

SECOND REGULAR SESSION

SENATE BILL NO. 1040

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR WALLINGFORD.

Read 1st time February 24, 2020, and ordered printed.

ADRIANE D. CROUSE, Secretary.

5595S.011

AN ACT

To repeal section 393.355, RSMo, and to enact in lieu thereof one new section relating to ratemaking for public utilities.

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

Section A. Section 393.355, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 393.355, to read as follows:

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

2 (1) "Electrical corporation", the same meaning given to the term in section
3 386.020, but shall not include an electrical corporation as described in subsection
4 2 of section 393.110;

5 (2) "Facility", a:

6 (a) Facility whose primary industry is the [smelting] **processing** of
7 [aluminum and] primary metals[, Standard Industrial Classification Code 3334];

8 (b) Facility whose primary industry is the production or fabrication of
9 steel, North American Industrial Classification System 331110; or

10 (c) Facility with a new or incremental increase in load equal to or in
11 excess of a monthly demand of fifty megawatts.

12 2. Notwithstanding section 393.130 or any other provision of law to the
13 contrary, the public service commission shall have the authority to approve a
14 special rate, outside a general rate proceeding, that is not based on the electrical
15 corporation's cost of service for a facility if:

16 (1) The commission determines, but for the authorization of the special
17 rate the facility would not commence operations, the special rate is in the interest
18 of the state of Missouri when considering the interests of the customers of the
19 electrical corporation serving the facility, considering the incremental cost of

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

20 serving the facility to receive the special rate, and the interests of the citizens of
21 the state generally in promoting economic development, improving the tax base,
22 providing employment opportunities in the state, and promoting such other
23 benefits to the state as the commission may determine are created by approval
24 of the special rate;

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

31 (3) The commission approves a tracking mechanism meeting the
32 requirements of subsection 3 of this section.

33 3. Any commission order approving a special rate authorized by this
34 section to provide service to a facility in the manner specified under subsection
35 4 of this section shall establish, as part of the commission's approval of a special
36 rate, a tracking mechanism to track changes in the net margin experienced by the
37 electrical corporation serving the facility with the tracker to apply retroactively
38 to the date the electrical corporation's base rates were last set in its last general
39 rate proceeding concluded prior to June 14, 2017. The commission shall ensure
40 that the changes in net margin experienced by the electrical corporation between
41 the general rate proceedings as a result of serving the facility are calculated in
42 such a manner that the electrical corporation's net income is neither increased
43 nor decreased. The changes in net margin shall be deferred to a regulatory
44 liability or regulatory asset, as applicable, with the balance of such regulatory
45 asset or liability to be included in the revenue requirement of the electrical
46 corporation in each of its general rate proceedings through an amortization of the
47 balance over a reasonable period until fully returned to or collected from the
48 electrical corporation's customers.

49 4. Notwithstanding the provisions of section 393.170, an electrical
50 corporation is authorized to provide electric service to a facility at a special rate
51 for the new or incremental load authorized by the commission:

52 (1) Under a rate schedule reflecting the special rate approved by the
53 commission; or

54 (2) If the facility is located outside the electrical corporation's certificated
55 service territory, the facility shall be treated as if it is in the electrical

56 corporation's certified service territory, subject to a commission-approved rate
57 schedule incorporating the special rate under the contract.

58 5. To receive a special rate, the electrical corporation serving the facility,
59 or facility if the facility is located outside of the electrical corporation's certified
60 service territory, shall file a written application with the commission specifying
61 the requested special rate and any terms or conditions proposed by the facility
62 respecting the requested special rate and provide information regarding how the
63 requested special rate meets the criteria specified in subdivision (1) of subsection
64 2 of this section. A special rate provided for by this section shall be effective for
65 no longer than ten years from the date such special rate is authorized. The
66 commission may impose such conditions, including but not limited to any
67 conditions in a memorandum of understanding between the facility and the
68 electrical corporation, on the special rate as it deems appropriate so long as it
69 otherwise complies with the provisions of this section.

70 6. Any entity which has been granted a special rate under this section
71 may reapply to the commission for a special rate under this section.

Bill ✓

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