

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 376
103RD GENERAL ASSEMBLY

0403H.04C

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal section 393.135, RSMo, and to enact in lieu thereof two new sections relating to the Missouri first natural gas and nuclear power act.

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

Section A. Section 393.135, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 393.135 and 393.1250, to read as follows:

393.135. **Except as provided in section 393.1250**, any charge made or demanded by an electrical corporation for service, or in connection therewith, which is based on the costs of construction **work** in progress upon any existing or new ~~[facility of the]~~ electrical corporation **facility**, or any other cost associated with owning, operating, maintaining, or financing any property before it is fully operational and used for service, ~~[is unjust and unreasonable, and]~~ is prohibited.

393.1250. 1. This section shall be known and may be cited as the "Missouri First Natural Gas and Nuclear Power Act", the purpose of which is to enable the construction of natural gas-generating units and clean baseload electric generating plants. This section shall not apply to natural gas-generating units and clean baseload electric generating plants that are in commercial operation before August 28, 2025.

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

(1) "Clean baseload generating plant", a new nuclear-fueled electric generating facility located in this state that is designed to be operated at three hundred megawatts or less and is intended in whole or in part to serve retail customers of an electrical corporation in Missouri. For the purposes of this section, each small modular nuclear reactor located at a single site shall be considered a separate clean baseload generating plant;

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.

13 (2) "Construction work in progress", the electrical corporation's share of all
14 capital costs associated with a clean baseload generating plant or renewable source
15 generating facility, which have been incurred but have not been included in the
16 electrical corporation's plant in service, and are recorded in the Federal Energy
17 Regulatory Commission's Uniform System of Accounts Prescribed for Public Utilities
18 and Licensees Subject to the Provisions of the Federal Power Act, Balance Sheet Chart
19 Accounts, as construction work in progress for electric plants in 18 CFR Part 101, or
20 any other account established in the Uniform System of Accounts for the recording of
21 construction work in progress;

22 (3) "Small modular nuclear reactor", a nuclear fission reactor, a fusion reactor,
23 or a radioisotope power system that utilizes heat from radioactive decay to generate
24 energy that has a rated capacity of three hundred megawatts or less and can be
25 constructed and operate in combination with similar reactors at a single site, or the
26 same as defined by the United States Nuclear Regulatory Commission.

27 3. An electrical corporation shall be permitted, subject to the limitations in this
28 subsection, to include construction work in progress for any new natural gas-generating
29 unit or clean baseload generating plant in rate base amounts recorded. The inclusion of
30 construction work in progress allowed under this subsection shall be in lieu of any
31 otherwise applicable allowance for funds used during construction that would have
32 accrued from and after the effective date of new base rates that reflect inclusion of the
33 construction work in progress in rate base. The commission shall determine, in a
34 proceeding under section 393.170, the amount of construction work in progress that
35 may be included in rate base. The amount shall be limited by the estimated cost of such
36 project and project expenditures made within the estimated construction period for
37 such project. Base rate recoveries arising from inclusion of construction work in
38 progress in base rates are subject to refund, together with interest on the refunded
39 amount at the same rate as the rate of interest for delinquent taxes determined by the
40 director of revenue in accordance with section 32.065, if, and to the extent the
41 commission determines, in a subsequent complaint or general rate proceeding, that
42 construction costs giving rise to the construction work in progress included in rate base
43 were imprudently incurred. Return deferred under subdivision (2) of subsection 3 of
44 section 393.1400 for plant that has been included in base rates as construction work in
45 progress shall offset the amounts deferred under section 393.1400.

46 4. This section shall expire on December 31, 2035, unless the commission
47 determines, after a hearing conducted in 2035, upon a submission from an electrical
48 corporation of an application requesting and demonstrating that good cause exists to
49 extend the effectiveness of this subsection through December 31, 2045. The secretary of

50 the commission shall notify the revisor of statutes when the conditions set forth for the
51 extension of this subsection have been met.

52 **5. The commission may promulgate rules to assist in the implementation of this**
53 **section. Any rule or portion of a rule, as that term is defined in section 536.010, that is**
54 **created under the authority delegated in this section shall become effective only if it**
55 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**
56 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**
57 **vested with the general assembly pursuant to chapter 536 to review, to delay the**
58 **effective date, or to disapprove and annul a rule are subsequently held unconstitutional,**
59 **then the grant of rulemaking authority and any rule proposed or adopted after August**
60 **28, 2025, shall be invalid and void.**

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