

## HB 5 -- SPECIAL RATEMAKING

SPONSOR: Barnes (60)

### ALUMINUM SMELTING FACILITY SPECIAL RATE

This bill authorizes the Public Service Commission to approve a special rate for electrical services provided to an aluminum smelting facility or steel works facility not based on the cost of service provided that the commission determines the special rate is in the best interest of the state, allocates reduced revenues uniformly to all components of the base rates for all customer classes, and approves a tracking mechanism meeting specified requirements. An electrical corporation approved to provide electrical service to an aluminum smelting facility or steel work facility may do so under a rate schedule or under a contract reflecting the specially approved rate. If the commission approves said special rate, then it shall not modify or rescind the rate during its specified approval term (Sections 393.355 and 393.356, RSMo).

### RATE ADJUSTMENT MECHANISMS

This bill declares the policy of Missouri to be that the Public Service Commission regulates electrical corporations in a manner to best ensure safe, reliable, and affordable energy for ratepayers through just and reasonable rates. To those ends, the commission is authorized to use partially forecasted test years, grid modernization incentive mechanisms, performance-based ratemaking, revenue decoupling, or decisional pre-approval with post-construction review of construction projects during rate approval proceedings. Once a rate adjustment mechanism is approved over a specified term, the commission shall not modify or cease usage of the mechanism during the term (Section 393.1410).

This bill contains an emergency clause.