reflected in any jointly
16 proposed procedural schedule submitted by the parties in the
17 applicable general rate proceeding, or as otherwise agreed
18 to by such parties, shall be used;

19 (5) "Weighted average cost of capital", the return on
20 rate base used to determine the revenue requirement in the
21 electrical corporation's most recently completed general
22 rate proceeding; provided, that in the absence of a
23 commission determination of the return on rate base within
24 the three-year period prior to August 28, [2022] 2024, the
25 weighted average cost of capital shall be determined using
26 the electrical corporation's actual capital structure as of
27 December 31, [2021] 2023, excluding short-term debt, the
28 electrical corporation's actual cost of long-term debt and

29 preferred stock as of December 31, 2021, and a cost of
30 common equity of nine and one-half percent.

31 2. (1) Notwithstanding any other provision of this
32 chapter to the contrary, electrical corporations shall defer
33 to a regulatory asset eighty-five percent of all
34 depreciation expense and return associated with all
35 qualifying electric plant recorded to plant-in-service on
36 the utility's books commencing on or after August 28, 2018,
37 if the electrical corporation has made the election provided
38 for by subsection 5 of this section by that date, or on the
39 date such election is made if the election is made after
40 August 28, 2018. In each general rate proceeding concluded
41 after August 28, 2018, the balance of the regulatory asset
42 as of the rate-base cutoff date shall, subject only to the
43 cap provided for in section 393.1655 or section 393.1656, as
44 applicable, be included in the electrical corporation's rate
45 base without any offset, reduction, or adjustment based upon
46 consideration of any other factor, other than as provided
47 for in subdivision (2) of this subsection, with the
48 regulatory asset balance arising from deferrals associated
49 with qualifying electric plant placed in service after the
50 rate-base cutoff date to be included in rate base in the
51 next general rate proceeding. The expiration of this
52 section shall not affect the continued inclusion in rate
53 base and amortization of regulatory asset balances that
54 arose under this section prior to such expiration.

55 (2) The regulatory asset balances arising under this
56 section shall be adjusted to reflect any prudence
57 disallowances ordered by the commission. The provisions of
58 this section shall not be construed to affect existing law
59 respecting the burdens of production and persuasion in
60 general rate proceedings for rate-base additions.

61 (3) Parts of regulatory asset balances created under
62 this section that are not yet being recovered through rates
63 shall include carrying costs at the electrical corporation's
64 weighted average cost of capital, plus applicable federal,
65 state, and local income or excise taxes. Regulatory asset
66 balances arising under this section and included in rate
67 base shall be recovered in rates through a twenty-year
68 amortization beginning on the date new rates reflecting such
69 amortization take effect.

70 3. (1) Depreciation expense deferred under this
71 section shall account for all qualifying electric plant
72 placed into service less retirements of plant replaced by
73 such qualifying electric plant.

74 (2) Return deferred under this section shall be
75 determined using the weighted average cost of capital
76 applied to the change in plant-related rate base caused by
77 the qualifying electric plant, plus applicable federal,
78 state, and local income or excise taxes. In determining the
79 return deferred, the electrical corporation shall account
80 for changes in all plant-related accumulated deferred income
81 taxes and changes in accumulated depreciation, excluding
82 retirements.

83 4. Beginning February 28, 2019, and by each February
84 twenty-eighth thereafter while the electrical corporation is
85 allowed to make the deferrals provided for by subsection 2
86 of this section, electrical corporations that defer
87 depreciation expense and return authorized under this
88 section shall submit to the commission a five-year capital
89 investment plan setting forth the general categories of
90 capital expenditures the electrical corporation will pursue
91 in furtherance of replacing, modernizing, and securing its
92 infrastructure. The plan shall also include a specific

93 capital investment plan for the first year of the five-year
94 plan consistent with the level of specificity used for
95 annual capital budgeting purposes. For each project in the
96 specific capital investment plan on which construction
97 commences on or after January first of the year in which the
98 plan is submitted, and where the cost of the project is
99 estimated to exceed twenty million dollars, the electrical
100 corporation shall identify all costs and benefits that can
101 be quantitatively evaluated and shall further identify how
102 those costs and benefits are quantified. For any cost or
103 benefit with respect to such a project that the electrical
104 corporation believes cannot be quantitatively evaluated, the
105 electrical corporation shall state the reasons the cost or
106 benefit cannot be quantitatively evaluated, and how the
107 electrical corporation addresses such costs and benefits
108 when reviewing and deciding to pursue such a project. No
109 such project shall be based solely on costs and benefits
110 that the electrical corporation believes cannot be
111 quantitatively evaluated. Any quantification for such a
112 project that does not produce quantified benefits exceeding
113 the costs shall be accompanied by additional justification
114 in support of the project. For each of the first five years
115 that an electrical corporation is allowed to make the
116 deferrals provided for by subsection 2 of this section, the
117 purchase and installation of smart meters shall constitute
118 no more than six percent of the electrical corporation's
119 total capital expenditures during any given year under the
120 corporation's specific capital investment plan. At least
121 twenty-five percent of the cost of **the investments reflected**
122 **in each year's capital investment plan, which for the**
123 **purposes of this subsection shall exclude the costs of**
124 **investments in new generating units and energy storage**

125 **systems**, shall be comprised of grid modernization projects,
126 including but not limited to:

127 (1) Increased use of digital information and controls
128 technology to improve reliability, security, and efficiency
129 of the electric grid;

130 (2) Dynamic optimization of grid operations and
131 resources, with full cybersecurity;

132 (3) Deployment and integration of distributed
133 resources and generation, including renewable resources;

134 (4) Development and incorporation of demand response,
135 demand-side resources, and energy-efficiency resources;

136 (5) Deployment of smart technologies (real-time,
137 automated, interactive technologies that optimize the
138 physical operation of appliances and consumer devices) for
139 metering, communications, concerning grid operations and
140 status, and distribution automation;

141 (6) Integration of smart appliances and devices;

142 (7) Deployment and integration of advanced electricity
143 storage and peak-shaving technologies, including plug-in
144 electric and hybrid electric vehicles, and thermal storage
145 air conditioning;

146 (8) Provision of timely information and control
147 options to consumer;

148 (9) Development of standards for communication and
149 interoperability of appliances and equipment connected to
150 the electric grid, including the infrastructure serving the
151 grid; and

152 (10) Identification and lowering of unreasonable or
153 unnecessary barriers to adoption of smart grid technologies,
154 practices, and services.

155 Project specific information need not be included for the
156 five-year period covered by the plan. Within thirty days of
157 the filing of any capital investment plan or annual update
158 to an existing plan, the electrical corporation shall host a
159 public stakeholder meeting to answer questions and receive
160 feedback about the plan. After feedback is received, the
161 electrical corporation shall file a notice with the
162 commission of any modifications to the capital investment
163 plan it has accepted. Changes to the plan, its
164 implementation, or the level of investments made shall not
165 constitute evidence of imprudence of the investments made
166 under such plan. The submission of a capital investment
167 plan under this section shall not affect in any way the
168 commission's authority with respect to the grant or denial
169 of a certificate of convenience and necessity under section
170 393.170. By February twenty-eighth following each year in
171 which the electrical corporation submits a capital
172 investment plan, the electrical corporation shall submit a
173 report to the commission detailing actual capital
174 investments made the previous year, the quantitatively
175 evaluated benefits and costs generated by each of those
176 investments that exceeded twenty million dollars, and any
177 efficiencies achieved as a result of those investments.

178 5. This section shall only apply to any electrical
179 corporation that has filed a notice with the commission of
180 the electrical corporation's election to make the deferrals
181 for which this section provides. An electrical corporation
182 may provide notice to the commission one time under this
183 subsection if such corporation has applied to the commission
184 under subsection 2 of section 386.266, provided the
185 corporation shall not concurrently utilize deferrals under
186 this subsection and the electric rate adjustments set forth

187 in subsection 3 of section 386.266. An electrical
188 corporation's election shall allow it to make the deferrals
189 provided for by subsection 2 of this section until December
190 31, [2028] 2035. Notwithstanding the immediately preceding
191 sentence, an electrical corporation may seek permission to
192 continue to make the deferrals provided for by subsection 2
193 of this section for an additional five years beyond December
194 31, [2028] 2035, by filing an application with the
195 commission seeking such permission by December 31, [2026]
196 2033, which application shall be ruled upon by the
197 commission within one hundred eighty days after its filing.
198 In deciding whether to grant such permission to continue the
199 commission shall have the authority, consistent with its
200 statutory authority outside this section, to consider such
201 factors as in its judgment it deems necessary and may
202 condition the permission on factors that are relevant to the
203 deferrals authorized by subsection 2 of this section. The
204 commission shall make the determination of whether to grant
205 such permission to continue after a hearing. An electrical
206 corporation making deferrals provided for by subsection 2 of
207 this section on and after January 1, 2024, shall be subject
208 to the revenue requirement impact cap set forth under
209 section 393.1656. Failure to obtain such commission
210 permission to continue shall not affect deferrals made
211 through the date for which permission has been granted, or
212 the regulatory and ratemaking treatment of the regulatory
213 assets arising from such deferrals as provided for by this
214 section.

215 6. The commission may take into account any change in
216 business risk to the corporation resulting from
217 implementation of the deferrals in setting the corporation's
218 allowed return in any rate proceeding, in addition to any

219 other changes in business risk experienced by the
220 corporation.

221 7. This section shall expire on December 31, [2033]
222 **2040**, except that the amortization of the regulatory asset
223 balances arising under this section shall continue to be
224 reflected in the electrical corporation's rates and
225 remaining regulatory asset balances shall be included in the
226 electrical corporation's rate base consistent with the
227 ratemaking treatment and amortization previously approved by
228 the commission pursuant to this section.

393.1506. 1. Notwithstanding any provisions of
2 chapter 386 and this chapter to the contrary, a water or
3 sewer corporation that provides water [or sewer] service to
4 more than eight thousand customer connections, **sewer service**
5 **to more than eight thousand customer connections, or a**
6 **combination of either to more than eight thousand customer**
7 **connections** may file a petition and proposed rate schedules
8 with the commission to establish or change a WSIRA that will
9 provide for the recovery of the appropriate pretax revenues
10 associated with the eligible infrastructure system projects,
11 less the appropriate pretax revenues associated with any
12 retired utility plant that is being replaced by the eligible
13 infrastructure system projects. The WSIRA shall not produce
14 revenues in excess of fifteen percent of the water or sewer
15 corporation's base revenue requirement approved by the
16 commission in the water or sewer corporation's most recent
17 general rate proceeding; provided, however, that neither
18 WSIRA revenues attributable to replacement of customer-owned
19 lead service lines, nor any reconciliation amounts described
20 in subdivision (2) of subsection 5 of section 393.1509,
21 shall count toward the program cap. The WSIRA and any
22 future changes thereto shall be calculated and implemented

23 in accordance with the provisions of sections 393.1503 to
24 393.1509. WSIRA revenues shall be subject to refund based
25 upon a finding and order of the commission, to the extent
26 provided in subsections 5 and 8 of section 393.1509.

27 2. The commission shall not approve a WSIRA for a
28 water or sewer corporation that has not had a general rate
29 proceeding decided or dismissed by issuance of a commission
30 order within the past three years of the filing of a
31 petition pursuant to this section unless the water or sewer
32 corporation has filed for or is the subject of a new general
33 rate proceeding.

34 3. In no event shall a water or sewer corporation
35 collect a WSIRA for a period exceeding three years unless
36 the water or sewer corporation has filed for or is the
37 subject of a pending general rate proceeding; provided that
38 the WSIRA may be collected until the effective date of new
39 rate schedules established as a result of the new general
40 rate proceeding or until the subject general rate proceeding
41 is otherwise decided or dismissed by issuance of a
42 commission order without new rates being established.

43 4. Except as provided in this subsection, in no event
44 shall a water or sewer corporation collect a WSIRA if also
45 collecting revenues from a commission approved
46 infrastructure system replacement surcharge as provided in
47 sections 393.1000 to 393.1006. In no event shall a customer
48 be charged both an infrastructure system replacement
49 surcharge as provided in sections 393.1000 to 393.1006 and a
50 WSIRA. In the event a water or sewer corporation is
51 collecting infrastructure system replacement surcharge
52 revenues under sections 393.1000 to 393.1006, that was
53 approved prior to August 28, 2021, when the initial WSIRA is

54 filed, the approved infrastructure system replacement
55 surcharge revenues shall be included in the new WSIRA filing.

393.1645. 1. Subject to the limitations provided for
2 in subsection 2 of this section, and upon proper application
3 by an eligible customer prior to public announcement of a
4 growth project, a new or existing account meeting the
5 criteria in this subsection shall qualify for one of the
6 discounts set forth in subdivision (1) or (2) of this
7 subsection:

8 (1) When the customer is a new customer and the new
9 load is reasonably projected to be at least two hundred
10 seventy thousand CCF annually, the discount shall equal up
11 to twenty-five percent subject to the limiting provisions of
12 this section and shall apply for four years; or

13 (2) When the customer is an existing customer and the
14 new load is reasonably projected to be at least one hundred
15 thirty-five thousand CCF annually, the discount shall equal
16 twenty-five percent subject to the limiting provisions of
17 this section and shall apply for four years.

18 To obtain one of the discounts set forth in subdivision (1)
19 or (2) of this subsection, the customer's load shall be
20 incremental, net of any offsetting load reductions due to
21 the termination of other accounts of the customer or an
22 affiliate of the customer within twelve months prior to the
23 commencement of service to the new load, the customer shall
24 receive an economic development incentive from the local,
25 regional, state, or federal government, or from an agency or
26 program of any such government, in conjunction with the
27 incremental load, and the customer shall meet the criteria
28 set forth in the gas corporation's economic development
29 rider tariff sheet, as approved by the commission, that are

30 not inconsistent with the provisions of this subsection.
31 Unless otherwise provided for by the gas corporation's
32 tariff, the applicable discount shall be a percentage
33 applied to all variable base-rate components of the bill.
34 The discount shall be applied to such incremental load from
35 the date when the meter has been permanently set until the
36 date that such incremental load no longer meets the criteria
37 required to qualify for the discount as determined under the
38 provisions of subsection 2 of this section, or a maximum of
39 four years. The gas corporation may include in its tariff
40 additional or alternative terms and conditions to a
41 customer's utilization of the discount, subject to approval
42 of such terms and conditions by the commission. The
43 customer, on forms supplied by the gas corporation, shall
44 apply for the applicable discount provided for by this
45 subsection at least ninety days prior to the date the
46 customer requests that the incremental usage receive one of
47 the discounts provided for by this subsection and shall
48 enter into a written agreement with the gas corporation
49 reflecting the discount percentages and other pertinent
50 details prior to which no discount will be available. If
51 the incremental usage is not separately metered, the gas
52 corporation's determination of the incremental usage shall
53 control. The gas corporation shall verify the customer's
54 consumption annually to determine continued qualification
55 for the applicable discount. Notwithstanding the foregoing
56 provisions of this subsection, the cents-per-CCF realization
57 resulting from application of any discounted rates as
58 calculated shall be higher than the gas corporation's
59 variable cost to serve such incremental usage and the
60 applicable discounted rate also shall make a positive
61 contribution to fixed costs associated with service to such

62 incremental usage. If in a subsequent general rate
63 proceeding the commission determines that application of a
64 discounted rate is not adequate to cover the gas
65 corporation's variable cost to serve the accounts in
66 question and provide a positive contribution to fixed costs,
67 then the commission shall reduce the discount for those
68 accounts prospectively to the extent necessary to do so.

69 2. In each general rate proceeding concluded after
70 August 28, 2025, the difference in revenues generated by
71 applying the discounted rates provided for by this section
72 and the revenues that would have been generated without such
73 discounts shall not be imputed into the gas corporation's
74 revenue requirement, but instead such revenue requirement
75 shall be set using the revenues generated by such discounted
76 rates, and the impact of the discounts provided for by this
77 section shall be allocated to all the gas corporation's
78 customer classes, including the classes with customers that
79 qualify for discounts under this section, through the
80 application of a uniform percentage adjustment to the
81 revenue requirement responsibility of all customer classes.
82 To qualify for the discounted rates provided for in this
83 section, customers shall meet the applicable criteria within
84 twenty-four months of initially receiving discounts based on
85 metering data for calendar months thirteen through twenty-
86 four and annually thereafter. If such data indicates that
87 the customer did not meet the applicable criteria for any
88 subsequent twelve-month period, it shall thereafter no
89 longer qualify for a discounted rate. Customer usage
90 existing at the time the customer makes an application for
91 discounted rates under this section shall not constitute
92 incremental usage. The discounted rates provided for by
93 this section apply only to variable base-rate components,

94 with charges or credits arising from any rate adjustment
95 mechanism authorized by law to be applied to customers
96 qualifying for discounted rates under this section in the
97 same manner as such rate adjustments would apply in absence
98 of this section.

99 3. For purposes of this section, the following terms
100 shall mean:

101 (1) "Gas corporation", the same as defined in section
102 386.020;

103 (2) "Variable base-rate components", the rate charged
104 for gas service based on the volume of gas used excluding
105 any additional riders or surcharges.

393.1656. 1. This section applies beginning January
2 1, 2024, to an electrical corporation that has elected to
3 exercise any option under section 393.1400 and shall
4 continue to apply to such electrical corporation until such
5 electrical corporation's permission to make the deferrals
6 authorized by subsection 2 of section 393.1400 expires.

7 2. That part of the electrical corporation's retail
8 revenue requirement used to set the electrical corporation's
9 base rates in each of the electrical corporation's general
10 rate proceedings that are concluded on or after August 31,
11 2023, that consists of revenue requirement arising from
12 inclusion in rate base of the section 393.1400 regulatory
13 asset balance shall not exceed the revenue requirement
14 impact cap. If inclusion in rate base of the full balance
15 of the subject section 393.1400 regulatory asset would cause
16 the electrical corporation to exceed the revenue requirement
17 impact cap, that part of the balance necessary to prevent
18 inclusion of the full balance from causing an exceedance of
19 the revenue requirement impact cap shall not be included in

20 rate base and the section 393.1400 regulatory asset balance
21 shall be reduced accordingly as a penalty.

22 3. For purposes of this section, the following terms
23 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
27 corporation as described in subsection 2 of section 393.110;

28 (3) "Rate-base cutoff date", the date rate-base
29 additions are accounted for in a general rate proceeding.

30 In the absence of a commission order that specifies the rate-
31 base cutoff date, such date as reflected in any jointly
32 proposed procedural schedule submitted by the parties in the
33 applicable general rate proceeding, or as otherwise agreed
34 to by such parties, shall be used;

35 (4) "Revenue requirement impact cap", the product of
36 (i) one-twelfth of two and **[one-half] one-quarter** percent,
37 multiplied by (ii) the number of months that have elapsed
38 from the effective date of new base rates in the electrical
39 corporation's most recently completed general rate
40 proceeding to the effective date of new base rates in the
41 general rate proceeding in which the cap is being applied,
42 with that product to be multiplied by the retail revenue
43 requirement used to set base rates in the electrical
44 corporation's most recently completed general rate
45 proceeding concluded prior to the general rate proceeding in
46 which the cap is being applied;

47 (5) "Subject section 393.1400 regulatory asset",
48 deferrals under section 393.1400 from the rate-base cutoff
49 date in the electrical corporation's prior general rate
50 proceeding to the rate-base cutoff date in the current

51 general rate proceeding in which the cap reflected in
52 subsection 2 of this section is being applied.

393.1680. 1. Notwithstanding any other provision of
2 law to the contrary, the commission may approve a special
3 alternative residential customer rate or bill discount from
4 a utility company, as defined in section 393.550, based in
5 part on household utility burden. The rate or bill discount
6 approved shall incorporate a commission-authorized rate or
7 bill discount from the appropriate base residential rate.
8 For purposes of this subsection, "utility burden" means the
9 percentage of income paid by a customer to a utility company
10 for the cost of electricity, natural gas, or water service.
11 Any eligibility verification needed to implement the new
12 alternative rate shall be done by an independent third party
13 or parties selected by a process established by the
14 commission that includes input from the utility company and
15 the office of the public counsel.

2. The commission shall promulgate rules to implement
17 the provisions of this section. Any rule or portion of a
18 rule, as that term is defined in section 536.010, that is
19 created under the authority delegated in this section shall
20 become effective only if it complies with and is subject to
21 all of the provisions of chapter 536 and, if applicable,
22 section 536.028. This section and chapter 536 are
23 nonseverable and if any of the powers vested with the
24 general assembly pursuant to chapter 536 to review, to delay
25 the effective date, or to disapprove and annul a rule are
26 subsequently held unconstitutional, then the grant of
27 rulemaking authority and any rule proposed or adopted after
28 August 28, 2025, shall be invalid and void.

393.1700. 1. For purposes of sections 393.1700 to
2 393.1715, the following terms shall mean:

3 (1) "Ancillary agreement", a bond, insurance policy,
4 letter of credit, reserve account, surety bond, interest
5 rate lock or swap arrangement, hedging arrangement,
6 liquidity or credit support arrangement, or other financial
7 arrangement entered into in connection with securitized
8 utility tariff bonds;

9 (2) "Assignee", a legally recognized entity to which
10 an electrical corporation assigns, sells, or transfers,
11 other than as security, all or a portion of its interest in
12 or right to securitized utility tariff property. The term
13 includes a corporation, limited liability company, general
14 partnership or limited partnership, public authority, trust,
15 financing entity, or any entity to which an assignee
16 assigns, sells, or transfers, other than as security, its
17 interest in or right to securitized utility tariff property;

18 (3) "Bondholder", a person who holds a securitized
19 utility tariff bond;

20 (4) "Code", the uniform commercial code, chapter 400;

21 (5) "Commission", the Missouri public service
22 commission;

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

26 (7) "Energy transition costs" include all of the
27 following:

28 (a) Pretax costs with respect to a retired or
29 abandoned or to be retired or abandoned electric generating
30 facility that is the subject of a petition for a financing
31 order filed under this section where such early retirement
32 or abandonment is deemed reasonable and prudent by the
33 commission through a final order issued by the commission,
34 include, but are not limited to, the undepreciated

35 investment in the retired or abandoned or to be retired or
36 abandoned electric generating facility and any facilities
37 ancillary thereto or used in conjunction therewith, costs of
38 decommissioning and restoring the site of the electric
39 generating facility, other applicable capital and operating
40 costs, accrued carrying charges, and deferred expenses, with
41 the foregoing to be reduced by applicable tax benefits of
42 accumulated and excess deferred income taxes, insurance,
43 scrap and salvage proceeds, and may include the cost of
44 retiring any existing indebtedness, fees, costs, and
45 expenses to modify existing debt agreements or for waivers
46 or consents related to existing debt agreements;

47 (b) Pretax costs that an electrical corporation has
48 previously incurred related to the retirement or abandonment
49 of such an electric generating facility occurring before
50 August 28, 2021;

51 (8) "Financing costs" includes all of the following:

52 (a) Interest and acquisition, defeasance, or
53 redemption premiums payable on securitized utility tariff
54 bonds;

55 (b) Any payment required under an ancillary agreement
56 and any amount required to fund or replenish a reserve
57 account or other accounts established under the terms of any
58 indenture, ancillary agreement, or other financing documents
59 pertaining to securitized utility tariff bonds;

60 (c) Any other cost related to issuing, supporting,
61 repaying, refunding, and servicing securitized utility
62 tariff bonds, including servicing fees, accounting and
63 auditing fees, trustee fees, legal fees, consulting fees,
64 structuring adviser fees, administrative fees, placement and
65 underwriting fees, independent director and manager fees,
66 capitalized interest, rating agency fees, stock exchange

67 listing and compliance fees, security registration fees,
68 filing fees, information technology programming costs, and
69 any other costs necessary to otherwise ensure the timely
70 payment of securitized utility tariff bonds or other amounts
71 or charges payable in connection with the bonds, including
72 costs related to obtaining the financing order;

73 (d) Any taxes and license fees or other fees imposed
74 on the revenues generated from the collection of the
75 securitized utility tariff charge or otherwise resulting
76 from the collection of securitized utility tariff charges,
77 in any such case whether paid, payable, or accrued;

78 (e) Any state and local taxes, franchise, gross
79 receipts, and other taxes or similar charges, including
80 commission assessment fees, whether paid, payable, or
81 accrued;

82 (f) Any costs associated with performance of the
83 commission's responsibilities under this section in
84 connection with approving, approving subject to conditions,
85 or rejecting a petition for a financing order, and in
86 performing its duties in connection with the issuance advice
87 letter process, including costs to retain counsel, one or
88 more financial advisors, or other consultants as deemed
89 appropriate by the commission and paid pursuant to this
90 section;

91 (9) "Financing order", an order from the commission
92 that authorizes the issuance of securitized utility tariff
93 bonds; the imposition, collection, and periodic adjustments
94 of a securitized utility tariff charge; the creation of
95 securitized utility tariff property; and the sale,
96 assignment, or transfer of securitized utility tariff
97 property to an assignee;

98 (10) "Financing party", bondholders and trustees,
99 collateral agents, any party under an ancillary agreement,
100 or any other person acting for the benefit of bondholders;

101 (11) "Financing statement", the same as defined in
102 article 9 of the code;

103 (12) "Pledgee", a financing party to which an
104 electrical corporation or its successors or assignees
105 mortgages, negotiates, pledges, or creates a security
106 interest or lien on all or any portion of its interest in or
107 right to securitized utility tariff property;

108 (13) "Qualified extraordinary costs", costs incurred
109 prudently before, on, or after August 28, 2021, of an
110 extraordinary nature which would cause extreme customer rate
111 impacts if reflected in retail customer rates recovered
112 through customary ratemaking, such as but not limited to
113 those related to purchases of fuel or power, inclusive of
114 carrying charges, during anomalous weather events;

115 (14) "Rate base cutoff date", the same as defined in
116 subdivision (4) of subsection 1 of section 393.1400 as such
117 term existed on August 28, 2021;

118 (15) "Securitized utility tariff bonds", bonds,
119 debentures, notes, certificates of participation,
120 certificates of beneficial interest, certificates of
121 ownership, or other evidences of indebtedness or ownership
122 that are issued by an electrical corporation or an assignee
123 pursuant to a financing order, the proceeds of which are
124 used directly or indirectly to recover, finance, or
125 refinance commission-approved securitized utility tariff
126 costs and financing costs, and that are secured by or
127 payable from securitized utility tariff property. If
128 certificates of participation or ownership are issued,
129 references in this section to principal, interest, or

130 premium shall be construed to refer to comparable amounts
131 under those certificates;

132 (16) "Securitized utility tariff charge", the amounts
133 authorized by the commission to repay, finance, or refinance
134 securitized utility tariff costs and financing costs and
135 that are, except as otherwise provided for in this section,
136 nonbypassable charges imposed on and part of all retail
137 customer bills, collected by an electrical corporation or
138 its successors or assignees, or a collection agent, in full,
139 separate and apart from the electrical corporation's base
140 rates, and paid by all existing or future retail customers
141 receiving electrical service from the electrical corporation
142 or its successors or assignees under commission-approved
143 rate schedules, except for customers receiving electrical
144 service under special contracts as of August 28, 2021, even
145 if a retail customer elects to purchase electricity from an
146 alternative electricity supplier following a fundamental
147 change in regulation of public utilities in this state. **Any**
148 **customer receiving electrical service under a commission-**
149 **approved market-based tariff with a load of at least eighty**
150 **megawatts, where the servicing electrical corporation has a**
151 **commission-approved market-based tariff as of the end of**
152 **calendar year 2022, is exempt from any securitized utility**
153 **tariff charges if the charge was approved by the commission**
154 **prior to customer energization and from any future**
155 **securitized utility tariff charges related to qualified**
156 **extraordinary costs, concerning energy, if the customer**
157 **directly incurred costs for its own energy through the**
158 **commission-approved market-based tariff. No such exemption**
159 **shall apply for electrical service that is not received by**
160 **the customer under a commission-approved market-based tariff;**

161 (17) "Securitized utility tariff costs", either energy
162 transition costs or qualified extraordinary costs as the
163 case may be;

164 (18) "Securitized utility tariff property", all of the
165 following:

166 (a) All rights and interests of an electrical
167 corporation or successor or assignee of the electrical
168 corporation under a financing order, including the right to
169 impose, bill, charge, collect, and receive securitized
170 utility tariff charges authorized under the financing order
171 and to obtain periodic adjustments to such charges as
172 provided in the financing order;

173 (b) All revenues, collections, claims, rights to
174 payments, payments, money, or proceeds arising from the
175 rights and interests specified in the financing order,
176 regardless of whether such revenues, collections, claims,
177 rights to payment, payments, money, or proceeds are imposed,
178 billed, received, collected, or maintained together with or
179 commingled with other revenues, collections, rights to
180 payment, payments, money, or proceeds;

181 (19) "Special contract", electrical service provided
182 under the terms of a special incremental load rate schedule
183 at a fixed price rate approved by the commission.

184 2. (1) An electrical corporation may petition the
185 commission for a financing order to finance energy
186 transition costs through an issuance of securitized utility
187 tariff bonds. The petition shall include all of the
188 following:

189 (a) A description of the electric generating facility
190 or facilities that the electrical corporation has retired or
191 abandoned, or proposes to retire or abandon, prior to the
192 date that all undepreciated investment relating thereto has

193 been recovered through rates and the reasons for undertaking
194 such early retirement or abandonment, or if the electrical
195 corporation is subject to a separate commission order or
196 proceeding relating to such retirement or abandonment as
197 contemplated by subdivision (2) of this subsection, and a
198 description of the order or other proceeding;

199 (b) The energy transition costs;

200 (c) An indicator of whether the electrical corporation
201 proposes to finance all or a portion of the energy
202 transition costs using securitized utility tariff bonds. If
203 the electrical corporation proposes to finance a portion of
204 the costs, the electrical corporation shall identify the
205 specific portion in the petition. By electing not to
206 finance all or any portion of such energy transition costs
207 using securitized utility tariff bonds, an electrical
208 corporation shall not be deemed to waive its right to
209 recover such costs pursuant to a separate proceeding with
210 the commission;

211 (d) An estimate of the financing costs related to the
212 securitized utility tariff bonds;

213 (e) An estimate of the securitized utility tariff
214 charges necessary to recover the securitized utility tariff
215 costs and financing costs and the period for recovery of
216 such costs;

217 (f) A comparison between the net present value of the
218 costs to customers that are estimated to result from the
219 issuance of securitized utility tariff bonds and the costs
220 that would result from the application of the traditional
221 method of financing and recovering the undepreciated
222 investment of facilities that may become securitized utility
223 tariff costs from customers. The comparison should
224 demonstrate that the issuance of securitized utility tariff

225 bonds and the imposition of securitized utility tariff
226 charges are expected to provide quantifiable net present
227 value benefits to customers;

228 (g) A proposed future ratemaking process to reconcile
229 any differences between securitized utility tariff costs
230 financed by securitized utility tariff bonds and the final
231 securitized costs incurred by the electrical corporation or
232 assignee provided that any such reconciliation shall not
233 affect the amount of securitized utility tariff bonds or the
234 associated securitized utility tariff charges paid by
235 customers; and

236 (h) Direct testimony supporting the petition.

237 (2) An electrical corporation may petition the
238 commission for a financing order to finance qualified
239 extraordinary costs. The petition shall include all of the
240 following:

241 (a) A description of the qualified extraordinary
242 costs, including their magnitude, the reasons those costs
243 were incurred by the electrical corporation and the retail
244 customer rate impact that would result from customary
245 ratemaking treatment of such costs;

246 (b) An indicator of whether the electrical corporation
247 proposes to finance all or a portion of the qualified
248 extraordinary costs using securitized utility tariff bonds.
249 If the electrical corporation proposes to finance a portion
250 of the costs, the electrical corporation shall identify the
251 specific portion in the petition. By electing not to
252 finance all or any portion of such qualified extraordinary
253 costs using securitized utility tariff bonds, an electrical
254 corporation shall not be deemed to waive its right to
255 reflect such costs in its retail rates pursuant to a
256 separate proceeding with the commission;

257 (c) An estimate of the financing costs related to the
258 securitized utility tariff bonds;

259 (d) An estimate of the securitized utility tariff
260 charges necessary to recover the qualified extraordinary
261 costs and financing costs and the period for recovery of
262 such costs;

263 (e) A comparison between the net present value of the
264 costs to customers that are estimated to result from the
265 issuance of securitized utility tariff bonds and the costs
266 that would result from the application of the customary
267 method of financing and reflecting the qualified
268 extraordinary costs in retail customer rates. The
269 comparison should demonstrate that the issuance of
270 securitized utility tariff bonds and the imposition of
271 securitized utility tariff charges are expected to provide
272 quantifiable net present value benefits to retail customers;

273 (f) A proposed future ratemaking process to reconcile
274 any differences between securitized utility tariff costs
275 financed by securitized utility tariff bonds and the final
276 securitized costs incurred by the electrical corporation or
277 assignee provided that any such reconciliation shall not
278 affect the amount of securitized utility tariff bonds or the
279 associated securitized utility tariff charges paid by
280 customers; and

281 (g) Direct testimony supporting the petition.

282 (3) (a) Proceedings on a petition submitted pursuant
283 to this subsection begin with the petition by an electrical
284 corporation and shall be disposed of in accordance with the
285 requirements of this section and the rules of the
286 commission, except as follows:

287 a. The commission shall establish a procedural
288 schedule that permits a commission decision no later than

289 two hundred fifteen days after the date the petition is
290 filed;

291 b. No later than two hundred fifteen days after the
292 date the petition is filed, the commission shall issue a
293 financing order approving the petition, an order approving
294 the petition subject to conditions, or an order rejecting
295 the petition; provided, however, that the electrical
296 corporation shall provide notice of intent to file a
297 petition for a financing order to the commission no less
298 than sixty days in advance of such filing;

299 c. Judicial review of a financing order may be had
300 only in accordance with sections 386.500 and 386.510.

301 (b) In performing its responsibilities under this
302 section in approving, approving subject to conditions, or
303 rejecting a petition for a financing order, the commission
304 may retain counsel, one or more financial advisors, or other
305 consultants as it deems appropriate. Such outside counsel,
306 advisor or advisors, or consultants shall owe a duty of
307 loyalty solely to the commission and shall have no interest
308 in the proposed securitized utility tariff bonds. The costs
309 associated with any such engagements shall be paid by the
310 petitioning corporation and shall be included as financed
311 costs in the securitized utility tariff charge and shall not
312 be an obligation of the state and shall be assigned solely
313 to the subject transaction. **The commission may directly**
314 **contract counsel, financial advisors, or other consultants**
315 **as necessary for effectuating the purposes of this section.**
316 **Such contracting procedures shall not be subject to the**
317 **provisions of chapter 34, however the commission shall**
318 **establish a policy for the bid process. Such policy shall**
319 **be publicly available and any information related to**

320 **contracts under the established policy shall be included in**
321 **publicly available rate case documentation.**

322 (c) A financing order issued by the commission, after
323 a hearing, to an electrical corporation shall include all of
324 the following elements:

325 a. The amount of securitized utility tariff costs to
326 be financed using securitized utility tariff bonds and a
327 finding that recovery of such costs is just and reasonable
328 and in the public interest. The commission shall describe
329 and estimate the amount of financing costs that may be
330 recovered through securitized utility tariff charges and
331 specify the period over which securitized utility tariff
332 costs and financing costs may be recovered;

333 b. A finding that the proposed issuance of securitized
334 utility tariff bonds and the imposition and collection of a
335 securitized utility tariff charge are just and reasonable
336 and in the public interest and are expected to provide
337 quantifiable net present value benefits to customers as
338 compared to recovery of the components of securitized
339 utility tariff costs that would have been incurred absent
340 the issuance of securitized utility tariff bonds.

341 Notwithstanding any provisions of this section to the
342 contrary, in considering whether to find the proposed
343 issuance of securitized utility tariff bonds and the
344 imposition and collection of a securitized utility tariff
345 charge are just and reasonable and in the public interest,
346 the commission may consider previous instances where it has
347 issued financing orders to the petitioning electrical
348 corporation and such electrical corporation has previously
349 issued securitized utility tariff bonds;

350 c. A finding that the proposed structuring and pricing
351 of the securitized utility tariff bonds are reasonably

352 expected to result in the lowest securitized utility tariff
353 charges consistent with market conditions at the time the
354 securitized utility tariff bonds are priced and the terms of
355 the financing order;

356 d. A requirement that, for so long as the securitized
357 utility tariff bonds are outstanding and until all financing
358 costs have been paid in full, the imposition and collection
359 of securitized utility tariff charges authorized under a
360 financing order shall be nonbypassable and paid by all
361 existing and future retail customers receiving electrical
362 service from the electrical corporation or its successors or
363 assignees under commission-approved rate schedules except
364 for customers receiving electrical service under special
365 contracts on August 28, 2021, even if a retail customer
366 elects to purchase electricity from an alternative electric
367 supplier following a fundamental change in regulation of
368 public utilities in this state. **Any customer receiving**
369 **electrical service under a commission-approved market-based**
370 **tariff with a load of at least eighty megawatts, where the**
371 **servicing electrical corporation has a commission-approved**
372 **market-based tariff as of the end of calendar year 2022, is**
373 **exempt from any securitized utility tariff charges if the**
374 **charge was approved by the commission prior to customer**
375 **energization and from any future securitized utility tariff**
376 **charges related to qualified extraordinary costs, concerning**
377 **energy, if the customer directly incurred costs for its own**
378 **energy through the commission-approved market-based tariff.**
379 **No such exemption shall apply for electrical service that is**
380 **not received by the customer under a commission-approved**
381 **market-based tariff;**

382 e. A formula-based true-up mechanism for making, at
383 least annually, expeditious periodic adjustments in the

384 securitized utility tariff charges that customers are
385 required to pay pursuant to the financing order and for
386 making any adjustments that are necessary to correct for any
387 overcollection or undercollection of the charges or to
388 otherwise ensure the timely payment of securitized utility
389 tariff bonds and financing costs and other required amounts
390 and charges payable under the securitized utility tariff
391 bonds;

392 f. The securitized utility tariff property that is, or
393 shall be, created in favor of an electrical corporation or
394 its successors or assignees and that shall be used to pay or
395 secure securitized utility tariff bonds and approved
396 financing costs;

397 g. The degree of flexibility to be afforded to the
398 electrical corporation in establishing the terms and
399 conditions of the securitized utility tariff bonds,
400 including, but not limited to, repayment schedules, expected
401 interest rates, and other financing costs;

402 h. How securitized utility tariff charges will be
403 allocated among retail customer classes. The initial
404 allocation shall remain in effect until the electrical
405 corporation completes a general rate proceeding, and once
406 the commission's order from that general rate proceeding
407 becomes final, all subsequent applications of an adjustment
408 mechanism regarding securitized utility tariff charges shall
409 incorporate changes in the allocation of costs to customers
410 as detailed in the commission's order from the electrical
411 corporation's most recent general rate proceeding;

412 i. A requirement that, after the final terms of an
413 issuance of securitized utility tariff bonds have been
414 established and before the issuance of securitized utility
415 tariff bonds, the electrical corporation determines the

416 resulting initial securitized utility tariff charge in
417 accordance with the financing order, and that such initial
418 securitized utility tariff charge be final and effective
419 upon the issuance of such securitized utility tariff bonds
420 with such charge to be reflected on a compliance tariff
421 sheet bearing such charge;

422 j. A method of tracing funds collected as securitized
423 utility tariff charges, or other proceeds of securitized
424 utility tariff property, determining that such method shall
425 be deemed the method of tracing such funds and determining
426 the identifiable cash proceeds of any securitized utility
427 tariff property subject to a financing order under
428 applicable law;

429 k. A statement specifying a future ratemaking process
430 to reconcile any differences between the actual securitized
431 utility tariff costs financed by securitized utility tariff
432 bonds and the final securitized utility tariff costs
433 incurred by the electrical corporation or assignee provided
434 that any such reconciliation shall not affect the amount of
435 securitized utility tariff bonds or the associated
436 securitized utility tariff charges paid by customers;

437 l. A procedure that shall allow the electrical
438 corporation to earn a return, at the cost of capital
439 authorized from time to time by the commission in the
440 electrical corporation's rate proceedings, on any moneys
441 advanced by the electrical corporation to fund reserves, if
442 any, or capital accounts established under the terms of any
443 indenture, ancillary agreement, or other financing documents
444 pertaining to the securitized utility tariff bonds;

445 m. In a financing order granting authorization to
446 securitize energy transition costs or in a financing order
447 granting authorization to securitize qualified extraordinary

448 costs that include retired or abandoned facility costs, a
449 procedure for the treatment of accumulated deferred income
450 taxes and excess deferred income taxes in connection with
451 the retired or abandoned or to be retired or abandoned
452 electric generating facility, or in connection with retired
453 or abandoned facilities included in qualified extraordinary
454 costs. The accumulated deferred income taxes, including
455 excess deferred income taxes, shall be excluded from rate
456 base in future general rate cases and the net tax benefits
457 relating to amounts that will be recovered through the
458 issuance of securitized utility tariff bonds shall be
459 credited to retail customers by reducing the amount of such
460 securitized utility tariff bonds that would otherwise be
461 issued. The customer credit shall include the net present
462 value of the tax benefits, calculated using a discount rate
463 equal to the expected interest rate of the securitized
464 utility tariff bonds, for the estimated accumulated and
465 excess deferred income taxes at the time of securitization
466 including timing differences created by the issuance of
467 securitized utility tariff bonds amortized over the period
468 of the bonds multiplied by the expected interest rate on
469 such securitized utility tariff bonds;

470 n. An outside date, which shall not be earlier than
471 one year after the date the financing order is no longer
472 subject to appeal, when the authority to issue securitized
473 utility tariff bonds granted in such financing order shall
474 expire; and

475 o. Include any other conditions that the commission
476 considers appropriate and that are not inconsistent with
477 this section.

478 (d) A financing order issued to an electrical
479 corporation may provide that creation of the electrical

480 corporation's securitized utility tariff property is
481 conditioned upon, and simultaneous with, the sale or other
482 transfer of the securitized utility tariff property to an
483 assignee and the pledge of the securitized utility tariff
484 property to secure securitized utility tariff bonds.

485 (e) If the commission issues a financing order, the
486 electrical corporation shall file with the commission at
487 least annually a petition or a letter applying the formula-
488 based true-up mechanism and, based on estimates of
489 consumption for each rate class and other mathematical
490 factors, requesting administrative approval to make the
491 applicable adjustments. The review of the filing shall be
492 limited to determining whether there are any mathematical or
493 clerical errors in the application of the formula-based true-
494 up mechanism relating to the appropriate amount of any
495 overcollection or undercollection of securitized utility
496 tariff charges and the amount of an adjustment. The
497 adjustments shall ensure the recovery of revenues sufficient
498 to provide for the payment of principal, interest,
499 acquisition, defeasance, financing costs, or redemption
500 premium and other fees, costs, and charges in respect of
501 securitized utility tariff bonds approved under the
502 financing order. Within thirty days after receiving an
503 electrical corporation's request pursuant to this paragraph,
504 the commission shall either approve the request or inform
505 the electrical corporation of any mathematical or clerical
506 errors in its calculation. If the commission informs the
507 electrical corporation of mathematical or clerical errors in
508 its calculation, the electrical corporation shall correct
509 its error and refile its request. The time frames
510 previously described in this paragraph shall apply to a
511 refiled request.

512 (f) At the time of any transfer of securitized utility
513 tariff property to an assignee or the issuance of
514 securitized utility tariff bonds authorized thereby,
515 whichever is earlier, a financing order is irrevocable and,
516 except for changes made pursuant to the formula-based true-
517 up mechanism authorized in this section, the commission may
518 not amend, modify, or terminate the financing order by any
519 subsequent action or reduce, impair, postpone, terminate, or
520 otherwise adjust securitized utility tariff charges approved
521 in the financing order. After the issuance of a financing
522 order, the electrical corporation retains sole discretion
523 regarding whether to assign, sell, or otherwise transfer
524 securitized utility tariff property or to cause securitized
525 utility tariff bonds to be issued, including the right to
526 defer or postpone such assignment, sale, transfer, or
527 issuance.

528 (g) The commission, in a financing order and subject
529 to the issuance advice letter process under paragraph (h) of
530 this subdivision, shall specify the degree of flexibility to
531 be afforded the electrical corporation in establishing the
532 terms and conditions for the securitized utility tariff
533 bonds to accommodate changes in market conditions, including
534 repayment schedules, interest rates, financing costs,
535 collateral requirements, required debt service and other
536 reserves and the ability of the electrical corporation, at
537 its option, to effect a series of issuances of securitized
538 utility tariff bonds and correlated assignments, sales,
539 pledges, or other transfers of securitized utility tariff
540 property. Any changes made under this paragraph to terms
541 and conditions for the securitized utility tariff bonds
542 shall be in conformance with the financing order.

543 (h) As the actual structure and pricing of the
544 securitized utility tariff bonds will be unknown at the time
545 the financing order is issued, prior to the issuance of each
546 series of bonds, an issuance advice letter shall be provided
547 to the commission by the electrical corporation following
548 the determination of the final terms of such series of bonds
549 no later than one day after the pricing of the securitized
550 utility tariff bonds. The commission shall have the
551 authority to designate a representative or representatives
552 from commission staff, who may be advised by a financial
553 advisor or advisors contracted with the commission, to
554 provide input to the electrical corporation and collaborate
555 with the electrical corporation in all facets of the process
556 undertaken by the electrical corporation to place the
557 securitized utility tariff bonds to market so the
558 commission's representative or representatives can provide
559 the commission with an opinion on the reasonableness of the
560 pricing, terms, and conditions of the securitized utility
561 tariff bonds on an expedited basis. Neither the designated
562 representative or representatives from the commission staff
563 nor one or more financial advisors advising commission staff
564 shall have authority to direct how the electrical
565 corporation places the bonds to market although they shall
566 be permitted to attend all meetings convened by the
567 electrical corporation to address placement of the bonds to
568 market. The form of such issuance advice letter shall be
569 included in the financing order and shall indicate the final
570 structure of the securitized utility tariff bonds and
571 provide the best available estimate of total ongoing
572 financing costs. The issuance advice letter shall report
573 the initial securitized utility tariff charges and other
574 information specific to the securitized utility tariff bonds

575 to be issued, as the commission may require. Unless an
576 earlier date is specified in the financing order, the
577 electrical corporation may proceed with the issuance of the
578 securitized utility tariff bonds unless, prior to noon on
579 the fourth business day after the commission receives the
580 issuance advice letter, the commission issues a disapproval
581 letter directing that the bonds as proposed shall not be
582 issued and the basis for that disapproval. The financing
583 order may provide such additional provisions relating to the
584 issuance advice letter process as the commission considers
585 appropriate and as are not inconsistent with this section.

586 (4) (a) In performing the responsibilities of this
587 section in connection with the issuance of a financing
588 order, approving the petition, an order approving the
589 petition subject to conditions, or an order rejecting the
590 petition, the commission shall undertake due diligence as it
591 deems appropriate prior to the issuance of the order
592 regarding the petition pursuant to which the commission may
593 request additional information from the electrical
594 corporation and may engage one or more financial advisors,
595 one or more consultants, and counsel as the commission deems
596 necessary. Any financial advisor or advisors, counsel, and
597 consultants engaged by the commission shall have a fiduciary
598 duty with respect to the proposed issuance of securitized
599 utility bonds solely to the commission. All expenses
600 associated with such services shall be included as part of
601 the financing costs of the securitized utility tariff bonds
602 and shall be included in the securitized utility tariff
603 charge.

604 (b) If an electrical corporation's petition for a
605 financing order is denied or withdrawn, or for any reason
606 securitized utility tariff bonds are not issued, any costs

607 of retaining one or more financial advisors, one or more
608 consultants, and counsel on behalf of the commission shall
609 be paid by the petitioning electrical corporation and shall
610 be eligible for full recovery, including carrying costs, if
611 approved by the commission in the electrical corporation's
612 future rates.

613 (5) At the request of an electrical corporation, the
614 commission may commence a proceeding and issue a subsequent
615 financing order that provides for refinancing, retiring, or
616 refunding securitized utility tariff bonds issued pursuant
617 to the original financing order if the commission finds that
618 the subsequent financing order satisfies all of the criteria
619 specified in this section for a financing order. Effective
620 upon retirement of the refunded securitized utility tariff
621 bonds and the issuance of new securitized utility tariff
622 bonds, the commission shall adjust the related securitized
623 utility tariff charges accordingly.

624 (6) (a) A financing order remains in effect and
625 securitized utility tariff property under the financing
626 order continues to exist until securitized utility tariff
627 bonds issued pursuant to the financing order have been paid
628 in full or defeased and, in each case, all commission-
629 approved financing costs of such securitized utility tariff
630 bonds have been recovered in full.

631 (b) A financing order issued to an electrical
632 corporation remains in effect and unabated notwithstanding
633 the reorganization, bankruptcy, or other insolvency
634 proceedings, merger, or sale of the electrical corporation
635 or its successors or assignees.

636 3. (1) The commission may not, in exercising its
637 powers and carrying out its duties regarding any matter
638 within its authority, consider the securitized utility

639 tariff bonds issued pursuant to a financing order to be the
640 debt of the electrical corporation other than for federal
641 and state income tax purposes, consider the securitized
642 utility tariff charges paid under the financing order to be
643 the revenue of the electrical corporation for any purpose,
644 consider the securitized utility tariff costs or financing
645 costs specified in the financing order to be the costs of
646 the electrical corporation, nor may the commission determine
647 any action taken by an electrical corporation which is
648 consistent with the financing order to be unjust or
649 unreasonable, and section 386.300 shall not apply to the
650 issuance of securitized utility tariff bonds.

651 (2) Securitized utility tariff charges shall not be
652 utilized or accounted for in determining the electrical
653 corporation's average overall rate, as defined in section
654 393.1655 and as used to determine the maximum retail rate
655 impact limitations provided for by subsections 3 and 4 of
656 section 393.1655.

657 (3) No electrical corporation is required to file a
658 petition for a financing order under this section or
659 otherwise utilize this section. An electrical corporation's
660 decision not to file a petition for a financing order under
661 this section shall not be admissible in any commission
662 proceeding nor shall it be otherwise utilized or relied on
663 by the commission in any proceeding respecting the
664 electrical corporation's rates or its accounting, including,
665 without limitation, any general rate proceeding, fuel
666 adjustment clause docket, or proceedings relating to
667 accounting authority, whether initiated by the electrical
668 corporation or otherwise. The commission may not order or
669 otherwise directly or indirectly require an electrical
670 corporation to use securitized utility tariff bonds to

671 recover securitized utility tariff costs or to finance any
672 project, addition, plant, facility, extension, capital
673 improvement, equipment, or any other expenditure.

674 (4) The commission may not refuse to allow an
675 electrical corporation to recover securitized utility tariff
676 costs in an otherwise permissible fashion, or refuse or
677 condition authorization or approval of the issuance and sale
678 by an electrical corporation of securities or the assumption
679 by the electrical corporation of liabilities or obligations,
680 because of the potential availability of securitized utility
681 tariff bond financing.

682 (5) After the issuance of a financing order with or
683 without conditions, the electrical corporation retains sole
684 discretion regarding whether to cause the securitized
685 utility tariff bonds to be issued, including the right to
686 defer or postpone such sale, assignment, transfer, or
687 issuance. Nothing shall prevent the electrical corporation
688 from abandoning the issuance of securitized utility tariff
689 bonds under the financing order by filing with the
690 commission a statement of abandonment and the reasons
691 therefor; provided, that the electrical corporation's
692 abandonment decision shall not be deemed imprudent because
693 of the potential availability of securitized utility tariff
694 bond financing; and provided further, that an electrical
695 corporation's decision to abandon issuance of such bonds may
696 be raised by any party, including the commission, as a
697 reason the commission should not authorize, or should
698 modify, the rate-making treatment proposed by the electrical
699 corporation of the costs associated with the electric
700 generating facility that was the subject of a petition under
701 this section that would have been securitized as energy
702 transition costs had such abandonment decision not been

703 made, but only if the electrical corporation requests
704 nonstandard plant retirement treatment of such costs for
705 rate-making purposes.

706 (6) The commission may not, directly or indirectly,
707 utilize or consider the debt reflected by the securitized
708 utility tariff bonds in establishing the electrical
709 corporation's capital structure used to determine any
710 regulatory matter, including but not limited to the
711 electrical corporation's revenue requirement used to set its
712 rates.

713 (7) The commission may not, directly or indirectly,
714 consider the existence of securitized utility tariff bonds
715 or the potential use of securitized utility tariff bond
716 financing proceeds in determining the electrical
717 corporation's authorized rate of return used to determine
718 the electrical corporation's revenue requirement used to set
719 its rates.

720 4. The electric bills of an electrical corporation
721 that has obtained a financing order and caused securitized
722 utility tariff bonds to be issued shall comply with the
723 provisions of this subsection; however, the failure of an
724 electrical corporation to comply with this subsection does
725 not invalidate, impair, or affect any financing order,
726 securitized utility tariff property, securitized utility
727 tariff charge, or securitized utility tariff bonds. The
728 electrical corporation shall do the following:

729 (1) Explicitly reflect that a portion of the charges
730 on such bill represents securitized utility tariff charges
731 approved in a financing order issued to the electrical
732 corporation and, if the securitized utility tariff property
733 has been transferred to an assignee, shall include a
734 statement to the effect that the assignee is the owner of

735 the rights to securitized utility tariff charges and that
736 the electrical corporation or other entity, if applicable,
737 is acting as a collection agent or servicer for the
738 assignee. The tariff applicable to customers shall indicate
739 the securitized utility tariff charge and the ownership of
740 the charge;

741 (2) Include the securitized utility tariff charge on
742 each customer's bill as a separate line item and include
743 both the rate and the amount of the charge on each bill.

744 5. (1) (a) All securitized utility tariff property
745 that is specified in a financing order constitutes an
746 existing, present intangible property right or interest
747 therein, notwithstanding that the imposition and collection
748 of securitized utility tariff charges depends on the
749 electrical corporation, to which the financing order is
750 issued, performing its servicing functions relating to the
751 collection of securitized utility tariff charges and on
752 future electricity consumption. The property exists:

753 a. Regardless of whether or not the revenues or
754 proceeds arising from the property have been billed, have
755 accrued, or have been collected; and

756 b. Notwithstanding the fact that the value or amount
757 of the property is dependent on the future provision of
758 service to customers by the electrical corporation or its
759 successors or assignees and the future consumption of
760 electricity by customers.

761 (b) Securitized utility tariff property specified in a
762 financing order exists until securitized utility tariff
763 bonds issued pursuant to the financing order are paid in
764 full and all financing costs and other costs of such
765 securitized utility tariff bonds have been recovered in full.

766 (c) All or any portion of securitized utility tariff
767 property specified in a financing order issued to an
768 electrical corporation may be transferred, sold, conveyed,
769 or assigned to a successor or assignee that is wholly owned,
770 directly or indirectly, by the electrical corporation and
771 created for the limited purpose of acquiring, owning, or
772 administering securitized utility tariff property or issuing
773 securitized utility tariff bonds under the financing order.
774 All or any portion of securitized utility tariff property
775 may be pledged to secure securitized utility tariff bonds
776 issued pursuant to the financing order, amounts payable to
777 financing parties and to counterparties under any ancillary
778 agreements, and other financing costs. Any transfer, sale,
779 conveyance, assignment, grant of a security interest in or
780 pledge of securitized utility tariff property by an
781 electrical corporation, or an affiliate of the electrical
782 corporation, to an assignee, to the extent previously
783 authorized in a financing order, does not require the prior
784 consent and approval of the commission.

785 (d) If an electrical corporation defaults on any
786 required remittance of securitized utility tariff charges
787 arising from securitized utility tariff property specified
788 in a financing order, a court, upon application by an
789 interested party, and without limiting any other remedies
790 available to the applying party, shall order the
791 sequestration and payment of the revenues arising from the
792 securitized utility tariff property to the financing parties
793 or their assignees. Any such financing order remains in
794 full force and effect notwithstanding any reorganization,
795 bankruptcy, or other insolvency proceedings with respect to
796 the electrical corporation or its successors or assignees.

797 (e) The interest of a transferee, purchaser, acquirer,
798 assignee, or pledgee in securitized utility tariff property
799 specified in a financing order issued to an electrical
800 corporation, and in the revenue and collections arising from
801 that property, is not subject to setoff, counterclaim,
802 surcharge, or defense by the electrical corporation or any
803 other person or in connection with the reorganization,
804 bankruptcy, or other insolvency of the electrical
805 corporation or any other entity.

806 (f) Any successor to an electrical corporation,
807 whether pursuant to any reorganization, bankruptcy, or other
808 insolvency proceeding or whether pursuant to any merger or
809 acquisition, sale, or other business combination, or
810 transfer by operation of law, as a result of electrical
811 corporation restructuring or otherwise, shall perform and
812 satisfy all obligations of, and have the same rights under a
813 financing order as, the electrical corporation under the
814 financing order in the same manner and to the same extent as
815 the electrical corporation, including collecting and paying
816 to the person entitled to receive the revenues, collections,
817 payments, or proceeds of the securitized utility tariff
818 property. Nothing in this section is intended to limit or
819 impair any authority of the commission concerning the
820 transfer or succession of interests of public utilities.

821 (g) Securitized utility tariff bonds shall be
822 nonrecourse to the credit or any assets of the electrical
823 corporation other than the securitized utility tariff
824 property as specified in the financing order and any rights
825 under any ancillary agreement.

826 (2) (a) The creation, perfection, priority, and
827 enforcement of any security interest in securitized utility
828 tariff property to secure the repayment of the principal and

829 interest and other amounts payable in respect of securitized
830 utility tariff bonds, amounts payable under any ancillary
831 agreement and other financing costs are governed by this
832 section and not by the provisions of the code, except as
833 otherwise provided in this section.

834 (b) A security interest in securitized utility tariff
835 property is created, valid, and binding at the later of the
836 time:

837 a. The financing order is issued;

838 b. A security agreement is executed and delivered by
839 the debtor granting such security interest;

840 c. The debtor has rights in such securitized utility
841 tariff property or the power to transfer rights in such
842 securitized utility tariff property; or

843 d. Value is received for the securitized utility
844 tariff property.

845 The description of securitized utility tariff property in a
846 security agreement is sufficient if the description refers
847 to this section and the financing order creating the
848 securitized utility tariff property. A security interest
849 shall attach as provided in this paragraph without any
850 physical delivery of collateral or other act.

851 (c) Upon the filing of a financing statement with the
852 office of the secretary of state as provided in this
853 section, a security interest in securitized utility tariff
854 property shall be perfected against all parties having
855 claims of any kind in tort, contract, or otherwise against
856 the person granting the security interest, and regardless of
857 whether the parties have notice of the security interest.
858 Without limiting the foregoing, upon such filing a security
859 interest in securitized utility tariff property shall be

860 perfected against all claims of lien creditors, and shall
861 have priority over all competing security interests and
862 other claims other than any security interest previously
863 perfected in accordance with this section.

864 (d) The priority of a security interest in securitized
865 utility tariff property is not affected by the commingling
866 of securitized utility tariff charges with other amounts.
867 Any pledgee or secured party shall have a perfected security
868 interest in the amount of all securitized utility tariff
869 charges that are deposited in any cash or deposit account of
870 the qualifying electrical corporation in which securitized
871 utility tariff charges have been commingled with other funds
872 and any other security interest that may apply to those
873 funds shall be terminated when they are transferred to a
874 segregated account for the assignee or a financing party.

875 (e) No application of the formula-based true-up
876 mechanism as provided in this section will affect the
877 validity, perfection, or priority of a security interest in
878 or transfer of securitized utility tariff property.

879 (f) If a default occurs under the securitized utility
880 tariff bonds that are secured by a security interest in
881 securitized utility tariff property, the financing parties
882 or their representatives may exercise the rights and
883 remedies available to a secured party under the code,
884 including the rights and remedies available under part 6 of
885 article 9 of the code. The commission may also order
886 amounts arising from securitized utility tariff charges be
887 transferred to a separate account for the financing parties'
888 benefit, to which their lien and security interest shall
889 apply. On application by or on behalf of the financing
890 parties, the circuit court for the county or city in which
891 the electrical corporation's headquarters is located shall

892 order the sequestration and payment to them of revenues
893 arising from the securitized utility tariff charges.

894 (3) (a) Any sale, assignment, or other transfer of
895 securitized utility tariff property shall be an absolute
896 transfer and true sale of, and not a pledge of or secured
897 transaction relating to, the seller's right, title, and
898 interest in, to, and under the securitized utility tariff
899 property if the documents governing the transaction
900 expressly state that the transaction is a sale or other
901 absolute transfer other than for federal and state income
902 tax purposes. For all purposes other than federal and state
903 income tax purposes, the parties' characterization of a
904 transaction as a sale of an interest in securitized utility
905 tariff property shall be conclusive that the transaction is
906 a true sale and that ownership has passed to the party
907 characterized as the purchaser, regardless of whether the
908 purchaser has possession of any documents evidencing or
909 pertaining to the interest. A sale or similar outright
910 transfer of an interest in securitized utility tariff
911 property may occur only when all of the following have
912 occurred:

913 a. The financing order creating the securitized
914 utility tariff property has become effective;

915 b. The documents evidencing the transfer of
916 securitized utility tariff property have been executed by
917 the assignor and delivered to the assignee; and

918 c. Value is received for the securitized utility
919 tariff property.

920 After such a transaction, the securitized utility tariff
921 property is not subject to any claims of the transferor or
922 the transferor's creditors, other than creditors holding a

923 prior security interest in the securitized utility tariff
924 property perfected in accordance with this section.

925 (b) The characterization of the sale, assignment, or
926 other transfer as an absolute transfer and true sale and the
927 corresponding characterization of the property interest of
928 the purchaser shall not be affected or impaired by the
929 occurrence of any of the following factors:

930 a. Commingling of securitized utility tariff charges
931 with other amounts;

932 b. The retention by the seller of (i) a partial or
933 residual interest, including an equity interest, in the
934 securitized utility tariff property, whether direct or
935 indirect, or whether subordinate or otherwise, or (ii) the
936 right to recover costs associated with taxes, franchise
937 fees, or license fees imposed on the collection of
938 securitized utility tariff charges;

939 c. Any recourse that the purchaser may have against
940 the seller;

941 d. Any indemnification rights, obligations, or
942 repurchase rights made or provided by the seller;

943 e. The obligation of the seller to collect securitized
944 utility tariff charges on behalf of an assignee;

945 f. The transferor acting as the servicer of the
946 securitized utility tariff charges or the existence of any
947 contract that authorizes or requires the electrical
948 corporation, to the extent that any interest in securitized
949 utility tariff property is sold or assigned, to contract
950 with the assignee or any financing party that it will
951 continue to operate its system to provide service to its
952 customers, will collect amounts in respect of the
953 securitized utility tariff charges for the benefit and
954 account of such assignee or financing party, and will

955 account for and remit such amounts to or for the account of
956 such assignee or financing party;

957 g. The treatment of the sale, conveyance, assignment,
958 or other transfer for tax, financial reporting, or other
959 purposes;

960 h. The granting or providing to bondholders a
961 preferred right to the securitized utility tariff property
962 or credit enhancement by the electrical corporation or its
963 affiliates with respect to such securitized utility tariff
964 bonds;

965 i. Any application of the formula-based true-up
966 mechanism as provided in this section.

967 (c) Any right that an electrical corporation has in
968 the securitized utility tariff property before its pledge,
969 sale, or transfer or any other right created under this
970 section or created in the financing order and assignable
971 under this section or assignable pursuant to a financing
972 order is property in the form of a contract right or a chose
973 in action. Transfer of an interest in securitized utility
974 tariff property to an assignee is enforceable only upon the
975 later of:

976 a. The issuance of a financing order;

977 b. The assignor having rights in such securitized
978 utility tariff property or the power to transfer rights in
979 such securitized utility tariff property to an assignee;

980 c. The execution and delivery by the assignor of
981 transfer documents in connection with the issuance of
982 securitized utility tariff bonds; and

983 d. The receipt of value for the securitized utility
984 tariff property.

985 An enforceable transfer of an interest in securitized
986 utility tariff property to an assignee is perfected against
987 all third parties, including subsequent judicial or other
988 lien creditors, when a notice of that transfer has been
989 given by the filing of a financing statement in accordance
990 with subsection 7 of this section. The transfer is
991 perfected against third parties as of the date of filing.

992 (d) The priority of a transfer perfected under this
993 section is not impaired by any later modification of the
994 financing order or securitized utility tariff property or by
995 the commingling of funds arising from securitized utility
996 tariff property with other funds. Any other security
997 interest that may apply to those funds, other than a
998 security interest perfected under this section, is
999 terminated when they are transferred to a segregated account
1000 for the assignee or a financing party. If securitized
1001 utility tariff property has been transferred to an assignee
1002 or financing party, any proceeds of that property shall be
1003 held in trust for the assignee or financing party.

1004 (e) The priority of the conflicting interests of
1005 assignees in the same interest or rights in any securitized
1006 utility tariff property is determined as follows:

1007 a. Conflicting perfected interests or rights of
1008 assignees rank according to priority in time of perfection.
1009 Priority dates from the time a filing covering the transfer
1010 is made in accordance with subsection 7 of this section;

1011 b. A perfected interest or right of an assignee has
1012 priority over a conflicting unperfected interest or right of
1013 an assignee;

1014 c. A perfected interest or right of an assignee has
1015 priority over a person who becomes a lien creditor after the
1016 perfection of such assignee's interest or right.

1017 6. The description of securitized utility tariff
1018 property being transferred to an assignee in any sale
1019 agreement, purchase agreement, or other transfer agreement,
1020 granted or pledged to a pledgee in any security agreement,
1021 pledge agreement, or other security document, or indicated
1022 in any financing statement is only sufficient if such
1023 description or indication refers to the financing order that
1024 created the securitized utility tariff property and states
1025 that the agreement or financing statement covers all or part
1026 of the property described in the financing order. This
1027 section applies to all purported transfers of, and all
1028 purported grants or liens or security interests in,
1029 securitized utility tariff property, regardless of whether
1030 the related sale agreement, purchase agreement, other
1031 transfer agreement, security agreement, pledge agreement, or
1032 other security document was entered into, or any financing
1033 statement was filed.

1034 7. The secretary of state shall maintain any financing
1035 statement filed to perfect a sale or other transfer of
1036 securitized utility tariff property and any security
1037 interest in securitized utility tariff property under this
1038 section in the same manner that the secretary of state
1039 maintains financing statements filed under the code to
1040 perfect a security interest in collateral owned by a
1041 transmitting utility. Except as otherwise provided in this
1042 section, all financing statements filed pursuant to this
1043 section shall be governed by the provisions regarding
1044 financing statements and the filing thereof under the code,
1045 including part 5 of article 9 of the code. A security
1046 interest in securitized utility tariff property may be
1047 perfected only by the filing of a financing statement in
1048 accordance with this section, and no other method of

1049 perfection shall be effective. Notwithstanding any
1050 provision of the code to the contrary, a financing statement
1051 filed pursuant to this section is effective until a
1052 termination statement is filed under the code, and no
1053 continuation statement need be filed to maintain its
1054 effectiveness. A financing statement filed pursuant to this
1055 section may indicate that the debtor is a transmitting
1056 utility, and without regard to whether the debtor is an
1057 electrical corporation, an assignee or otherwise qualifies
1058 as a transmitting utility under the code, but the failure to
1059 make such indication shall not impair the duration and
1060 effectiveness of the financing statement.

1061 8. The law governing the validity, enforceability,
1062 attachment, perfection, priority, and exercise of remedies
1063 with respect to the transfer of an interest or right or the
1064 pledge or creation of a security interest in any securitized
1065 utility tariff property shall be the laws of this state.

1066 9. Neither the state nor its political subdivisions
1067 are liable on any securitized utility tariff bonds, and the
1068 bonds are not a debt or a general obligation of the state or
1069 any of its political subdivisions, agencies, or
1070 instrumentalities, nor are they special obligations or
1071 indebtedness of the state or any agency or political
1072 subdivision. An issue of securitized utility tariff bonds
1073 does not, directly, indirectly, or contingently, obligate
1074 the state or any agency, political subdivision, or
1075 instrumentality of the state to levy any tax or make any
1076 appropriation for payment of the securitized utility tariff
1077 bonds, other than in their capacity as consumers of
1078 electricity. All securitized utility tariff bonds shall
1079 contain on the face thereof a statement to the following
1080 effect: "Neither the full faith and credit nor the taxing

1081 power of the state of Missouri is pledged to the payment of
1082 the principal of, or interest on, this bond.".

1083 10. All of the following entities may legally invest
1084 any sinking funds, moneys, or other funds in securitized
1085 utility tariff bonds:

1086 (1) Subject to applicable statutory restrictions on
1087 state or local investment authority, the state, units of
1088 local government, political subdivisions, public bodies, and
1089 public officers, except for members of the commission, the
1090 commission's technical advisory and other staff, or
1091 employees of the office of the public counsel;

1092 (2) Banks and bankers, savings and loan associations,
1093 credit unions, trust companies, savings banks and
1094 institutions, investment companies, insurance companies,
1095 insurance associations, and other persons carrying on a
1096 banking or insurance business;

1097 (3) Personal representatives, guardians, trustees, and
1098 other fiduciaries;

1099 (4) All other persons authorized to invest in bonds or
1100 other obligations of a similar nature.

1101 11. (1) The state and its agencies, including the
1102 commission, pledge and agree with bondholders, the owners of
1103 the securitized utility tariff property, and other financing
1104 parties that the state and its agencies will not take any
1105 action listed in this subdivision. This subdivision does
1106 not preclude limitation or alteration if full compensation
1107 is made by law for the full protection of the securitized
1108 utility tariff charges collected pursuant to a financing
1109 order and of the bondholders and any assignee or financing
1110 party entering into a contract with the electrical
1111 corporation. The prohibited actions are as follows:

1112 (a) Alter the provisions of this section, which
1113 authorize the commission to create an irrevocable contract
1114 right or chose in action by the issuance of a financing
1115 order, to create securitized utility tariff property, and
1116 make the securitized utility tariff charges imposed by a
1117 financing order irrevocable, binding, or nonbypassable
1118 charges for all existing and future retail customers of the
1119 electrical corporation except its existing special contract
1120 customers;

1121 (b) Take or permit any action that impairs or would
1122 impair the value of securitized utility tariff property or
1123 the security for the securitized utility tariff bonds or
1124 revises the securitized utility tariff costs for which
1125 recovery is authorized;

1126 (c) In any way impair the rights and remedies of the
1127 bondholders, assignees, and other financing parties;

1128 (d) Except for changes made pursuant to the formula-
1129 based true-up mechanism authorized under this section,
1130 reduce, alter, or impair securitized utility tariff charges
1131 that are to be imposed, billed, charged, collected, and
1132 remitted for the benefit of the bondholders, any assignee,
1133 and any other financing parties until any and all principal,
1134 interest, premium, financing costs and other fees, expenses,
1135 or charges incurred, and any contracts to be performed, in
1136 connection with the related securitized utility tariff bonds
1137 have been paid and performed in full.

1138 (2) Any person or entity that issues securitized
1139 utility tariff bonds may include the language specified in
1140 this subsection in the securitized utility tariff bonds and
1141 related documentation.

1142 12. An assignee or financing party is not an
1143 electrical corporation or person providing electric service

1144 by virtue of engaging in the transactions described in this
1145 section.

1146 13. If there is a conflict between this section and
1147 any other law regarding the attachment, assignment, or
1148 perfection, or the effect of perfection, or priority of,
1149 assignment or transfer of, or security interest in
1150 securitized utility tariff property, this section shall
1151 govern.

1152 14. If any provision of this section is held invalid
1153 or is invalidated, superseded, replaced, repealed, or
1154 expires for any reason, that occurrence does not affect the
1155 validity of any action allowed under this section which is
1156 taken by an electrical corporation, an assignee, a financing
1157 party, a collection agent, or a party to an ancillary
1158 agreement; and any such action remains in full force and
1159 effect with respect to all securitized utility tariff bonds
1160 issued or authorized in a financing order issued under this
1161 section before the date that such provision is held invalid
1162 or is invalidated, superseded, replaced, or repealed, or
1163 expires for any reason.

**393.1900. 1. The commission shall, by August 28,
2 2027, and every four years or as needed thereafter, commence
3 an integrated resource planning proceeding for electrical
4 corporations. As part of such proceeding, the commission
5 shall:**

6 (1) Identify any required planning reserve margins and
7 applicable local clearing requirements, and any proposed
8 planning reserve margins and local clearing requirements
9 which are scheduled to take effect within a relevant future
10 timeframe;

11 (2) Identify significant existing state or federal
12 environmental regulations, laws, or rules and identify how

13 each such regulation, law, or rule may apply to electrical
14 corporations in this state;

15 (3) Identify separately significant proposed state or
16 federal environmental regulations, laws, or rules and
17 identify how each such regulation, law, or rule may apply to
18 electrical corporations in this state;

19 (4) Establish an alternative resource plan or plans
20 that shall be included in an electrical corporation's
21 integrated resource plan filing pursuant to subsection 3 of
22 this section, and the factors that each electrical
23 corporation may take into account in developing such plans,
24 including, but not limited to, all of the following:

25 (a) Projected planning reserve margins and local
26 clearing requirements and the environmental regulations,
27 laws, or rules pursuant to subdivisions (1) and (2) of this
28 subsection, respectively;

29 (b) Projections of future loads including both energy
30 and capacity over the planning period;

31 (c) The supply-side and demand-side resources that may
32 reasonably address any need for additional energy and
33 capacity, including, but not limited to, the type of
34 generation technology for any proposed generation facility,
35 projected load impact due to electrification or economic
36 development projects, and projected load management and
37 demand response savings;

38 (d) The projected cost of different types of
39 technologies and fuel used for electric generation; and

40 (e) Any other factors the commission may order to be
41 considered;

42 (5) Identify or designate any software, data
43 standards, and formatting to be used in modeling the

44 alternative resource plan or plans pursuant to subdivision
45 (4) of this subsection;

46 (6) Complete such proceeding no less than eighteen
47 months prior to the first integrated resource plan filing
48 pursuant to subsection 2 of this section.

49 2. Not later than August 28, 2027, the commission
50 shall publish a schedule for electrical corporations to file
51 an integrated resource plan every four years, with the first
52 integrated resource plan or plans filing to occur not before
53 the first day of the nineteenth month after publication of
54 such schedule. Each electrical corporation shall, pursuant
55 to the published schedule, file with the commission an
56 integrated resource plan that includes an alternative
57 resource plan or plans meeting the requirements of
58 subdivision (4) of subsection 1 of this section, and such
59 other alternative resource plans as the electrical
60 corporation deems appropriate. All alternative resource
61 plans shall cover a minimum sixteen-year planning horizon.
62 All such plans shall reflect projections of an electrical
63 corporation's load obligations and how under each such plan
64 the electrical corporation would reliably meet its projected
65 load obligations over such periods consistent with
66 applicable planning reserve margins, local clearing
67 requirements, and applicable state and federal environmental
68 regulations, laws, or rules.

69 3. Without limiting the requirements set forth in
70 subsection 2 of this section, an electrical corporation's
71 integrated resource plan filing shall include:

72 (1) Information regarding generating units in the
73 electrical corporation's existing portfolio, including, but
74 not limited to, unit characteristics, current and expected
75 accredited capacity by season, licensing status, current

76 depreciation rates for each generating unit, currently
77 expected retirement dates and, if applicable, any remaining
78 useful life of each generating unit, and identification of
79 potential capital projects that are reasonably expected to
80 result in the extension of the retirement date of each
81 generating unit;

82 (2) Plans for meeting current and future generation
83 attribute needs, with estimates of the capital and operating
84 and maintenance costs over the planning horizon for all
85 proposed construction and major investments in new
86 generating units, including costs associated with
87 transmission or distribution infrastructure that would be
88 required to integrate such investments into the electrical
89 corporation's system;

90 (3) Identification of the generation attribute
91 necessary for the provision of safe and adequate service at
92 just and reasonable rates;

93 (4) Analysis of the cost, performance, expected
94 accredited capacity by season, and viability of all
95 reasonable options available to meet projected generation
96 attribute needs, including, but not limited to, existing
97 electric generation facilities, and an explanation why an
98 electrical corporation selected the options outlined in the
99 plan;

100 (5) Analysis of alternative resource plans to test
101 risk factors identified by the electrical corporation;

102 (6) An explanation of how the electrical corporation
103 uses capacity expansion optimization software for the
104 development of alternative resource plans;

105 (7) Projections of rate impacts including rate impacts
106 from fuel costs of the top four alternative resource plans

107 including the preferred plan for the periods covered by the
108 plan;

109 (8) Forecasts of the electrical corporation's sales by
110 hour under reasonable scenarios;

111 (9) The types of generation technologies proposed for
112 generation facilities contained in the plans and the
113 proposed accredited capacity of the generation facilities as
114 estimated by the corporation and the relevant regional
115 transmission organization or independent system operator,
116 including projected fuel costs under reasonable scenarios;

117 (10) An analysis of potential new or upgraded electric
118 transmission and distribution options for the electrical
119 corporation;

120 (11) Analysis of the projected firm gas transportation
121 contracts or natural gas storage the electrical corporation
122 will hold to provide an adequate supply of fuel to new
123 generation facilities;

124 (12) Projected load management, demand response
125 impact, and peak demand reduction for the electrical
126 corporation, including, but not limited to, the magnitude of
127 expected load impacts during the anticipated hours, seasons,
128 and years and the projected costs for such plans;

129 (13) An explanation of how the electrical corporation
130 will comply with all applicable state and federal
131 environmental regulations, laws, and rules, and the
132 projected costs of complying with those regulations, laws,
133 and rules;

134 (14) Expected resource planning and system impacts of
135 contemplated programs and mechanisms associated with new
136 load, reduced load, or retained load associated with
137 economic development rates or riders and programs offered in

138 accordance with section 393.1075, as well as other programs
139 offered under current law;

140 (15) Results from a request for information or
141 proposals to provide any new supply-side resources needed to
142 serve the corporation's projected electric load, applicable
143 planning reserve margin, and local clearing requirement
144 during the initial four-year planning period. The request
145 for information or proposals may define qualifying
146 performance standards, contract terms, technical competence,
147 capability, reliability, creditworthiness, past performance,
148 and other criteria that responses or respondents to the
149 request for information shall meet in order to be considered
150 by the corporation in its integrated resource plan.

151 Respondents to a request for information or proposals may
152 request that certain proprietary information be treated as
153 confidential or highly confidential pursuant to the
154 commission's governing rules. A corporation that issues a
155 request for information or proposals under this subsection
156 shall use the resulting information or proposals to inform
157 its integrated resource plan and include all of the
158 submitted information or proposals as attachments to its
159 integrated resource plan filing;

160 (16) Selection of a preferred resource plan;

161 (17) Delineation of an implementation plan covering a
162 four-year implementation period ending three hundred sixty-
163 five days after the electrical corporation's next-scheduled
164 quadrennial integrated resource plan filing, which shall
165 specify the construction or acquisition by the utility of
166 specific supply-side resources or a specified quantity of
167 supply-side resources by supply-side resource type, or both,
168 for which construction or acquisition is planned to commence
169 within said four-year implementation period; and

170 (18) Any other information that the commission may
171 specify by rule.

172 4. The commission shall, after a hearing is conducted,
173 issue a report and order no later than three hundred sixty
174 days after the electrical corporation files an integrated
175 resource plan under this section, unless the commission
176 grants itself an extension for good cause for the issuance
177 of the report and order. Up to one hundred fifty days after
178 an electrical corporation makes its initial integrated
179 resource plan filing, the electrical corporation may file an
180 update of the cost estimates provided under subdivision (2)
181 of subsection 3 of this section if the cost estimates have
182 materially changed. An electrical corporation shall not
183 modify any other aspect of the initial integrated resource
184 plan filing unless the commission grants the electrical
185 corporation the ability to do so. The commission's report
186 and order shall determine whether the electrical corporation
187 has submitted sufficient documentation and selected a
188 preferred resource plan that represents a reasonable and
189 prudent means of meeting the electrical corporation's load
190 serving obligations at just and reasonable rates. In making
191 the determination, the commission shall consider whether the
192 plan appropriately balances all of the following factors:

193 (1) Resource adequacy to serve anticipated peak
194 electric load and seasonal peak demand forecasts, applicable
195 planning reserve margin, local clearing requirements, and
196 the role of energy and capacity markets;

197 (2) Reliability;

198 (3) Rate impacts;

199 (4) The availability for purchase from third parties
200 of affordable and reliable generation, together with any
201 required transmission;

- 202 (5) Overall cost-effectiveness in providing service;
203 (6) Commodity price risks;
204 (7) Diversity of supply-side resources;
205 (8) Competitive pricing;
206 (9) Participation in regional transmission
207 organization markets; and
208 (10) Compliance with applicable state and federal
209 environmental regulations.

210 5. (1) If the commission determines that the
211 preferred resource plan is a reasonable and prudent means of
212 meeting the electrical corporation's load serving
213 obligations, such determination shall constitute the
214 commission's permission for the electrical corporation to
215 construct or acquire the specified supply-side resources, or
216 a specified quantity of supply-side resources by supply-side
217 resource type, or both, identified by the commission, that
218 were reflected in the implementation plan submitted under
219 subdivision (17) of subsection 3 of this section, provided
220 that construction commences or the acquisition agreement is
221 executed within the four-year implementation period. With
222 respect to such resources, when the electrical corporation
223 files an application for a certificate of convenience and
224 necessity to authorize construction or acquisition of such
225 resource or resources pursuant to subsection 1 of section
226 393.170, the commission shall be deemed to have determined
227 that the supply-side resources for which such a
228 determination was made are necessary or convenient for the
229 public interest. In such a certificate of convenience and
230 necessity proceeding, the commission's inquiry shall be
231 limited to considering the electrical corporation's
232 qualifications to construct and operate the resources, the
233 electrical corporation's ability to finance the construction

234 or acquisition of the resources, and siting considerations.
235 The commission shall take all reasonable steps to expedite
236 such a certificate of convenience and necessity proceeding
237 and shall issue its decision in such a proceeding within one
238 hundred twenty days of the date that the electrical
239 corporation files its application. Prior to the expiration
240 of the one hundred and twenty-day period, the commission,
241 upon a showing of good cause, can extend the one hundred
242 twenty-day period for up to an additional sixty days. An
243 electrical corporation shall annually, or more frequently if
244 required by the commission, report to the commission the
245 status of supply-side resources being implemented during the
246 implementation period.

247 (2) If the commission determines that the preferred
248 resource plan, in whole or in part, is not a reasonable and
249 prudent means of meeting the electrical corporation's load
250 serving obligations, the commission shall have the authority
251 to specify in its report and order the deficiencies in the
252 preferred resource plan and may require the electrical
253 corporation to make a further filing within sixty days after
254 issuance of the report and order addressing the deficiencies
255 and the electrical corporation may propose modifications to
256 its original preferred resource plan. If such an order
257 requiring a further filing by the electrical corporation is
258 issued, the commission's report and order issued under this
259 subsection shall not be final for purposes of rehearing
260 pursuant to section 386.500 or an appeal pursuant to section
261 386.510. Other parties to the integrated resource plan
262 docket shall have sixty days to respond to the electrical
263 corporation's further filing, unless the commission grants
264 an extension for good cause to respond to the electrical
265 corporation's further filing. Within sixty days after the

266 deadline for such other parties' filings, the commission
267 shall issue a report and order, which shall be final for
268 purposes of rehearing pursuant to section 386.500, and
269 appeal pursuant to section 386.510, indicating whether the
270 deficiencies have been cured by the electrical corporation's
271 further filing and the commission may approve the electrical
272 corporation's modified preferred resource plan and may
273 approve specific supply-side resources, or a specified
274 quantity of supply-side resources by supply-side resource
275 type, or both. If the commission finds continued
276 deficiencies in the electrical corporation's modified
277 preferred resource plan:

278 (a) The commission may initiate a complaint proceeding
279 pursuant to the provisions of section 393.270;

280 (b) The electrical corporation shall not be eligible
281 for a limited inquiry in any proceeding under section
282 393.170 as set forth in subdivision (1) of this subsection
283 for any resource additions not approved by the commission;
284 and

285 (c) The electrical corporation shall not be eligible
286 for construction work in progress as set forth in
287 subdivision (3) of this subsection for any resource
288 additions not approved by the commission.

289 (3) Notwithstanding section 393.135 to the contrary,
290 if approved in a proceeding granting permission and approval
291 under subsection 1 of section 393.170, an electrical
292 corporation may be permitted to include in the corporation's
293 rate base any amounts recorded to construction work in
294 progress for the investments for which permission is given
295 under subdivision (1) of subsection 5 of this section. The
296 inclusion of construction work in progress shall be in lieu
297 of any otherwise applicable allowance for funds used during

298 construction that would have accrued from and after the
299 effective date of new base rates that reflect inclusion of
300 the construction work in progress in rate base. The
301 commission shall determine, in a proceeding under section
302 393.170, the amount of construction work in progress that
303 may be included in rate base. The amount shall be limited
304 by:

305 (a) The estimated cost of such project, identified in
306 subdivision (1) of this subsection; and

307 (b) Project expenditures made within the estimated
308 construction period for such project.

309 Base rate recoveries arising from inclusion of construction
310 work in progress in base rates are subject to refund,
311 together with interest on the refunded amount at the same
312 rate as the rate of interest for delinquent taxes determined
313 by the director of revenue in accordance with section
314 32.065, if and to the extent the commission determines, in a
315 subsequent complaint or general rate proceeding, that
316 construction costs giving rise to the construction work in
317 progress included in rate base were imprudently incurred or
318 if the project for which construction costs have been
319 included in the rate base is not placed in service within a
320 reasonable amount of time, as determined by the commission.
321 Rate base used to determine return deferred under
322 subdivision (2) of subsection 3 of section 393.1400 shall
323 include an offset for rate base that has been used to
324 determine return included in base rates as a result of
325 construction work in progress inclusion in rate base under
326 this subsection. The offset shall apply from and after the
327 in-service date of the asset that has been used to determine
328 return included in base rates as result of construction work

329 in progress inclusion in rate base under subdivision (1) of
330 subsection 2 of section 393.135.

331 (4) Commission determination of the reasonableness and
332 prudence of a preferred resource plan as set forth in
333 subdivision (1) of this subsection does not preclude the
334 commission from making ratemaking adjustments arising from
335 the electrical corporation's unreasonableness and imprudence
336 in executing the construction or acquisition of the specific
337 supply-side resource, or the specified quantity of supply-
338 side resources, or both, identified by the commission under
339 subdivision (1) of this subsection, during a subsequent
340 general rate or complaint proceeding.

341 6. The commission shall promulgate rules necessary to
342 implement the provisions of this section. Any rule or
343 portion of a rule, as that term is defined in section
344 536.010, that is created under the authority delegated in
345 this section shall become effective only if it complies with
346 and is subject to all of the provisions of chapter 536 and,
347 if applicable, section 536.028. This section and chapter
348 536 are nonseverable and if any of the powers vested with
349 the general assembly pursuant to chapter 536 to review, to
350 delay the effective date, or to disapprove and annul a rule
351 are subsequently held unconstitutional, then the grant of
352 rulemaking authority and any rule proposed or adopted after
353 August 28, 2025, shall be invalid and void.

354 7. As used in this section, the following terms shall
355 mean:

356 (1) "Electrical corporation", the same as defined in
357 section 386.020, but shall not include an electrical
358 corporation as described in subsection 2 of section 393.110;

359 (2) "Firm gas transportation", an anticipated
360 agreement entered into between the electrical corporation

361 and a natural gas transmission provider for a set period of
362 time to provide firm delivery of natural gas to an electric
363 generation facility;

364 (3) "Generation attribute", the capacity, energy, and
365 other generating unit capabilities used in regional energy
366 and capacity markets to differentiate services that can be
367 provided by various types of generating units.

✓