

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By

1 AMEND Senate Substitute for Senate Bill No. 124, Page 1, In the Title, Line 3, by deleting all of said line  
2 and inserting in lieu thereof the following:  
3 "to regulatory authority."; and  
4

5 Further amend said bill, Page 2, Section 1.100, Line 26, by inserting immediately after all of said section and  
6 line the following:  
7

8 "393.355. 1. As used in this section, the following terms shall mean:

9 (1) "Aluminum smelting facility", a facility whose primary industry is the smelting of aluminum  
10 and primary metals, Standard Industrial Classification Code 3334, is located in a county of the third  
11 classification, and has had electrical service provided to said facility in the past, in part or whole, by a  
12 municipally-owned utility and, in part or whole, by an electric generating cooperative owned by rural electric  
13 cooperatives;

14 (2) "Electrical corporation", as defined in section 386.020, but shall not include an electrical  
15 corporation as defined and set forth in subsection 2 of section 393.110;

16 (3) "Steel works facility", a facility whose primary industry is the production or fabrication of steel,  
17 North American Industrial Classification System 331110, and is located in a county of the third  
18 classification.

19 2. Notwithstanding section 393.130 or any other provision of law to the contrary, the public service  
20 commission shall have the authority to approve a special rate that is not based on the electrical corporation's  
21 cost of service for an aluminum smelting facility or a steel works facility if the commission:

22 (1) Determines the special rate is in the interest of the state of Missouri when considering the  
23 collective interests of the customers of the electrical corporation serving the facility and the interests of the  
24 citizens of the state generally in promoting economic development, improving the tax base, providing  
25 employment opportunities in the state, and promoting such other benefits to the state as the commission may  
26 determine are created by approval of the special rate;

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

31 (3) Approves a tracking mechanism meeting the requirements of subsection 3 of this section.

32 3. Any commission order approving a special rate authorized by this section to provide service to an  
33 aluminum smelting facility or steel works facility in the manner specified in subsection 4 of this section shall  
34 establish a tracking mechanism to track changes in the net margin experienced by the electrical corporation  
35 serving the facility with the tracker to apply retroactively to the date the electrical corporation's base rates  
36 were last set in its last general rate proceeding concluded prior to the effective date of this section. The  
37 commission shall ensure that the changes in net margin experienced by the electrical corporation are  
38 calculated in such a manner that the electrical corporation's net income is neither increased nor decreased.  
39 The changes in net margin shall be deferred to a regulatory liability or regulatory asset, as applicable, with

Action Taken \_\_\_\_\_ Date \_\_\_\_\_

1 the balance of such regulatory asset or liability to be included in the revenue requirement of the electrical  
2 corporation in each of its general rate proceedings through an amortization of the balance over a reasonable  
3 period until fully returned to or collected from the electrical corporation's customers.

4 4. An electrical corporation is authorized to provide electric service to an aluminum smelting facility  
5 or steel works facility at a special rate authorized by this section in one of two ways, as follows:

6 (1) Under a rate schedule reflecting the special rate if the facility is located within the electrical  
7 corporation's certificated service territory; or

8 (2) Notwithstanding section 393.170, under a contract reflecting the special rate approved by the  
9 commission under the terms and conditions of this section.

10  
11 In any case where the electric service is provided under contract referenced in subdivision (2) of this  
12 subsection, the facility shall be a commission-regulated retail electric customer of the electrical corporation  
13 and the rates, charges, and revenues under the contract shall, for ratemaking purposes, be treated by the  
14 commission as if the rates, charges, and revenues arise under the electrical corporation's tariff.

15 5. To receive a special rate, the facility shall file a written application with the commission  
16 specifying the requested special rate, any terms or conditions proposed by the facility respecting the  
17 requested special rate, and provide information regarding how the requested special rate meets the criteria  
18 specified in subdivision (1) of subsection 2 of this section. A special rate provided for by this section shall  
19 not continue beyond December 31, 2027. The commission may impose such conditions on the special rate  
20 as it deems appropriate so long as it otherwise complies with the provisions of this section.

21 393.356. Electrical corporations may file proposed rate or regulatory mechanisms or plans with the  
22 commission for the commission's approval. If such a mechanism or plan is approved by the commission as  
23 filed or is approved by the commission with modifications acceptable to the electrical corporation, or if the  
24 commission approves a special rate under section 393.355, the commission shall lack the authority to  
25 modify or eliminate any such mechanism, plan, or special rate during the specified term.

26 393.1410. 1. It shall be the policy of the state of Missouri for the commission to support  
27 expenditures by electrical corporations that maintain or improve the reliability, safety, security, or automation  
28 of electric infrastructure, including through the use of the latest technologies to meet the needs and  
29 expectations of customers. It shall also be the policy of the state of Missouri for the commission to approve  
30 rates designed to allow electrical corporations to recover their full cost of service and provide a reasonable  
31 opportunity to earn a fair return.

32 2. The commission may utilize rate adjustment mechanisms not otherwise specifically authorized by  
33 statute including, but not limited to, mechanisms to promote modernization and replacement of an electrical  
34 corporation's infrastructure. The commission may also use partially forecasted test years, true-ups of retail  
35 revenue requirement components, tracking mechanisms, grid modernization incentive mechanisms, interim  
36 rates, performance-based ratemaking, revenue decoupling with regular adjustments, or decisional pre-  
37 approval with post construction review of construction projects. To the extent the commission's approval of  
38 a rate adjustment mechanism or other mechanism provided for by this section specifies a term over which the  
39 approval is to continue, the commission shall lack the authority to modify or eliminate the electrical  
40 corporation's use of the mechanism or tool during the specified term."; and

41  
42 Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.