

FIRST REGULAR SESSION

SENATE BILL NO. 406

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR CIERPIOT.

1857S.01I

ADRIANE D. CROUSE, Secretary

AN ACT

To amend chapter 393, RSMo, by adding thereto one new section relating to customer class rates of electrical corporations.

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

Section A. Chapter 393, RSMo, is amended by adding thereto one new section, to be known as section 393.1620, to read as follows:

393.1620. 1. For the purposes of this section, the following terms shall mean:

(1) "Average and excess method", a method for allocation of production plant costs using factors that consider the classes' average demands and excess demands, determined by subtracting the average demands from the non-coincident peak demands, for the four months with the highest system peak loads. The production plant costs are allocated using the class average and excess demands proportionally based on the system load factor, where the system load factor determines the percentage of production plant costs allocated using the average demands, and the remainder of production plant costs are allocated using the excess demands;

(2) "Class cost of service study", a study designed to allocate a utility's costs to each customer class on the basis of which customer class causes the costs;

18 (3) "Commission", the Missouri public service
19 commission;

20 (4) "Electrical corporation", the same as defined in
21 section 386.020, but shall not include an electrical
22 corporation as described in subsection 2 of section 393.110;

23 (5) "Production plant costs", fixed costs reflected on
24 the electrical corporation's accounting books for the
25 applicable test period, as updated or trued-up, associated
26 with the production or purchase of electricity.

27 2. In determining the allocation of an electrical
28 corporation's total revenue requirement among the electrical
29 corporation's customer classes for the ultimate purpose of
30 setting base rates for each customer class, the commission
31 shall only consider class cost of service study results that
32 allocate the electrical corporation's production plant costs
33 from nuclear and fossil generating units using the average
34 and excess method.

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