

SECOND REGULAR SESSION

HOUSE BILL NO. 2054

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE KEATHLEY.

4643H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 393, RSMo, by adding thereto one new section relating to gas corporations.

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 393.1645, to read as follows:

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

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

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

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15 **To obtain one of the discounts set forth in subdivision (1) or (2) of this subsection, the
16 customer's load shall be incremental, net of any offsetting load reductions due to the
17 termination of other accounts of the customer or an affiliate of the customer within
18 twelve months prior to the commencement of service to the new load, the customer shall**

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.

19 receive an economic development incentive from the local, regional, state, or federal
20 government, or from an agency or program of any such government, in conjunction
21 with the incremental load, and the customer shall meet the criteria set forth in the gas
22 corporation's economic development rider tariff sheet, as approved by the commission,
23 that are not inconsistent with the provisions of this subsection. Unless otherwise
24 provided for by the gas corporation's tariff, the applicable discount shall be a
25 percentage applied to all variable base-rate components of the bill. The discount shall
26 be applied to such incremental load from the date when the meter has been permanently
27 set until the date that such incremental load no longer meets the criteria required to
28 qualify for the discount as determined under the provisions of subsection 2 of this
29 section, or a maximum of four years. The gas corporation may include in its tariff
30 additional or alternative terms and conditions to a customer's utilization of the discount,
31 subject to approval of such terms and conditions by the commission. The customer, on
32 forms supplied by the gas corporation, shall apply for the applicable discount provided
33 for by this subsection at least ninety days prior to the date the customer requests that
34 the incremental usage receive one of the discounts provided for by this subsection and
35 shall enter into a written agreement with the gas corporation reflecting the discount
36 percentages and other pertinent details prior to which no discount will be available. If
37 the incremental usage is not separately metered, the gas corporation's determination of
38 the incremental usage shall control. The gas corporation shall verify the customer's
39 consumption annually to determine continued qualification for the applicable discount.
40 Notwithstanding the foregoing provisions of this subsection, the cents-per-ccf realization
41 resulting from application of any discounted rates as calculated shall be higher than the
42 gas corporation's variable cost to serve such incremental usage and the applicable
43 discounted rate also shall make a positive contribution to fixed costs associated with
44 service to such incremental usage. If in a subsequent general rate proceeding the
45 commission determines that application of a discounted rate is not adequate to cover the
46 gas corporation's variable cost to serve accounts in question and provide a positive
47 contribution to fixed costs then the commission shall reduce the discount for those
48 accounts prospectively to the extent necessary to do so.

49 2. In each general rate proceeding concluded after August 28, 2024, the
50 difference in revenues generated by applying the discounted rates provided for by this
51 section and the revenues that would have been generated without such discounts shall
52 not be imputed into the gas corporation's revenue requirement, but instead such
53 revenue requirement shall be set using the revenues generated by such discounted rates,
54 and the impact of the discounts provided for by this section shall be allocated to all the
55 gas corporation's customer classes, including the classes with customers that qualify for

56 discounts under this section, through the application of a uniform percentage
57 adjustment to the revenue requirement responsibility of all customer classes. To
58 qualify for the discounted rates provided for in this section, customers shall meet the
59 applicable criteria within twenty-four months of initially receiving discounts based on
60 metering data for calendar months thirteen through twenty-four and annually
61 thereafter. If such data indicates that the customer did not meet the applicable
62 criteria for any subsequent twelve-month period, the customer shall thereafter no
63 longer qualify for a discounted rate. Customer usage existing at the time the customer
64 makes application for discounted rates under this section shall not constitute
65 incremental usage. The discounted rates provided for by this section apply only to
66 variable base-rate components, with charges or credits arising from any rate
67 adjustment mechanism authorized by law to be applied to customers qualifying for
68 discounted rates under this section in the same manner as such rate adjustments would
69 apply in the absence of this section.

70 3. For purposes of this section, "gas corporation" shall mean the same as defined
71 in section 386.020.

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