

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for Senate Bill No. 302, Page 4, Section 135.963, Line 54,
2 by inserting after all of said section and line the following:

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4 "393.355. 1. As used in this section, the following terms shall mean:

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

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

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

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

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

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

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

31 3. Any commission order approving a special rate authorized by this section to provide
32 service to an aluminum smelting facility or steel works facility in the manner specified in subsection
33 4 of this section must establish a tracking mechanism to track changes in the net margin experienced
34 by the electrical corporation serving the smelting facility because of changes in the smelting
35 facility's load between the electrical corporation's general rate proceedings, with the tracker to apply
36 retroactively to the date the electrical corporation's base rates were last set in its last general rate

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1 proceeding concluded prior to the effective date of this section. The commission shall ensure that
2 the changes in net margin experienced by the electrical corporation due to such changes in the
3 facility's load between general rate proceedings is calculated in such a manner that the electrical
4 corporation's net income is neither increased nor decreased because of such changes in the facility's
5 load. The changes in net margin shall be deferred to a regulatory liability or regulatory asset, as
6 applicable, with the balance of such regulatory asset or liability to be included in the revenue
7 requirement of the electrical corporation in each of its general rate proceedings through an
8 amortization of the balance over a reasonable period until fully returned to or collected from the
9 electrical corporation's customers.

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

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

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

17
18 In any case where the electric service is provided under contract referenced in subdivision (2) of this
19 subsection, the facility shall be a commission-regulated retail electric customer of the electrical
20 corporation and the rates, charges, and revenues under the contract shall, for ratemaking purposes,
21 be treated by the commission as if the rates, charges, and revenues arise under the electrical
22 corporation's tariff.

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

30 393.356. Electrical corporations may file proposed rate or regulatory mechanisms or plans
31 with the commission for the commission's approval. If such a mechanism or plan is approved by
32 the commission as filed or is approved by the commission with modifications acceptable to the
33 electrical corporation, or if the commission approves a special rate under section 393.355, the
34 commission shall lack the authority to modify or eliminate any such mechanism, plan, or special
35 rate during the specified term."; and

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