

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 2078
97TH GENERAL ASSEMBLY

6307H.05C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 393, RSMo, by adding thereto one new section relating to rulemaking for electrical corporations, with an expiration date.

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

Section A. Chapter 393, RSMo, is amended by adding thereto one new section, to be
2 known as section 393.154, to read as follows:

393.154. 1. An electrical corporation serving less than one million customers shall
2 **recover any changes since its most recently completed general rate proceeding in prudently**
3 **incurred transmission expenses not being recovered in a commission approved rate**
4 **adjustment mechanism, and government-mandated property taxes, with changes in such**
5 **transmission expenses and property taxes deferred for future recovery in rates by placing**
6 **the changes in a regulatory asset or liability account. The balance in the regulatory asset**
7 **or liability account shall be included in the determination of the electrical corporation's**
8 **revenue requirement in the electrical corporation's next general rate proceeding through**
9 **a three year amortization period, without any offset, reduction, or adjustment based on**
10 **any other factor or otherwise.**

11 **2. The annual amortized amount shall not exceed two percent of the electrical**
12 **corporation's base revenue level as determined by the commission in the electrical**
13 **corporation's most recently completed general rate proceeding.**

14 **3. This section shall terminate and no longer be in force and effect after August 27,**
15 **2018. The balance in the regulatory asset or liability account as of August 27, 2018, shall**
16 **be included in the determination of the electrical corporation's revenue requirement in the**
17 **electrical corporation's next general rate proceeding.**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 **4. An electrical corporation serving more than one million customers shall be**
19 **permitted to defer and include in its revenue requirement changes in government-**
20 **mandated property taxes. However, the annual amortized amount shall not exceed one**
21 **quarter of one percent of such electrical corporation's base revenue level as determined by**
22 **the commission in the electrical corporation's most recently completed general rate**
23 **proceeding. Changes in government-mandated property taxes may be deferred for future**
24 **recovery in rates by placing the charges in a regulatory asset or liability account. The**
25 **balance in the regulatory asset or liability account shall be included in the determination**
26 **of the electrical corporation's revenue requirement in the electrical corporation's next**
27 **general rate proceeding through a five year amortization period, without any offset,**
28 **reduction, or adjustment based on any other factor or otherwise. The commission shall**
29 **retain its authority to review the property taxes for prudence in the electrical corporation's**
30 **next general rate proceeding.**

✓