SECOND REGULAR SESSION

HOUSE BILL NO. 2565

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE RONE.

5599H.01I DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 393.355, RSMo, and to enact in lieu thereof one new section relating to utilities.

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

Section A. Section 393.355, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 393.355, to read as follows:

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

(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~~**]** **processing** 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.

2. Notwithstanding section 393.130 or any other provision of law to the contrary, the public service commission shall have the authority to approve a special rate, outside a general rate proceeding, that is not based on the electrical corporation's cost of service for a facility if:

(1) The commission determines, but for the authorization of the special rate the facility would not commence operations, the special rate is in the interest of the state of Missouri when considering the interests of the customers of the electrical corporation serving the facility, considering the incremental cost of serving the facility to receive the special rate, and the

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.

interests of the citizens of the state generally in promoting economic development, improving the tax base, providing employment opportunities in the state, and promoting such other benefits to the state as the commission may determine are created by approval of the special rate;

(2) After approval of the special rate, the commission allocates in each general rate proceeding of the electrical corporation serving the facility the reduced revenues from the special rate as compared to the revenues that would have been generated at the rate the facility would have paid without the special rate to the electrical corporation's other customers through a uniform percentage adjustment to all components of the base rates of all customer classes; and

(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 June 14, 2017. 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:

(1) Under a rate schedule reflecting the special rate approved by the commission; or

(2) If the facility is located outside the electrical corporation's certificated service 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.

5. To receive a special rate, the electrical corporation serving the facility, or facility if the facility is located outside of the electrical corporation's certified service territory, shall file a written application with the commission specifying the requested special rate and any terms or conditions proposed by the facility respecting the requested special rate and provide information regarding how the requested special rate meets the criteria specified in subdivision

(1) of subsection 2 of this section. A special rate provided for by this section shall be effective for no longer than ten years from the date such special rate is authorized. The commission may impose such conditions, including but not limited to any conditions in a memorandum of understanding between the facility and the electrical corporation, on the special rate as it deems appropriate so long as it otherwise complies with the provisions of this section.

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.

✓