

SECOND REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NOS. 2122 & 1626

103RD GENERAL ASSEMBLY

5630H.03P

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 nuclear clean 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Section A. Section 393.135, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 393.135 and 393.1250, to read as follows: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. 1. Except as provided in subsection 2 of this section **and 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.

2. (1) An electrical corporation may be permitted, subject to the limitations in this subsection, to include construction work in progress for any new natural gas-generating unit in rate base. The inclusion of construction work in progress allowed under this subsection shall be in lieu of any otherwise applicable allowance for funds used during construction that would have accrued from and after the effective date of new base rates that reflect inclusion of the construction work in progress in rate base. The commission shall determine, in a proceeding under section 393.170, the amount of construction work in progress that may be included in rate base. The amount shall be limited by:

(a) The estimated cost of such project; and

(b) Project expenditures made within the estimated construction period for such project.

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.

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19 Base rate recoveries arising from inclusion of construction work in progress in rate base are
20 subject to refund, with interest on the refunded amount at the same rate as the rate of interest
21 for delinquent taxes determined by the director of revenue in accordance with section 32.065,
22 if, and to the extent the commission determines, in a subsequent complaint or general rate
23 proceeding, that construction costs giving rise to the construction work in progress included
24 in rate base were imprudently incurred or if the project for which construction costs have been
25 included in the rate base is not placed in service within a reasonable amount of time, as
26 determined by the commission. Rate base used to determine return deferred under
27 subdivision (2) of subsection 3 of section 393.1400 shall include an offset for rate base that
28 has been used to determine return included in base rates as a result of construction work in
29 progress inclusion in rate base under this subsection. The offset shall apply from and after the
30 in-service date of the asset that has been used to determine return included in base rates as a
31 result of construction work in progress inclusion in rate base under this subsection.

32 (2) This subsection shall expire on December 31, 2035, unless the commission
33 determines, after a hearing conducted in 2035, upon a submission from an electrical
34 corporation of an application requesting and demonstrating that good cause exists to extend
35 the effectiveness of this subsection through December 31, 2045. The secretary of the
36 commission shall notify the revisor of statutes when the conditions set forth for the extension
37 of this subsection have been met.

**393.1250. 1. This section shall be known and may be cited as the "Missouri
2 Nuclear Clean Power Act", the purpose of which is to enable the construction of clean
3 baseload electric generating plants. This section shall not apply to clean baseload
4 electric generating plants that are in commercial operation before August 28, 2026.**

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

6 (1) "Clean baseload generating plant", a new nuclear-fueled electric generating
7 facility located in this state that is designed to be operated at six hundred megawatts or
8 less and is intended in whole or in part to serve retail customers of an electrical
9 corporation in Missouri;

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

17 **account established in the Uniform System of Accounts for the recording of construction**
18 **work in progress.**

19 **3. An electrical corporation shall be permitted, subject to the limitations in this**
20 **subsection, to include construction work in progress for any new clean baseload**
21 **generating plant in rate base amounts recorded. The inclusion of construction work in**
22 **progress allowed under this subsection shall be in lieu of any otherwise applicable**
23 **allowance for funds used during construction that would have accrued from and after**
24 **the effective date of new base rates that reflect inclusion of the construction work in**
25 **progress in rate base. The commission shall determine, in a proceeding under section**
26 **393.170, the amount of construction work in progress that may be included in rate base.**
27 **The amount shall be limited by the estimated cost of such project and project**
28 **expenditures made within the estimated construction period for such project. Base rate**
29 **recoveries arising from inclusion of construction work in progress in base rates are**
30 **subject to refund, together with interest on the refunded amount at the same rate as the**
31 **rate of interest for delinquent taxes determined by the director of revenue in accordance**
32 **with section 32.065, if, and to the extent the commission determines, in a subsequent**
33 **complaint or general rate proceeding, that construction costs giving rise to the**
34 **construction work in progress included in rate base were imprudently incurred or if the**
35 **project for which construction costs have been included in the rate base is not placed in**
36 **service within a reasonable amount of time, as determined by the commission. Return**
37 **deferred under subdivision (2) of subsection 3 of section 393.1400 for plant that has been**
38 **included in base rates as construction work in progress shall offset the amounts deferred**
39 **under section 393.1400.**

40 **4. This section shall expire on December 31, 2036, unless the commission**
41 **determines, after a hearing conducted in 2036, upon a submission from an electrical**
42 **corporation of an application requesting and demonstrating that good cause exists to**
43 **extend the effectiveness of this section through December 31, 2046. The secretary of the**
44 **commission shall notify the revisor of statutes when the conditions set forth for the**
45 **extension of this subsection have been met.**

46 **5. The commission may promulgate rules to assist in the implementation of this**
47 **section. Any rule or portion of a rule, as that term is defined in section 536.010, that is**
48 **created under the authority delegated in this section shall become effective only if it**
49 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**
50 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**
51 **vested with the general assembly pursuant to chapter 536 to review, to delay the**
52 **effective date, or to disapprove and annul a rule are subsequently held unconstitutional,**

53 **then the grant of rulemaking authority and any rule proposed or adopted after August**
54 **28, 2026, shall be invalid and void.**

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