JOURNAL OF THE HOUSE

First Extraordinary Session, 99th GENERAL ASSEMBLY

THIRD DAY, WEDNESDAY, MAY 24, 2017

The House met pursuant to adjournment.

Speaker Pro Tem Haahr in the Chair.

Prayer by Reverend Monsignor Robert A. Kurwicki, Chaplain.

The Lord will give strength unto His people; the Lord will bless His people with Peace. (Psalm 29:11)

O God, whose mercy is everlasting and whose truth endures forever, direct us, as we face the duties of another day. Grant unto us the wisdom of Your thoughts and the confidence of Your creative mind that we may eagerly seek the best and the most honorable in all things concerning our good people. Help us to be courageous when courage is needed, strong when strength is demanded, patient when patience is necessary, and kind when kindness is essential.

Bless our Governor, our Speaker, Members of this House of Representatives, our Senate, and all who work with them. May they be strengthened by the assurance that Your hand supports them as they endeavor to lead our State in the paths of righteousness, peace and hope.

And the House says, "Amen!"

The Pledge of Allegiance to the flag was recited.

The Journal of the first day was approved as printed by the following vote:

| Adams | Alferman | Anderson | Andrews | Arthur |
|------------|-----------|--------------|---------------|----------------|
| Austin | Bahr | Baringer | Barnes 28 | Basye |
| Beard | Beck | Bernskoetter | Berry | Black |
| Bondon | Brown 27 | Brown 57 | Brown 94 | Burnett |
| Burns | Butler | Carpenter | Chipman | Christofanelli |
| Cierpiot | Conway 10 | Conway 104 | Cookson | Corlew |
| Cornejo | Crawford | Cross | Curtman | Davis |
| DeGroot | Dogan | Dohrman | Eggleston | Ellebracht |
| Engler | Evans | Fitzpatrick | Fitzwater 144 | Fitzwater 49 |
| Fraker | Frederick | Green | Gregory | Grier |
| Haahr | Haefner | Hannegan | Hansen | Harris |
| Helms | Henderson | Higdon | Hill | Houghton |
| Houx | Hubrecht | Hurst | Justus | Kelley 127 |
| Kelly 141 | Kendrick | Kidd | Kolkmeyer | Korman |
| Lant | Lauer | Lavender | Lichtenegger | Love |
| Lynch | Marshall | Mathews | Matthiesen | McCann Beatty |
| McCreery | McDaniel | McGaugh | McGee | Merideth 80 |
| Messenger | Miller | Mitten | Moon | Morgan |
| Mosley | Neely | Newman | Nichols | Pfautsch |
| Pierson Jr | Pike | Plocher | Pogue | Quade |

| Razer Remole Ross Shaul 113 Spencer Trent White | Redmon Rhoads Rowland 155 Shull 16 Stephens 128 Vescovo Wiemann | Rehder Roberts Runions Shumake Stevens 46 Walker 3 Wilson | Reiboldt Roden Ruth Smith 163 Tate Walker 74 Wood | Reisch Rone Schroer Sommer Taylor Wessels Mr. Speaker |
|---|---|---|---|---|
| NOES: 002 | | | | |
| Curtis | Franks Jr | | | |
| PRESENT: 001 | | | | |
| Unsicker | | | | |
| ABSENT WITH LEAV | E: 024 | | | |
| Anders | Bangert | Barnes 60 | Brattin | Dunn |
| Ellington | Francis | Franklin | Gannon | Gray |
| Johnson | May | McCaherty | Meredith 71 | Morris |
| Muntzel | Peters | Phillips | Pietzman | Roeber |
| Rowland 29 | Smith 85 | Stacy | Swan | |
| | | | | |

VACANCIES: 001

The Journal of the second day was approved as printed.

SECOND READING OF HOUSE BILLS

The following House Bill was read the second time:

HB 6, relating to MO HealthNet services.

HOUSE RESOLUTIONS

Representative Cierpiot offered House Resolution No. 1, which was read.

HOUSE RESOLUTION NO. 1

BE IT RESOLVED, that the Chief Clerk of the House of Representatives of the Ninety-ninth General Assembly, First Regular Session, inform the Senate that the House duly convened in the First Extraordinary Session of the First Regular Session on Monday, May 22, 2017, and is convened in full session and ready for consideration of its business.

On motion of Representative Cierpiot, House Resolution No. 1 was adopted.

MOTION

Representative Cierpiot moved that Rule 44 be suspended.

Which motion was adopted by the following vote:

Third Day–Wednesday, May 24, 2017 11

AYES: 119

| Alferman | Anderson | Andrews | Arthur | Austin | | |
|------------------|------------------------|-------------|---------------|--------------|--|--|
| Bahr | Baringer | Basye | Beard | Bernskoetter | | |
| Berry | Black | Bondon | Brown 57 | Brown 94 | | |
| Burnett | Burns | Butler | Carpenter | Chipman | | |
| Christofanelli | Cierpiot | Conway 10 | Conway 104 | Cookson | | |
| Corlew | Cornejo | Crawford | Cross | Curtman | | |
| Davis | DeGroot | Dogan | Dohrman | Eggleston | | |
| Engler | Evans | Fitzpatrick | Fitzwater 144 | Fitzwater 49 | | |
| Fraker | Frederick | Green | Grier | Haahr | | |
| Haefner | Hannegan | Hansen | Harris | Helms | | |
| Henderson | Higdon | Hill | Houghton | Houx | | |
| Hubrecht | Justus | Kelley 127 | Kelly 141 | Kendrick | | |
| Kidd | Kolkmeyer | Korman | Lant | Lauer | | |
| Lichtenegger | Love | Lynch | Mathews | Matthiesen | | |
| McCann Beatty | McDaniel | McGaugh | McGee | Merideth 80 | | |
| Messenger | Miller | Morgan | Neely | Nichols | | |
| Peters | Pfautsch | Pierson Jr | Pike | Plocher | | |
| Razer | Redmon | Rehder | Reiboldt | Reisch | | |
| Remole | Rhoads | Roeber | Rone | Ross | | |
| Rowland 155 | Runions | Ruth | Schroer | Shaul 113 | | |
| Shull 16 | Shumake | Smith 163 | Sommer | Spencer | | |
| Stephens 128 | Stevens 46 | Tate | Taylor | Trent | | |
| Vescovo | Walker 3 | Walker 74 | Wessels | White | | |
| Wiemann | Wilson | Wood | Mr. Speaker | | | |
| | | | I. | | | |
| NOES: 019 | | | | | | |
| Adams | Barnes 28 | Beck | Brown 27 | Curtis | | |
| Ellington | Franks Jr | Hurst | Lavender | Marshall | | |
| McCreery | Moon | Mosley | Newman | Pogue | | |
| Quade | Roberts | Roden | Unsicker | | | |
| PRESENT: 002 | | | | | | |
| Ellebracht | Mitten | | | | | |
| ABSENT WITH LEAV | ABSENT WITH LEAVE: 022 | | | | | |
| Anders | Bangert | Barnes 60 | Brattin | Dunn | | |
| Francis | Franklin | Gannon | Gray | Gregory | | |
| Johnson | May | McCaherty | Meredith 71 | Morris | | |
| Muntzel | Phillips | Pietzman | Rowland 29 | Smith 85 | | |
| Stacy | Swan | | | | | |
| | | | | | | |

VACANCIES: 001

PERFECTION OF HOUSE BILLS

HCS HB 1, relating to ratemaking for public utilities, was taken up by Representative Rone.

HCS HB 1 was laid over.

RECESS

On motion of Representative Cierpiot, the House recessed until 12:00 p.m.

The hour of recess having expired, the House was called to order by Speaker Richardson.

PERFECTION OF HOUSE BILLS

HCS HB 1, relating to ratemaking for public utilities, was again taken up by Representative Rone.

Representative Barnes (60) offered House Amendment No. 1.

House Amendment No. 1

AMEND House Committee Substitute for House Bill No. 1, Page 1, Section 393.355, Lines 2-8, by deleting all of said lines and inserting in lieu thereof the following:

"(1) "Electrical corporation", the same meaning given to the term in section 386.020, but shall not include an electrical corporation as described in subsection 2 of section 393.110;

(2) "Facility", a:

(a) Facility whose primary industry is the smelting of aluminum and primary metals, Standard Industrial Classification Code 3334;

(b) Facility whose primary industry is the production or fabrication of steel, North American Industrial Classification System 331110; or

(c) Facility with a new or incremental increase in load equal to or in excess of a monthly demand of fifty megawatts."; and

Further amend said bill, page and section, Line 12, by deleting all of said line and inserting in lieu thereof the phrase "a facility if:"; and

Further amend said bill, page, and section, Line 13, by deleting the phrase "commission determines" and inserting in lieu thereof the phrase "commission determines, but for the authorization of the special rate the facility would not commence operations,"; and

Further amend said bill and section, Page 2, Lines 25-35, by deleting all of said lines and inserting in lieu thereof the following:

"(3) The commission approves a tracking mechanism meeting the requirements of subsection 3 of this section.

3. Any commission order approving a special rate authorized by this section to provide service to a facility in the manner specified under subsection 4 of this section shall establish, as part of the commission's approval of a special rate, a tracking mechanism to track changes in the net margin experienced by the electrical corporation serving the facility with the tracker to apply retroactively to the date the electrical corporation's base rates were last set in its last general rate proceeding concluded prior to the effective date of this section. The commission shall ensure that the changes in net margin experienced by the electrical corporation between the general rate proceedings as a result of serving the facility are calculated in such a manner that the electrical corporation's net income is neither increased nor decreased. The changes in net margin shall be deferred to a regulatory liability or regulatory asset, as applicable, with the balance of such regulatory asset or liability to be included in the revenue requirement of the electrical corporation in each of its general rate proceedings through an amortization of the balance over a reasonable period until fully returned to or collected from the electrical corporation's customers.

4. Notwithstanding the provisions of section 393.170, an electrical corporation is authorized to provide electric service to a facility at a special rate for the new or incremental load authorized by the commission:"; and

Further amend said bill, page and section, Lines 39-43, by deleting all of said lines and inserting in lieu thereof the following:

"territory, the facility shall be treated as if it is in the electrical corporation's certified service territory subject to a commission-approved rate schedule incorporating the special rate under the contract."; and

Further amend said bill, page and section, Line 45, by deleting the word "**territory**" and inserting in lieu thereof the word "**territory**,"; and

Further amend said bill, page and section, Line 52, by inserting immediately after all of said line the following:

"6. Any entity which has been granted a special rate under this section may reapply to the commission for a special rate under this section."; and

Further amend said bill, Page 3, Section 393.356, Lines 2-3, by deleting all of said lines and inserting in lieu thereof the following:

"commission shall lack the authority to modify or eliminate any such rate during the specified term subject to conditions established under section 393.355."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

Representative Merideth (80) offered House Amendment No. 1 to House Amendment No. 1.

House Amendment No. 1 to House Amendment No. 1

AMEND House Amendment No. 1 to House Committee Substitute for House Bill No. 1, Page 1, Line 19, by inserting after all of said line the following:

"Further amend said bill, page and section, Line 15, by deleting all of said line and inserting in lieu thereof the following:

"serving the facility, considering the incremental cost of serving the facility to receive the special rate, and the interests of the citizens of the state generally in promoting"; and"; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

On motion of Representative Merideth (80), House Amendment No. 1 to House Amendment No. 1 was adopted.

Representative Corlew offered House Amendment No. 2 to House Amendment No. 1.

House Amendment No. 2 to House Amendment No. 1

AMEND House Amendment No. 1 to House Committee Substitute for House Bill No. 1, Page 2, Line 6, by inserting a comma, "," immediately after the second occurence of the word, "**territory**"; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

On motion of Representative Corlew, **House Amendment No. 2 to House Amendment No. 1** was adopted.

Representative McCreery offered House Amendment No. 3 to House Amendment No. 1.

House Amendment No. 3 to House Amendment No. 1

AMEND House Amendment No. 1 to House Committee Substitute for House Bill No. 1, Page 2, Line 11, by inserting immediately after all of said line the following:

"Further amend said bill, page and section, Line 51, by deleting the phrase "**such conditions**" and inserting in lieu thereof following:

"such conditions, including but not limited to any conditions in a memorandum of understanding between the facility and the electrical corporation,"; and"; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

On motion of Representative McCreery, House Amendment No. 3 to House Amendment No. 1 was adopted.

On motion of Representative Barnes (60), House Amendment No. 1, as amended, was adopted.

Representative Burnett offered House Amendment No. 2.

House Amendment No. 2

AMEND House Committee Substitute for House Bill No. 1, Page 2, Section 393.355, Line 52, by inserting immediately after said line the following:

"6. Any facility receiving a special rate under this section shall maintain a daycare facility to provide child care at a reduced cost for the facility's full and part time employees. The daycare facility shall meet the requirements under chapter 210."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

Representative Evans raised points of order that **House Amendment No. 2** goes beyond the scope of the bill and goes beyond the scope of the Governor's call.

The Chair took the points of order under advisement.

The Chair ruled the points of order well taken.

Speaker Pro Tem Haahr resumed the Chair.

Representative Moon offered House Amendment No. 3.

House Amendment No. 3

AMEND House Committee Substitute for House Bill No. 1, Page 2, Section 393.355, Lines 22-24, by deleting all of said lines and inserting in lieu thereof the following:

"facility would have paid without the special rate an appropriation of monies from the "New Madrid Energy Taxing District"; and"; and

Further amend said bill, Page 3, Section 393.356, Line 3, by inserting immediately after all of said section and line the following:

"Section 1. 1. There is hereby created the "New Madrid Energy Taxing District", which shall comprise areas in any county of the third classification without a township form of government and with more than eighteen thousand but fewer than twenty thousand inhabitants and with a city of the fourth classification with more than three thousand but fewer than three thousand seven hundred inhabitants as the county seat. The district shall be a political subdivision of the state.

2. The New Madrid Energy Taxing District shall be governed by a board. The board shall comprise three members from any county in the district. The governing body of each county shall decide the method of selection and term of office of its board members.

3. If approved by a majority of the qualified voters voting on the question in the New Madrid Energy Taxing District, the district may charge and collect a tax or fee in the district to provide matching funds for reduced revenues lost under a special rate authorized under section 393.355.

4. The ballot of submission shall be substantially in the following form:

Shall the New Madrid Energy Taxing District be authorized to impose a (tax/fee) on (insert a description of the tax or fee) at a rate of (insert rate percentage or fee amount) for the purpose of providing revenue for the reduced revenues lost (a project/projects) in the district (insert general description of the project or projects if necessary)?

 \Box YES \Box NO

If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed to the question, place an "X" in the box opposite "NO"."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

Representative Corlew raised points of order that **House Amendment No. 3** goes beyond the scope of the bill and goes beyond the scope of the Governor's call.

The Chair took the points of order under advisement.

Speaker Richardson resumed the Chair.

The Chair ruled the first point of order well taken.

Representative Curtis offered House Amendment No. 4.

House Amendment No. 4

AMEND House Committee Substitute for House Bill No. 1, Page 1, Section A, Line 2, by inserting after all of said section and line the following:

"386.264. 1. If the commission, during any general rate proceeding for a gas corporation, electrical corporation, water corporation, or sewer corporation, makes a determination that the total annual earnings for any single utility corporation are more likely than not to increase by one hundred million dollars or more as a direct result of an increase in rates authorized at such general rate proceeding, then the commission shall have authority to set a separate, lower fixed charge or customer charge for low-income customers and senior customers of such gas corporation, electrical corporation, water corporation, or sewer corporation.

2. For purposes of this section, "low-income customer" means a residential customer whose income for the prior calendar year does not exceed two hundred and fifty percent of the current federal poverty level.

3. For purposes of this section, "senior customer" means a residential customer who is over the age of fifty-six.

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

386.715. 1. The public counsel shall, prior to the beginning of each fiscal year, make available to the commission an estimate of the expenses to be incurred by the public counsel during such fiscal year, reasonably attributable to his or her responsibilities under sections 386.700 and 386.710, and shall also separately estimate the amount of such expenses directly attributable to such responsibilities with respect to each of the following groups of public utilities: electrical corporations, gas corporations, water corporations, heating companies, telephone corporations, telegraph corporations, sewer corporations, and any other public utility as defined in section 386.020, as well as the amount of such expenses not directly attributable to any such group.

2. The public counsel shall allocate to each such group of public utilities the estimated expenses directly attributable to his or her responsibilities under sections 386.700 and 386.710 with respect to such group and an amount equal to such proportion of the estimated expenses not directly attributable to any group as the gross intrastate operating revenues of such group during the three preceding calendar years bears to the total gross intrastate operating revenues of all public utilities subject to the jurisdiction of the commission during such calendar years. The commission shall then assess, on behalf of the public counsel, the amount so allocated to each group of public utilities, subject to reduction as provided in this section, to the public utilities in such group in proportion to its respective gross intrastate operating revenues during the preceding calendar year. The amount assessed shall not exceed one-eighth of one percent. Nothing in this section shall authorize the commission to determine how the public counsel allocates the estimated expenses directly attributable to his or her responsibilities under sections 386.700 and 386.710 or how the assessment imposed under this section is spent by the public counsel.

3. On behalf of the public counsel, the commission shall render a statement of such assessment to each such public utility on or before July first and the amount so assessed to each such public utility shall be paid by it to the director of revenue in full on or before July fifteenth next following the rendition of such statement, except that any such public utility may at its election pay such assessment in four equal installments not later than the following dates next following the rendition of such statement, to wit: July fifteenth, October fifteenth, January fifteenth, and April fifteenth. The director of revenue shall remit such payments to the state treasurer.

4. The state treasurer shall credit such payments to a special fund, which is hereby created, to be known as "The Public Counsel Fund", which fund shall be devoted solely to the payment of expenditures actually incurred by the public counsel and attributable to his or her responsibilities under sections 386.700 and 386.710. Any amount remaining in such special fund at the end of any fiscal year shall not revert to the general revenue fund, but shall be applicable to the payment of such expenditures of the public counsel in the succeeding fiscal year and shall be applied by the public counsel to the reduction of the amount to be assessed to such public utilities in such succeeding fiscal year, such reduction to be allocated to each group of public utilities in proportion to the respective gross intrastate operating revenues of the respective groups during the preceding calendar year.

5. In order to enable the public counsel to make the allocations and assessments provided for in this section, each public utility subject to the jurisdiction of the commission shall file with the commission on or before March thirty-first of each year, a statement under oath showing its gross intrastate operating revenues for the preceding calendar year, and if any public utility shall fail to file such statement within the time established in this subsection, the commission shall estimate such revenue. Such estimate shall be binding on such public utility for the purpose of this section.

6. (1) The commission, on behalf of the public counsel, may adopt rules establishing charges for copies of papers and records, official documents, and orders filed; certified copies of evidence and proceedings taken before the commission; and the transmission by electronic transmittal of papers, records, evidence and transcripts, diskettes, and other documents or papers for which requests for copies are received. Fees charged for copies of papers and records shall comply with the provisions of section 610.026;

(2) No fees shall be charged or collected for copies of papers, records, or official documents furnished to public officers for use in their official capacity;

(3) All fees collected under subdivision (1) of this subsection shall be deposited to the credit of the public counsel fund from which the expenses of furnishing the copies listed in subdivision (1) of this subsection are paid and shall be used by the public counsel to offset such expenses.

7. Beginning with the effective date of this section, the commission shall charge an annual fee comprised of five percent of the total increase in authorized earnings allowed by the commission and attributed by the commission to any increase in utility rates previously authorized by the commission. The fee shall be deposited in the fund created under subsection 8 of this section.

8. (1) There is hereby created in the state treasury the "Rate Payer Defense Fund", which shall consist of fees imposed under subsection 7 of this section. The state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements. The fund shall be a dedicated fund and, upon appropriation, moneys in the fund shall be used solely for authorized expenditures, such as litigation expenses, by the public counsel as described under sections 386.700 and 386.710;

(2) Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund;

(3) The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

Representative Corlew raised points of order that **House Amendment No. 4** goes beyond the scope of the bill and goes beyond the scope of the Governor's call.

Representative Engler raised a point of order that a member was in violation of Rule 85.

The Chair ruled the point of order not well taken.

The Chair ruled the preceding points of order not well taken.

Speaker Pro Tem Haahr resumed the Chair.

Speaker Richardson resumed the Chair.

Speaker Pro Tem Haahr resumed the Chair.

Speaker Richardson resumed the Chair.

Representative Ellington offered House Amendment No. 1 to House Amendment No. 4.

House Amendment No. 1 to House Amendment No. 4

AMEND House Amendment No. 4 to House Committee Substitute for House Bill No. 1, Page 1, Lines 4-16, by deleting all of said lines and inserting in lieu thereof the following:

"386.264. 1. If the commission, during any general rate proceeding for a gas corporation, electrical corporation, water corporation, or sewer corporation, makes a determination that the total annual earnings for any single utility corporation are more likely than not to increase by one hundred million dollars or more as a direct result of an increase in rates authorized at such general rate proceeding, then the commission shall have authority to set a separate, lower fixed charge or customer charge for low-income customers of such gas corporation, electrical corporation, water corporation, or sewer corporation.

For purposes of this section, "low-income customer" means a residential customer whose income for the prior calendar year does not exceed two hundred and fifty percent of the current federal poverty level.
The commission may promulgate rules to implement the provisions of this section. Any"; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

Representative Ellington moved that **House Amendment No. 1 to House Amendment No. 4** be adopted.

Which motion was defeated.

House Amendment No. 4 was withdrawn.

Representative Barnes (60) offered House Amendment No. 5.

House Amendment No. 5

AMEND House Committee Substitute for House Bill No. 1, Page 3, Section 393.356, Line 3, by inserting immediately after said section and line the following:

"393.1410. 1. It shall be the policy of the state of Missouri for the commission to regulate electrical corporations in a manner to best ensure safe, reliable, and affordable energy for ratepayers through just and reasonable rates. To comply with this policy, the commission may support expenditures by electrical corporations that maintain or improve the reliability, safety, security, or automation of electric infrastructure, including the use of the latest technologies to meet the needs and expectations of customers if the commission determines that doing so is in the best interests of ratepayers by ensuring that energy is safe, reliable, and affordable in Missouri.

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

(1) "Decisional pre-approval with a post-construction review of construction projects", a process in which the electrical corporation may request commission pre-approval of a decision to undertake major construction projects, whereby, if pre-approval is granted, the electrical corporation shall remain subject to a

post-construction review of the prudence and reasonableness of the incurred costs of the projects prior to inclusion of the costs in customer rates;

(2) "Grid modernization incentive mechanisms", special ratemaking treatments granted to an electrical corporation to provide an incentive to engage in investments that modernize transmission, distribution, or metering system components installed pursuant to a commission-approved grid modernization plan, and which may include allowing the utility to defer depreciation, expense, and carrying costs on qualifying plant additions until the point that such investments are included in the electrical corporation's rate base for ratemaking purposes;

(3) "Partially forecasted test years", a test year consisting of twelve consecutive months of financial information utilized in a rate proceeding as a starting point to determine an electrical corporation's authorized revenue requirement that includes no more than six months of forecasted data;

(4) "Performance-based ratemaking", rates subject to the upward or downward periodic adjustment outside of a general rate case based on a utility's ability to meet certain preset financial or operating criteria established by the commission;

(5) "Revenue decoupling with regular adjustments", a mechanism to adjust rates prospectively to account for deviations in usage, demand, and customer count such that an electrical corporation's revenues for a given time period, as adjusted by costs previously determined in a general rate case, match that utility's commission-approved revenues.

3. Subject to the prohibitions of section 393.135, the commission may utilize partially forecasted test years, grid modernization incentive mechanisms, performance-based ratemaking, revenue decoupling with regular adjustments, or decisional pre-approval with post-construction review of construction projects. To the extent the commission's approval of a rate adjustment mechanism or other mechanism provided for by this section specifies a term over which the approval is to continue, the commission shall lack the authority to arbitrarily modify or eliminate the electrical corporation's use of the mechanism or tool during the specified term.

4. The commission may only utilize any of the ratemaking mechanisms specified in this section upon the electricity corporation establishing and the commission determining that use of the mechanism in the particular instance would result in an overall benefit to ratepayers considering its impact on rates, reliability, safety, security, and customer service.

5. Nothing in this section shall be construed to limit the commission's authority to make determinations regarding prudence or to set rates that are just and reasonable."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

House Amendment No. 5 was withdrawn.

Representative Christofanelli offered House Amendment No. 6.

House Amendment No. 6

AMEND House Committee Substitute for House Bill No. 1, Page 3, Section 393.356, Line 3, by inserting after all of said section the following:

"Section 1. 1. As used in this section, the term "utility customer" means any residential or commercial user of an electric utility that has its rates adjusted under sections 393.355 to 393.356.

2. "Tax credit", a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or otherwise due under chapter 148;

3. "Taxpayer", any individual, partnership, or corporation as described in section 143.441, 143.471, or section 148.370 that is subject to the tax imposed in chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or the tax imposed in chapter 148 or any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143.

4. For all tax years beginning on or after January 1, 2017, any utility customer shall be allowed to claim a tax credit equal to one hundred percent of the actual amount of the utility customer's increased utility expense based on the rate increase as calculated by the Missouri public service commission under subsection 2 of section 393.355. The credit shall not be refundable but can be carried forward up to three tax periods. No credit shall be sold, assigned, or transferred.

5. The department of revenue may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any of the powers vested with the general assembly under chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2016, shall be invalid and void.

6. Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset on December thirty-first six years after the effective date of this section unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset on December thirty-first twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset. The termination of the program as described in this subsection shall not be construed to preclude any taxpayer who claims any benefit under any program that is sunset under this subsection from claiming such benefit for all allowable activities related to such claim that were completed before the program was sunset, or to eliminate any responsibility of the administering agency to verify the continued eligibility of projects receiving tax credits and to enforce other requirements of law that applied before the program was sunset."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

Representative Barnes (60) assumed the Chair.

Speaker Richardson resumed the Chair.

Representative Cierpiot moved the previous question.

Which motion was adopted by the following vote:

| Alferman | Anderson | Andrews | Austin | Bahr |
|--------------|-----------|----------------|-------------|---------------|
| Barnes 60 | Basye | Bernskoetter | Berry | Black |
| Bondon | Brown 94 | Christofanelli | Cierpiot | Conway 104 |
| Cookson | Corlew | Cornejo | Crawford | Cross |
| Curtman | Davis | DeGroot | Dogan | Dohrman |
| Eggleston | Engler | Evans | Fitzpatrick | Fitzwater 144 |
| Fraker | Frederick | Gregory | Grier | Haahr |
| Haefner | Hannegan | Hansen | Helms | Henderson |
| Houghton | Houx | Hubrecht | Justus | Kelley 127 |
| Kelly 141 | Kolkmeyer | Korman | Lant | Lauer |
| Lichtenegger | Love | Lynch | Marshall | Mathews |
| Matthiesen | McDaniel | McGaugh | Messenger | Miller |
| Neely | Pfautsch | Pike | Plocher | Redmon |
| Reiboldt | Reisch | Remole | Rhoads | Roden |
| Roeber | Rone | Ross | Rowland 155 | Ruth |
| Schroer | Shaul 113 | Shull 16 | Shumake | Smith 163 |
| Sommer | Spencer | Stephens 128 | Tate | Taylor |
| | | | | |

Third Day–Wednesday, May 24, 2017 21

| Trent Wilson | Vescovo Wood | Walker 3 Mr. Speaker | White | Wiemann |
|-----------------|-----------------|-------------------------|--------------|---------------|
| NOES: 040 | | | | |
| Adams | Arthur | Baringer | Barnes 28 | Beck |
| Brown 27 | Burnett | Burns | Butler | Carpenter |
| Conway 10 | Curtis | Ellebracht | Franks Jr | Green |
| Harris | Hurst | Kendrick | Lavender | McCann Beatty |
| McCreery | McGee | Merideth 80 | Mitten | Moon |
| Morgan | Mosley | Newman | Nichols | Peters |
| Pierson Jr | Pogue | Quade | Razer | Roberts |
| Runions | Stevens 46 | Unsicker | Walker 74 | Wessels |
| PRESENT: 001 | | | | |
| Kidd | | | | |
| ABSENT WITH LE | EAVE: 028 | | | |
| Anders | Bangert | Beard | Brattin | Brown 57 |
| Chipman | Dunn | Ellington | Fitzwater 49 | Francis |
| Franklin | Gannon | Gray | Higdon | Hill |
| Johnson | May | McCaherty | Meredith 71 | Morris |
| Muntzel | Phillips | Pietzman | Rehder | Rowland 29 |
| Smith 85 | Stacy | Swan | | |
| VACANCIES: 001 | | | | |

Representative Christofanelli moved that House Amendment No. 6 be adopted.

Which motion was defeated.

Representative Cierpiot moved the previous question.

Which motion was adopted by the following vote:

| Alferman | Anderson | Andrews | Austin | Bahr |
|-------------|---------------|-------------|--------------|----------------|
| Barnes 60 | Basye | Beard | Bernskoetter | Berry |
| Black | Bondon | Brown 94 | Chipman | Christofanelli |
| Cierpiot | Conway 104 | Cookson | Corlew | Cornejo |
| Crawford | Cross | Curtman | Davis | DeGroot |
| Dogan | Dohrman | Eggleston | Engler | Evans |
| Fitzpatrick | Fitzwater 144 | Fraker | Frederick | Gregory |
| Grier | Haahr | Haefner | Hannegan | Hansen |
| Helms | Henderson | Houghton | Houx | Hubrecht |
| Justus | Kelley 127 | Kelly 141 | Kidd | Kolkmeyer |
| Korman | Lant | Lauer | Lichtenegger | Love |
| Lynch | Marshall | Mathews | Matthiesen | McDaniel |
| McGaugh | Messenger | Miller | Neely | Pfautsch |
| Pike | Plocher | Redmon | Rehder | Reiboldt |
| Reisch | Remole | Rhoads | Roden | Roeber |
| Rone | Ross | Rowland 155 | Ruth | Schroer |

| Shaul 113 Spencer Vescovo Wood | Shull 16 Stephens 128 Walker 3 Mr. Speaker | Shumake Tate White | Smith 163 Taylor Wiemann | Sommer Trent Wilson |
|---|--|---|---|---|
| NOES: 040 | | | | |
| Adams Brown 27 Conway 10 Harris McCreery Morgan Pierson Jr Runions | Arthur Burnett Curtis Hurst McGee Mosley Pogue Stevens 46 | Baringer Burns Ellebracht Kendrick Merideth 80 Newman Quade Unsicker | Barnes 28 Butler Franks Jr Lavender Mitten Nichols Razer Walker 74 | Beck Carpenter Green McCann Beatty Moon Peters Roberts Wessels |
| PRESENT: 000 | | | | |
| ABSENT WITH LEAV | /E: 025 | | | |
| Anders Ellington Gray McCaherty Pietzman | Bangert Fitzwater 49 Higdon Meredith 71 Rowland 29 | Brattin Francis Hill Morris Smith 85 | Brown 57 Franklin Johnson Muntzel Stacy | Dunn Gannon May Phillips Swan |

VACANCIES: 001

On motion of Representative Rone, the title of HCS HB 1, as amended, was agreed to.

On motion of Representative Rone, HCS HB 1, as amended, was adopted.

On motion of Representative Rone, **HCS HB 1**, as amended, was ordered perfected and printed by the following vote, the ayes and noes having been demanded pursuant to Article III, Section 26 of the Constitution:

| Adams | Alferman | Anderson | Andrews | Arthur |
|----------------|---------------|-------------|---------------|--------------|
| Austin | Bahr | Baringer | Barnes 60 | Barnes 28 |
| Basye | Beard | Beck | Bernskoetter | Berry |
| Black | Bondon | Brown 27 | Brown 57 | Brown 94 |
| Burnett | Burns | Butler | Carpenter | Chipman |
| Christofanelli | Cierpiot | Conway 10 | Conway 104 | Cookson |
| Corlew | Cornejo | Crawford | Cross | Davis |
| DeGroot | Dogan | Dohrman | Eggleston | Ellebracht |
| Engler | Evans | Fitzpatrick | Fitzwater 144 | Fitzwater 49 |
| Fraker | Franks Jr | Green | Gregory | Grier |
| Haahr | Haefner | Hannegan | Hansen | Harris |
| Helms | Henderson | Higdon | Houghton | Houx |
| Hubrecht | Justus | Kelley 127 | Kelly 141 | Kendrick |
| Kidd | Kolkmeyer | Korman | Lant | Lauer |
| Lavender | Lichtenegger | Love | Lynch | Mathews |
| Matthiesen | McCann Beatty | McDaniel | McGaugh | Merideth 80 |
| Messenger | Miller | Mitten | Mosley | Neely |
| Nichols | Peters | Pfautsch | Pike | Plocher |
| | | | | |

Third Day–Wednesday, May 24, 2017 23

| QuadeRazerRedmonRehderReischRemoleRhoadsRobertsRoneRossRowland 155RunionsSchroerShaul 113Shull 16ShumakeSommerSpencerStephens 128Stevens 46 | Reiboldt Roeber Ruth Smith 163 Tate |
|---|---|
| TaylorTrentVescovoWalker 3 | Walker 74 |
| Wessels White Wiemann Wood | Mr. Speaker |
| NOES: 015 | |
| Curtis Curtman Frederick Hurst | Marshall |
| McCreery McGee Moon Morgan | Newman |
| Pierson Jr Pogue Roden Unsicker | Wilson |
| PRESENT: 000 | |
| ABSENT WITH LEAVE: 022 | |
| Anders Bangert Brattin Dunn | Ellington |
| Francis Franklin Gannon Gray | Hill |
| Johnson May McCaherty Meredith 71 | Morris |
| Muntzel Phillips Pietzman Rowland 29 | Smith 85 |
| Stacy Swan | |

VACANCIES: 001

On motion of Representative Cierpiot, the House recessed until 4:15 p.m.

REFERRAL OF HOUSE BILLS

The following House Bill was referred to the Committee indicated:

HCS HB 1 - Fiscal Review

HOUSE CALENDAR

THIRD DAY, WEDNESDAY, MAY 24, 2017

HOUSE BILLS FOR THIRD READING

HCS HB 1 – Rone, E.C. (Fiscal Review 5/24/2017)

COMMITTEE REPORTS

Committee on Fiscal Review, Chairman Haefner reporting:

Mr. Speaker: Your Committee on Fiscal Review, to which was referred **HCS HB 1**, begs leave to report it has examined the same and recommends that it **Do Pass** by the following vote:

Ayes (8): Alferman, Conway (104), Fraker, Haefner, Smith (163), Vescovo, Wiemann and Wood

Noes (3): Morgan, Unsicker and Wessels

Absent (3): Morris, Rowland (29) and Swan

AFTERNOON SESSION

The hour of recess having expired, the House was called to order by Speaker Richardson.

Representative Richardson suggested the absence of a quorum.

The following roll call indicated a quorum present:

AYES: 030

Curtis

Gannon

Johnson

Dogan

Gray

May

| 111251 000 | | | | |
|--|--|--|--|--|
| Alferman Brown 27 Engler Kelley 127 McGaugh Reiboldt NOES: 001 | Barnes 60 Burns Fraker Kelly 141 Neely Remole | Basye Butler Hansen Kidd Plocher Roeber | Bernskoetter Christofanelli Hurst Korman Pogue Taylor | Bondon Curtman Justus Lichtenegger Redmon White |
| Ellington | | | | |
| PRESENT: 100 | | | | |
| Adams | Anderson | Andrews | Arthur | Austin |
| Bahr | Baringer | Barnes 28 | Beard | Beck |
| Berry | Black | Brown 94 | Burnett | Carpenter |
| Chipman | Cierpiot | Conway 104 | Cookson | Corlew |
| Cornejo | Crawford | Cross | Davis | DeGroot |
| Dohrman | Eggleston | Ellebracht | Evans | Fitzpatrick |
| Fitzwater 144 | Fitzwater 49 | Franks Jr | Frederick | Gregory |
| Haahr | Haefner | Hannegan | Harris | Helms |
| Henderson | Higdon | Houghton | Houx | Hubrecht |
| Kendrick | Kolkmeyer | Lant | Lauer | Lavender |
| Love | Lynch | Marshall | Mathews | Matthiesen |
| McCann Beatty | McCreery | McDaniel | Merideth 80 | Messenger |
| Miller | Mitten | Moon | Morgan | Mosley |
| Nichols | Peters | Pfautsch | Pierson Jr | Pike |
| Quade | Razer | Reisch | Rhoads | Roden |
| Rone | Ross | Rowland 155 | Runions | Ruth |
| Schroer | Shaul 113 | Shull 16 | Shumake | Smith 163 |
| Sommer | Spencer | Stephens 128 | Stevens 46 | Tate |
| Trent | Unsicker | Vescovo | Walker 3 | Walker 74 |
| Wessels | Wiemann | Wilson | Wood | Mr. Speaker |
| ABSENT WITH LEAV | /E: 031 | | | |
| Anders | Bangert | Brattin | Brown 57 | Conway 10 |

Dunn

Green

McCaherty

Franklin

Meredith 71

Hill

Francis

McGee

Grier

| Morris | Muntzel | Newman | Phillips | Pietzman |
|--------|---------|------------|----------|----------|
| Rehder | Roberts | Rowland 29 | Smith 85 | Stacy |
| Swan | | | | |

VACANCIES: 001

THIRD READING OF HOUSE BILLS

HCS HB 1, relating to ratemaking for public utilities, was taken up by Representative Rone.

Representative Barnes (60) resumed the Chair.

Speaker Richardson resumed the Chair.

On motion of Representative Rone, **HCS HB 1** was read the third time and passed by the following vote:

AYES: 120

| Adams | Alferman | Anderson | Andrews | Arthur |
|----------------|---------------|--------------|--------------|-------------|
| Austin | Bahr | Baringer | Barnes 60 | Barnes 28 |
| Basye | Beard | Beck | Bernskoetter | Berry |
| Black | Bondon | Brown 27 | Brown 57 | Brown 94 |
| Burnett | Burns | Butler | Carpenter | Chipman |
| Christofanelli | Cierpiot | Conway 104 | Cookson | Corlew |
| Cornejo | Crawford | Cross | Davis | DeGroot |
| Dohrman | Eggleston | Ellebracht | Engler | Evans |
| Fitzpatrick | Fitzwater 144 | Fitzwater 49 | Fraker | Franks Jr |
| Green | Gregory | Grier | Haahr | Haefner |
| Hannegan | Hansen | Harris | Helms | Henderson |
| Higdon | Houghton | Houx | Hubrecht | Johnson |
| Justus | Kelley 127 | Kelly 141 | Kendrick | Kidd |
| Kolkmeyer | Korman | Lant | Lauer | Lavender |
| Lichtenegger | Love | Lynch | Mathews | Matthiesen |
| McCann Beatty | McDaniel | McGaugh | Merideth 80 | Messenger |
| Miller | Mosley | Nichols | Peters | Pfautsch |
| Pike | Plocher | Quade | Razer | Redmon |
| Rehder | Reiboldt | Reisch | Remole | Rhoads |
| Roberts | Roeber | Rone | Ross | Rowland 155 |
| Runions | Ruth | Shaul 113 | Shull 16 | Shumake |
| Smith 163 | Sommer | Spencer | Stephens 128 | Stevens 46 |
| Tate | Taylor | Trent | Vescovo | Walker 3 |
| Walker 74 | White | Wiemann | Wood | Mr. Speaker |
| NOES: 017 | | | | |
| Curtman | Ellington | Frederick | Hurst | Marshall |
| McCreery | McGee | Mitten | Moon | Morgan |
| Neely | Pierson Jr | Pogue | Schroer | Unsicker |
| Wessels | Wilson | | | |
| | | | | |

PRESENT: 001

Roden

ABSENT WITH LEAVE: 024

| Anders | Bangert | Brattin | Conway 10 | Curtis |
|------------|----------|---------|-----------|-------------|
| Dogan | Dunn | Francis | Franklin | Gannon |
| Gray | Hill | May | McCaherty | Meredith 71 |
| Morris | Muntzel | Newman | Phillips | Pietzman |
| Rowland 29 | Smith 85 | Stacy | Swan | |

VACANCIES: 001

Speaker Richardson declared the bill passed.

Representative Hubrecht assumed the Chair.

The emergency clause was adopted by the following vote:

| Alferman | Anderson | Andrews | Arthur | Austin | | |
|------------------------|-------------|---------------|---------------|-------------|--|--|
| Baringer | Barnes 60 | Basye | Beard | Beck | | |
| Bernskoetter | Berry | Black | Bondon | Brown 27 | | |
| Brown 57 | Brown 94 | Butler | Carpenter | Chipman | | |
| Christofanelli | Cierpiot | Conway 104 | Cookson | Corlew | | |
| Cornejo | Crawford | Cross | Curtman | Davis | | |
| DeGroot | Dohrman | Eggleston | Ellebracht | Engler | | |
| Evans | Fitzpatrick | Fitzwater 144 | Fitzwater 49 | Fraker | | |
| Franks Jr | Gregory | Grier | Haahr | Haefner | | |
| Hannegan | Hansen | Harris | Helms | Henderson | | |
| Higdon | Houghton | Houx | Hubrecht | Johnson | | |
| Justus | Kelley 127 | Kelly 141 | Kendrick | Kidd | | |
| Kolkmeyer | Korman | Lant | Lauer | Lavender | | |
| Lichtenegger | Love | Lynch | Mathews | Matthiesen | | |
| McDaniel | McGaugh | Merideth 80 | Messenger | Miller | | |
| Mosley | Neely | Nichols | Peters | Pfautsch | | |
| Pike | Plocher | Quade | Razer | Redmon | | |
| Rehder | Reiboldt | Reisch | Remole | Rhoads | | |
| Roden | Roeber | Rone | Ross | Rowland 155 | | |
| Ruth | Schroer | Shaul 113 | Shull 16 | Shumake | | |
| Smith 163 | Sommer | Spencer | Stephens 128 | Tate | | |
| Taylor | Trent | Vescovo | Walker 3 | Wessels | | |
| White | Wiemann | Wilson | Wood | Mr. Speaker | | |
| NOES: 019 | | | | | | |
| | D 20 | D | D | | | |
| Adams | Barnes 28 | Burnett | Burns | Ellington | | |
| Green | Hurst | Marshall | McCann Beatty | McCreery | | |
| McGee | Moon | Morgan | Pierson Jr | Pogue | | |
| Roberts | Runions | Unsicker | Walker 74 | | | |
| PRESENT: 000 | | | | | | |
| ABSENT WITH LEAVE: 028 | | | | | | |
| Anders | Bahr | Bangert | Brattin | Conway 10 | | |
| Curtis | Dogan | Dunn | Francis | Franklin | | |
| Frederick | Gannon | Gray | Hill | May | | |

| McCaherty | Meredith 71 | Mitten | Morris | Muntzel |
|-----------|-------------|----------|------------|----------|
| Newman | Phillips | Pietzman | Rowland 29 | Smith 85 |
| Stacy | Stevens 46 | Swan | | |

VACANCIES: 001

Speaker Richardson resumed the Chair.

ADJOURNMENT

On motion of Representative Cierpiot, the House adjourned until 10:00 a.m., Tuesday, May 30, 2017.

(This page intentionally left blank)