

SECOND REGULAR SESSION

HOUSE BILL NO. 2070

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE MAYHEW.

3122H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 386.250, 393.106, 393.110, 393.130, 393.135, 393.230, 393.240, 393.250, 393.270, 393.297, 393.355, and 393.1400, RSMo, and to enact in lieu thereof twenty-nine new sections relating to the electrical choice and competition law.

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

Section A. Sections 386.250, 393.106, 393.110, 393.130, 393.135, 393.230, 393.240, 2 393.250, 393.270, 393.297, 393.355, and 393.1400, RSMo, are repealed and twenty-nine new 3 sections enacted in lieu thereof, to be known as sections 386.250, 393.106, 393.110, 393.130, 4 393.135, 393.230, 393.240, 393.250, 393.270, 393.297, 393.355, 393.1400, 393.2000, 5 393.2010, 393.2020, 393.2030, 393.2040, 393.2050, 393.2060, 393.2070, 393.2080, 6 393.2090, 393.2100, 393.2110, 393.2120, 393.2130, 393.2140, 393.2150, and 393.2160, to 7 read as follows:

386.250. The jurisdiction, supervision, powers and duties of the public service 2 commission herein created and established shall extend under this chapter:

3 (1) To the manufacture, sale or distribution of gas, natural and artificial, and 4 electricity for light, heat and power, within the state, and to persons or corporations owning, 5 leasing, operating or controlling the same; and to gas and electric plants, and to persons or 6 corporations owning, leasing, operating or controlling the same, **except as set forth in the 7 provisions of sections 393.2000 to 393.2160 relating to the sale of electric energy on or 8 after June 1, 2025;**

9 (2) To all telecommunications facilities, telecommunications services and to all 10 telecommunications companies so far as such telecommunications facilities are operated or 11 utilized by a telecommunications company to offer or provide telecommunications service

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.

12 between one point and another within this state or so far as such telecommunications services
13 are offered or provided by a telecommunications company between one point and another
14 within this state, except that nothing contained in this section shall be construed as conferring
15 jurisdiction upon the commission over the rates charged by a telephone cooperative for
16 providing telecommunications service within an exchange or within a local calling scope as
17 determined by the commission, except for exchange access service;

18 (3) To all water corporations, and to the land, property, dams, water supplies, or
19 power stations thereof and the operation of same within this state, except that nothing
20 contained in this section shall be construed as conferring jurisdiction upon the commission
21 over the service or rates of any municipally owned water plant or system in any city of this
22 state except where such service or rates are for water to be furnished or used beyond the
23 corporate limits of such municipality;

24 (4) To all sewer systems and their operations within this state and to persons or
25 corporations owning, leasing, operating or controlling the same;

26 (5) To all public utility corporations and persons whatsoever subject to the provisions
27 of this chapter as herein defined, except that the public service commission may, upon
28 application of any interested person, decline jurisdiction and supervision over the sale and
29 distribution of electricity and the owning, operating, and controlling of related plant if such
30 sale and distribution is by a person authorized to provide such services in an adjoining state
31 with fewer than twenty residential customers in Missouri, all of whom are located within two
32 miles of the borders of the state of Missouri and if such customers are unable to receive utility
33 services from an investor-owner utility or rural electric cooperative due to a natural barrier. If
34 the public service commission shall decline such jurisdiction and supervision, the Missouri
35 customers of such out-of-state utility shall receive services under the same terms and
36 conditions as the utility provides service to its customers in the nearest adjoining state;

37 (6) To the adoption of rules as are supported by evidence as to reasonableness and
38 which prescribe the conditions of rendering public utility service, disconnecting or refusing to
39 reconnect public utility service and billing for public utility service. All such proposed rules
40 shall be filed with the secretary of state and published in the Missouri Register as provided in
41 chapter 536, and a hearing shall be held at which affected parties may present evidence as to
42 the reasonableness of any proposed rule; and

43 (7) To such other and further extent, and to all such other and additional matters and
44 things, and in such further respects as may herein appear, either expressly or impliedly.

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

2 (1) "Auxiliary power", the energy used to operate equipment and other load that is
3 directly related to the production of energy by an independent power producer or electrical
4 corporation, obtained through generation at the site or through adjacent transformation and

5 transmission interconnect, but does not include energy used for space heating, lighting, air
6 conditioning, office needs of buildings, and other nongenerating uses at the generation site;

7 (2) "Independent power producer" or "IPP", an entity that is also considered a
8 nonutility power producer in the United States. IPPs are wholesale electricity producers that
9 operate within the franchised service territories of host utilities and are usually authorized to
10 sell at market-based rates. Unlike traditional electric utilities, IPPs do not possess
11 transmission facilities or sell electricity in the retail market;

12 (3) "Permanent service", electrical service provided through facilities which have
13 been permanently installed on a structure and which are designed to provide electric service
14 for the structure's anticipated needs for the indefinite future, as contrasted with facilities
15 installed temporarily to provide electrical service during construction. Service provided
16 temporarily shall be at the risk of the electrical supplier and shall not be determinative of the
17 rights of the provider or recipient of permanent service;

18 (4) "Structure" or "structures", an agricultural, residential, commercial, industrial or
19 other building or a mechanical installation, machinery or apparatus at which retail electric
20 energy is being delivered through a metering device which is located on or adjacent to the
21 structure and connected to the lines of an electrical supplier. Such terms shall include any
22 contiguous or adjacent additions to or expansions of a particular structure. Nothing in this
23 section shall be construed to confer any right on an electric supplier to serve new structures on
24 a particular tract of land because it was serving an existing structure on that tract.

25 2. Once an electrical corporation or joint municipal utility commission, or its
26 predecessor in interest, lawfully commences supplying retail electric energy to a structure
27 through permanent service facilities, it shall have the right to continue serving such structure,
28 and other suppliers of electrical energy shall not have the right to provide service to the
29 structure except as might be otherwise permitted in the context of municipal annexation,
30 pursuant to section 386.800 and section 394.080, or pursuant to a territorial agreement
31 approved under section 394.312, **or pursuant to sections 393.2000 to 393.2170 relating to**
32 **the sale of electric energy on and after June 1, 2025.** The public service commission, upon
33 application made by an affected party, may order a change of suppliers on the basis that it is in
34 the public interest for a reason other than a rate differential. The commission's jurisdiction
35 under this section is limited to public interest determinations and excludes questions as to the
36 lawfulness of the provision of service, such questions being reserved to courts of competent
37 jurisdiction. Except as provided in this section, nothing contained herein shall affect the
38 rights, privileges or duties of existing corporations pursuant to this chapter. Nothing in this
39 section shall be construed to make lawful any provision of service which was unlawful prior
40 to July 11, 1991. Nothing in this section shall be construed to make unlawful the continued
41 lawful provision of service to any structure which may have had a different supplier in the

42 past, if such a change in supplier was lawful at the time it occurred. However, those
43 customers who had cancelled service with their previous supplier or had requested
44 cancellation by May 1, 1991, shall be eligible to change suppliers as per previous procedures.
45 No customer shall be allowed to change electric suppliers by disconnecting service between
46 May 1, 1991, and July 11, 1991.

47 3. Notwithstanding the provisions of subsection 2 of this section or any other
48 provision of chapter 386 or 394 to the contrary, auxiliary power may be purchased on a
49 wholesale basis, under the applicable federal tariffs of a regional transmission organization
50 instead of under retail service tariffs filed with the public service commission by an electrical
51 corporation, for use at an electric generation facility located in any county of the first
52 classification with more than ninety-two thousand but fewer than one hundred one thousand
53 inhabitants which commenced commercial operations prior to August 28, 2021, and which is
54 operated as an independent power producer.

55 4. Notwithstanding the provisions of this section, and sections 91.025, 394.080, and
56 394.315 to the contrary, in the event that a retail electric supplier is providing service to a
57 structure located within a city, town, or village that has ceased to be a rural area, and such
58 structure is demolished and replaced by a new structure, such retail electric service supplier
59 may provide permanent service to the new structure upon the request of the owner of the new
60 structure.

393.110. 1. Sections 393.110 to 393.285 shall apply to the manufacture and
2 furnishing of gas for light, heat or power and the furnishing of natural gas for light, heat or
3 power, and the generation, furnishing and transmission of electricity for light, heat or power,
4 the supplying and distributing of water for any purpose whatsoever, and the furnishing of a
5 sewer system for the collection, carriage, treatment or disposal of sewage for municipal,
6 domestic or other beneficial or necessary purpose, **except as set forth in the provisions of**
7 **sections 393.2000 to 393.2160 relating to the sale of electric energy on and after June 1,**
8 **2025.**

9 2. Notwithstanding any provision in chapter 386 or this chapter to the contrary, the
10 public service commission shall not have jurisdiction over the rates, financing, accounting, or
11 management of any electrical corporation which is required by its bylaws to operate on the
12 not-for-profit cooperative business plan, with its consumers who receive service as the
13 stockholders of such corporation, and which holds a certificate of public convenience and
14 necessity to serve a majority of its consumer-owners in counties of the third classification as
15 of August 28, 2003. Nothing in this section shall be construed as amending or superseding
16 the commission's authority granted in and pursuant to subsection 1 of section 386.310, in
17 section 386.800, section 393.106, and section 394.312.

393.130. 1. Every gas corporation, every electrical corporation, every water corporation, and every sewer corporation shall furnish and provide such service instrumentalities and facilities as shall be safe and adequate and in all respects just and reasonable. All charges made or demanded by any such gas corporation, electrical corporation, water corporation or sewer corporation for gas, electricity, water, sewer or any service rendered or to be rendered shall be just and reasonable and not more than allowed by law or by order or decision of the commission. Every unjust or unreasonable charge made or demanded for gas, electricity, water, sewer or any such service, or in connection therewith, or in excess of that allowed by law or by order or decision of the commission is prohibited, **subject to the provisions of sections 393.2000 to 393.2160 relating to the sale of electric energy on and after June 1, 2025.**

2. No gas corporation, electrical corporation, water corporation or sewer corporation shall directly or indirectly by any special rate, rebate, drawback or other device or method, charge, demand, collect or receive from any person or corporation a greater or less compensation for gas, electricity, water, sewer or for any service rendered or to be rendered or in connection therewith, except as authorized in this chapter, than it charges, demands, collects or receives from any other person or corporation for doing a like and contemporaneous service with respect thereto under the same or substantially similar circumstances or conditions.

3. No gas corporation, electrical corporation, water corporation or sewer corporation shall make or grant any undue or unreasonable preference or advantage to any person, corporation or locality, or to any particular description of service in any respect whatsoever, or subject any particular person, corporation or locality or any particular description of service to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

4. Nothing in this section shall be taken to prohibit a gas corporation, electrical corporation, water corporation or sewer corporation from establishing a sliding scale for a fixed period for the automatic adjustment of charges for gas, electricity, water, sewer or any service rendered or to be rendered and the dividends to be paid stockholders of such gas corporation, electrical corporation, water corporation or sewer corporation; provided, that the sliding scale shall first have been filed with and approved by the commission; but nothing in this subsection shall operate to prevent the commission after the expiration of such fixed period from fixing proper, just and reasonable rates and charges to be made for service as authorized in sections 393.110 to 393.285.

5. No water corporation shall be permitted to charge any municipality or fire protection district a rate for the placing and providing of fire hydrants for distribution of water for use in protecting life and property from the hazards of fire within such municipality or fire protection district. Nothing herein shall prevent such water corporation from including the

38 cost of placement and maintenance of such fire hydrants in its cost basis in determining a fair
39 and reasonable rate to be charged for water. Any such fee or rental charge being made for
40 such fire hydrants whether by contract or otherwise at the time this act shall take effect may
41 remain in effect for a period of one hundred twenty days after this section shall take effect.

42 6. In any home rule city with more than four hundred thousand inhabitants and
43 located in more than one county, any deposits held by the city for any water or sewerage
44 services provided to a customer at any premises shall accrue interest if the customer is current
45 in payments for water and sewerage services and if the city has held the deposit for two or
46 more years. Interest for each year, or part thereof, shall accrue at the rate set for six month
47 United States treasury bills effective December thirty-first of the preceding year. For any
48 deposit held by the city on or before the December thirty-first prior to August 28, 2002, if that
49 deposit is still held by the city on the December thirty-first one year next following August
50 28, 2002, interest accruing pursuant to this section from the effective date shall be credited to
51 the customer's individual account, or paid to the customer, at the city's discretion.

393.135. Any charge made or demanded by an electrical corporation for service, or in
2 connection therewith, which is based on the costs of construction in progress upon any
3 existing or new facility of the electrical corporation, or any other cost associated with owning,
4 operating, maintaining, or financing any property before it is fully operational and used for
5 service, is unjust and unreasonable, and is prohibited, **subject to the provisions of sections**
6 **393.2000 to 393.2160 relating to the sale of electric energy on and after June 1, 2025.**

393.230. 1. The commission shall have the power to ascertain the value of the
2 property of every gas corporation, electrical corporation, water corporation and sewer
3 corporation in this state and every fact which in its judgment may or does have any bearing on
4 such value. The commission shall have power to make revaluations from time to time and to
5 ascertain all new construction, extensions and additions to the property of every gas
6 corporation, electrical corporation, water corporation, and sewer corporation. **This section**
7 **shall be subject to the provisions of sections 393.2000 to 393.2160 relating to the sale of**
8 **electric energy on and after June 1, 2025.**

9 2. For the purpose of ascertaining the matters and things specified in this section,
10 concerning the value of the property of gas corporations, electrical corporations, water
11 corporations and sewer corporations, the commission may cause a hearing or hearings to be
12 held at such time or times and place or places as the commission may designate. Before any
13 hearing is had the commission shall give the gas corporation, electrical corporation, water
14 corporation or sewer corporation affected thereby at least thirty days' notice, specifying the
15 time and place of such hearing, and such notice shall be sufficient to authorize the
16 commission to inquire into the matters designated in this section, but this provision shall not
17 prevent the commission from making any preliminary examination or investigation into the

18 matters herein referred to, or from inquiring into such matters in any other investigation or
19 hearing. All gas corporations, electrical corporations, water corporations and sewer
20 corporations affected shall be entitled to be heard and to introduce evidence at such hearing or
21 hearings. The commission is empowered to resort to any other source of information
22 available. The evidence introduced at such hearings shall be reduced to writing and certified
23 under the seal of the commission. The commission shall make and file its findings of fact in
24 writing upon all matters concerning which evidence shall have been introduced before it
25 which in its judgment have bearing on the value of the property of the gas corporation,
26 electrical corporation, water corporation or sewer corporation affected.

27 3. Such findings shall be subject to review by any circuit court of this state in the
28 same manner and within the same time as other orders and decisions of the commission. The
29 findings of the commission so made and filed, when properly certified under the seal of the
30 commission, shall be admissible in evidence in any action, proceeding or hearing before the
31 commission or any court, in which the commission, the state or an officer, department or
32 institution thereof, or any county, city or municipality or other body politic and the gas
33 corporation, electrical corporation, water corporation or sewer corporation affected may be
34 interested whether arising under the provisions of this chapter or otherwise, and such
35 findings, when so introduced, shall be conclusive evidence of the facts therein stated as of the
36 date therein stated under conditions then existing, and such facts can only be controverted by
37 showing a subsequent change in conditions bearing upon the facts therein determined.

38 4. The commission may from time to time cause further hearings and investigations
39 to be had for the purpose of making revaluations or ascertaining the value of any betterments,
40 improvements, additions or extensions made by any gas corporation, electrical corporation,
41 water corporation or sewer corporation subsequent to any prior hearing or investigation, and
42 may examine into all matters which may change, modify or affect any finding of fact
43 previously made, and may at such time make findings of fact supplementary to those
44 theretofore made. Such hearings shall be had upon the same notice and be conducted in the
45 same manner, and the findings so made shall have the same force and effect as is provided
46 herein for such original notice, hearing and findings; provided, that such findings made at
47 such supplemental hearings or investigations shall be considered in connection with and as a
48 part of the original findings except insofar as such supplemental findings shall change or
49 modify the findings made at the original hearing or investigation.

393.240. 1. The commission shall have power, after hearing, to require any or all gas
2 corporations, electrical corporations, water corporations and sewer corporations to carry a
3 proper and adequate depreciation account in accordance with such rules, regulations and
4 forms of account as the commission may prescribe. **This section shall be subject to the**

5 **provisions of sections 393.2000 to 393.2160 relating to the sale of electric energy on and**
6 **after June 1, 2025.**

7 2. The commission may, from time to time, ascertain and determine and by order fix
8 the proper and adequate rates of depreciation of the several classes of property of such
9 corporation, person or public utility. Each gas corporation, electrical corporation, water
10 corporation and sewer corporation shall conform its depreciation accounts to the rates so
11 ascertained, determined and fixed, and shall set aside the moneys so provided for out of
12 earnings and carry the same in a depreciation fund and expend such fund only for such
13 purposes and under such rules and regulations, both as to original expenditure and subsequent
14 replacement, as the commission may prescribe. The income from investments of moneys in
15 such fund shall likewise be carried in such fund.

393.250. 1. Reorganizations of gas corporations, electrical corporations, water
2 corporations and sewer corporations shall be subject to the supervision and control of the
3 commission, and no such reorganization shall be had without the authorization of the
4 commission. **This section shall be subject to the provisions of sections 393.2000 to**
5 **393.2160 relating to the sale of electric energy on and after June 1, 2025.**

6 2. Upon all such reorganizations the amount of capitalization, including therein all
7 stocks and bonds and other evidence of indebtedness, shall be such as is authorized by the
8 commission, which in making its determinations, shall not exceed the fair value of the
9 property involved, taking into consideration its original cost of construction, duplication cost,
10 present condition, earning power at reasonable rates and all other relevant matters and any
11 additional sum or sums as shall be actually paid in cash; provided, however, that the
12 commission may make due allowance for the discount of bonds.

13 3. Any reorganization agreement before it becomes effective shall be amended so that
14 the amount of capitalization shall conform to the amount authorized by the commission. The
15 commission may by its order impose such condition or conditions as it may deem reasonable
16 and necessary.

393.270. 1. Before proceeding under a complaint presented as provided in sections
2 393.110 to 393.285, the commission shall cause notice of such complaint, and the purpose
3 thereof, to be served upon the person or corporation affected thereby. Such person or
4 corporation shall have an opportunity to be heard in respect to the matters complained of at a
5 time and place to be specified in such notice. An investigation may be instituted by the
6 commission as to any matter of which complaint may be made as provided in sections
7 393.110 to 393.285, or to enable it to ascertain the facts requisite to the exercise of any power
8 conferred upon it.

9 2. After a hearing and after such investigation as shall have been made by the
10 commission or its officers, agents, examiners or inspectors, the commission within lawful

11 limits may, by order, fix the maximum price of gas, electricity, water or sewer service not
12 exceeding that fixed by statute to be charged by such corporation or person, for the service to
13 be furnished; and may order such improvement in the manufacture, distribution or supply of
14 gas, in the manufacture, transmission or supply of electricity, in the distribution or supply of
15 water, in the collection, carriage, treatment and disposal of sewage, or in the methods
16 employed by such persons or corporation as will in its judgment be adequate, just and
17 reasonable.

18 3. The price fixed by the commission under sections 393.110 to 393.285 shall be the
19 maximum price to be charged by such corporation or person for gas, electricity or water for
20 the service to be furnished within the territory and for a period to be fixed by the commission
21 in the order, not exceeding three years, except in the case of a sliding scale, and thereafter
22 until the commission shall, upon its own motion or upon the complaint of any corporation or
23 person interested, fix a higher or lower maximum price of gas, electricity, water or sewer
24 service to be thereafter charged.

25 4. In determining the price to be charged for gas, electricity, or water the commission
26 may consider all facts which in its judgment have any bearing upon a proper determination of
27 the question although not set forth in the complaint and not within the allegations contained
28 therein, with due regard, among other things, to a reasonable average return upon capital
29 actually expended and to the necessity of making reservations out of income for surplus and
30 contingencies.

31 5. In determining the price to be charged for sewer service the commission may
32 consider all facts which in its judgment have any bearing upon a proper determination of the
33 question although not set forth in the complaint and not within the allegations contained
34 therein, with due regard, among other things, to a reasonable average return upon the value of
35 the property actually used in the public service and to the necessity of making reservations out
36 of income for surplus and contingencies.

37 **6. This section shall be subject to the provisions of sections 393.2000 to 393.2160**
38 **relating to the sale of electric energy on and after June 1, 2025.**

393.297. 1. It is the intent of the general assembly through the passage of this act:

2 (1) To maintain a fair and equitable tax structure and to preserve the local tax base by
3 requiring all persons who provide electricity or gas service to pay an equitable share; and

4 (2) To equalize the amount of business taxes, franchise fees and payments in lieu of
5 taxes on competing suppliers of electricity and gas service.

6 (3) To restore to political subdivisions revenue sources that existed prior to any
7 previously implemented gas industry restructuring.

8 (4) To remove disparities in the liability of natural gas suppliers for business taxes,
9 franchise fees, and payments in lieu of taxes, which disparities have arisen as a result of any
10 previously implemented gas industry restructuring.

11 2. Political subdivisions provide police, fire and public health services, including the
12 inspection of gas and electric equipment and other facilities used in the consumption of gas
13 and electricity. Political subdivisions impose license taxes, franchise fees and sales taxes on
14 providers of electricity and gas services, and require payments in lieu of taxes from publicly
15 owned utilities in order to pay for these and other services related to the transportation, use
16 and consumption of electricity and gas services and for the general operation of government.

17 3. Missouri has historically restricted competition with respect to electricity and gas
18 services by authorizing the Missouri public service commission to limit the number of
19 providers and has allowed political subdivisions to require franchises for these services.
20 Persons entering the gas and electric markets within Missouri receive substantial revenues
21 from consumers in Missouri, thereby creating a purposeful economic presence in this state.
22 In addition, these persons may also cause electricity and gas to be transported over rights-of-
23 way and utility easements and may use electric lines or gas lines which are owned, controlled
24 and maintained by other public and private entities in this state. Unless all participants in the
25 electricity and gas markets pay comparable taxes and fees, there will be significant tax and
26 franchise fee revenue losses by political subdivisions and unfair competitive disparities
27 among such participants.

28 4. The legislature finds that electricity and gas are essential, but potentially
29 dangerous, commodities in modern society. The electricity transmission and distribution
30 system is an interconnected and interdependent grid. Therefore, the legislature finds that it is
31 in the interest of public health and safety to require registration of all sellers of electricity and
32 gas for use or consumption within Missouri.

33 5. It is not the intent of this act to regulate the transportation of natural gas, methane,
34 or propane in interstate commerce to the extent that such regulation is preempted by the
35 Constitution of the United States.

36 **6. The provisions of sections 393.297 to 393.302 shall be subject to the provisions**
37 **of sections 393.2000 to 393.2160 relating to the sale of electric energy on and after June**
38 **1, 2025.**

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 386.020,
3 but shall not include an electrical corporation as described in subsection 2 of section 393.110;

4 (2) "Facility", a:

5 (a) Facility whose primary industry is the processing of primary metals;

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

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

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

13 (1) The commission determines, but for the authorization of the special rate the
14 facility would not commence operations, the special rate is in the interest of the state of
15 Missouri when considering the interests of the customers of the electrical corporation serving
16 the facility, considering the incremental cost of serving the facility to receive the special rate,
17 and the interests of the citizens of the state generally in promoting economic development,
18 improving the tax base, providing employment opportunities in the state, and promoting such
19 other benefits to the state as the commission may determine are created by approval of the
20 special rate;

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

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

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

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

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

47 (2) If the facility is located outside the electrical corporation's certificated service
48 territory, the facility shall be treated as if it is in the electrical corporation's certified service
49 territory, subject to a commission-approved rate schedule incorporating the special rate under
50 the contract.

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

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

64 **7. The provisions of this section shall be subject to the provisions of sections**
65 **393.2000 to 393.2160 relating to the sale of electric energy on and after June 1, 2025.**

393.1400. 1. For purposes of this section, the following terms shall mean:

2 (1) "Commission", the public service commission;

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

5 (3) "Qualifying electric plant", all rate-base additions, except rate-base additions for
6 new coal-fired generating units, new nuclear generating units, new natural gas units, or rate-
7 base additions that increase revenues by allowing service to new customer premises;

8 (4) "Rate-base cutoff date", the date rate-base additions are accounted for in a general
9 rate proceeding. In the absence of a commission order that specifies the rate-base cutoff date,
10 such date as reflected in any jointly proposed procedural schedule submitted by the parties in
11 the applicable general rate proceeding, or as otherwise agreed to by such parties, shall be
12 used;

13 (5) "Weighted average cost of capital", the return on rate base used to determine the
14 revenue requirement in the electrical corporation's most recently completed general rate

15 proceeding; provided, that in the absence of a commission determination of the return on rate
16 base within the three-year period prior to August 28, 2022, the weighted average cost of
17 capital shall be determined using the electrical corporation's actual capital structure as of
18 December 31, 2021, excluding short-term debt, the electrical corporation's actual cost of long-
19 term debt and preferred stock as of December 31, 2021, and a cost of common equity of nine
20 and one-half percent.

21 2. (1) Notwithstanding any other provision of this chapter to the contrary, electrical
22 corporations shall defer to a regulatory asset eighty-five percent of all depreciation expense
23 and return associated with all qualifying electric plant recorded to plant-in-service on the
24 utility's books commencing on or after August 28, 2018, if the electrical corporation has made
25 the election provided for by subsection 5 of this section by that date, or on the date such
26 election is made if the election is made after August 28, 2018. In each general rate
27 proceeding concluded after August 28, 2018, the balance of the regulatory asset as of the rate-
28 base cutoff date shall, subject only to the cap provided for in section 393.1655 or section
29 393.1656, as applicable, be included in the electrical corporation's rate base without any
30 offset, reduction, or adjustment based upon consideration of any other factor, other than as
31 provided for in subdivision (2) of this subsection, with the regulatory asset balance arising
32 from deferrals associated with qualifying electric plant placed in service after the rate-base
33 cutoff date to be included in rate base in the next general rate proceeding. The expiration of
34 this section shall not affect the continued inclusion in rate base and amortization of regulatory
35 asset balances that arose under this section prior to such expiration.

36 (2) The regulatory asset balances arising under this section shall be adjusted to reflect
37 any prudence disallowances ordered by the commission. The provisions of this section shall
38 not be construed to affect existing law respecting the burdens of production and persuasion in
39 general rate proceedings for rate-base additions.

40 (3) Parts of regulatory asset balances created under this section that are not yet being
41 recovered through rates shall include carrying costs at the electrical corporation's weighted
42 average cost of capital, plus applicable federal, state, and local income or excise taxes.
43 Regulatory asset balances arising under this section and included in rate base shall be
44 recovered in rates through a twenty-year amortization beginning on the date new rates
45 reflecting such amortization take effect.

46 3. (1) Depreciation expense deferred under this section shall account for all
47 qualifying electric plant placed into service less retirements of plant replaced by such
48 qualifying electric plant.

49 (2) Return deferred under this section shall be determined using the weighted average
50 cost of capital applied to the change in plant-related rate base caused by the qualifying electric
51 plant, plus applicable federal, state, and local income or excise taxes. In determining the

52 return deferred, the electrical corporation shall account for changes in all plant-related
53 accumulated deferred income taxes and changes in accumulated depreciation, excluding
54 retirements.

55 4. Beginning February 28, 2019, and by each February twenty-eighth thereafter while
56 the electrical corporation is allowed to make the deferrals provided for by subsection 2 of this
57 section, electrical corporations that defer depreciation expense and return authorized under
58 this section shall submit to the commission a five-year capital investment plan setting forth
59 the general categories of capital expenditures the electrical corporation will pursue in
60 furtherance of replacing, modernizing, and securing its infrastructure. The plan shall also
61 include a specific capital investment plan for the first year of the five-year plan consistent
62 with the level of specificity used for annual capital budgeting purposes. For each project in
63 the specific capital investment plan on which construction commences on or after January
64 first of the year in which the plan is submitted, and where the cost of the project is estimated
65 to exceed twenty million dollars, the electrical corporation shall identify all costs and benefits
66 that can be quantitatively evaluated and shall further identify how those costs and benefits are
67 quantified. For any cost or benefit with respect to such a project that the electrical
68 corporation believes cannot be quantitatively evaluated, the electrical corporation shall state
69 the reasons the cost or benefit cannot be quantitatively evaluated, and how the electrical
70 corporation addresses such costs and benefits when reviewing and deciding to pursue such a
71 project. No such project shall be based solely on costs and benefits that the electrical
72 corporation believes cannot be quantitatively evaluated. Any quantification for such a project
73 that does not produce quantified benefits exceeding the costs shall be accompanied by
74 additional justification in support of the project. For each of the first five years that an
75 electrical corporation is allowed to make the deferrals provided for by subsection 2 of this
76 section, the purchase and installation of smart meters shall constitute no more than six percent
77 of the electrical corporation's total capital expenditures during any given year under the
78 corporation's specific capital investment plan. At least twenty-five percent of the cost of each
79 year's capital investment plan shall be comprised of grid modernization projects, including
80 but not limited to:

81 (1) Increased use of digital information and controls technology to improve
82 reliability, security, and efficiency of the electric grid;

83 (2) Dynamic optimization of grid operations and resources, with full cybersecurity;

84 (3) Deployment and integration of distributed resources and generation, including
85 renewable resources;

86 (4) Development and incorporation of demand response, demand-side resources, and
87 energy-efficiency resources;

88 (5) Deployment of smart technologies (real-time, automated, interactive technologies
89 that optimize the physical operation of appliances and consumer devices) for metering,
90 communications, concerning grid operations and status, and distribution automation;

91 (6) Integration of smart appliances and devices;

92 (7) Deployment and integration of advanced electricity storage and peak-shaving
93 technologies, including plug-in electric and hybrid electric vehicles, and thermal storage air
94 conditioning;

95 (8) Provision of timely information and control options to consumer;

96 (9) Development of standards for communication and interoperability of appliances
97 and equipment connected to the electric grid, including the infrastructure serving the grid; and

98 (10) Identification and lowering of unreasonable or unnecessary barriers to adoption
99 of smart grid technologies, practices, and services.

100

101 Project specific information need not be included for the five-year period covered by the plan.
102 Within thirty days of the filing of any capital investment plan or annual update to an existing
103 plan, the electrical corporation shall host a public stakeholder meeting to answer questions
104 and receive feedback about the plan. After feedback is received, the electrical corporation
105 shall file a notice with the commission of any modifications to the capital investment plan it
106 has accepted. Changes to the plan, its implementation, or the level of investments made shall
107 not constitute evidence of imprudence of the investments made under such plan. The
108 submission of a capital investment plan under this section shall not affect in any way the
109 commission's authority with respect to the grant or denial of a certificate of convenience and
110 necessity under section 393.170. By February twenty-eighth following each year in which
111 the electrical corporation submits a capital investment plan, the electrical corporation shall
112 submit a report to the commission detailing actual capital investments made the previous
113 year, the quantitatively evaluated benefits and costs generated by each of those investments
114 that exceeded twenty million dollars, and any efficiencies achieved as a result of those
115 investments.

116 5. This section shall only apply to any electrical corporation that has filed a notice
117 with the commission of the electrical corporation's election to make the deferrals for which
118 this section provides. An electrical corporation may provide notice to the commission one
119 time under this subsection if such corporation has applied to the commission under subsection
120 2 of section 386.266, provided the corporation shall not concurrently utilize deferrals under
121 this subsection and the electric rate adjustments set forth in subsection 3 of section 386.266.
122 An electrical corporation's election shall allow it to make the deferrals provided for by
123 subsection 2 of this section until December 31, 2028. Notwithstanding the immediately
124 preceding sentence, an electrical corporation may seek permission to continue to make the

125 deferrals provided for by subsection 2 of this section for an additional five years beyond
126 December 31, 2028, by filing an application with the commission seeking such permission by
127 December 31, 2026, which application shall be ruled upon by the commission within one
128 hundred eighty days after its filing. In deciding whether to grant such permission to continue
129 the commission shall have the authority, consistent with its statutory authority outside this
130 section, to consider such factors as in its judgment it deems necessary and may condition the
131 permission on factors that are relevant to the deferrals authorized by subsection 2 of this
132 section. The commission shall make the determination of whether to grant such permission to
133 continue after a hearing. An electrical corporation making deferrals provided for by
134 subsection 2 of this section on and after January 1, 2024, shall be subject to the revenue
135 requirement impact cap set forth under section 393.1656. Failure to obtain such commission
136 permission to continue shall not affect deferrals made through the date for which permission
137 has been granted, or the regulatory and ratemaking treatment of the regulatory assets arising
138 from such deferrals as provided for by this section.

139 6. The commission may take into account any change in business risk to the
140 corporation resulting from implementation of the deferrals in setting the corporation's allowed
141 return in any rate proceeding, in addition to any other changes in business risk experienced by
142 the corporation.

143 7. This section shall expire on December 31, 2033, except that the amortization of the
144 regulatory asset balances arising under this section shall continue to be reflected in the
145 electrical corporation's rates and remaining regulatory asset balances shall be included in the
146 electrical corporation's rate base consistent with the ratemaking treatment and amortization
147 previously approved by the commission pursuant to this section.

148 **8. The provisions of this section shall be subject to the provisions of sections**
149 **393.2000 to 393.2160 relating to the sale of electric energy on and after June 1, 2025.**

2 **393.2000. Sections 393.2000 to 393.2160 shall be known and may be cited as**
2 **"The Electrical Choice and Competition Law".**

3 **393.2010. 1. Beginning on June 1, 2025, the provisions of sections 393.2000 to**
2 **393.2160 shall govern the sale of electric energy in the state of Missouri and any**
3 **provision of law that conflicts with the provisions of sections 393.2000 to 393.2160 shall**
4 **be invalid and void.**

5 **2. The public service commission may promulgate all necessary rules and**
6 **regulations for the administration of sections 393.2000 to 393.2160. Any rule or portion**
7 **of a rule, as that term is defined in section 536.010, that is created under the authority**
8 **delegated in this section shall become effective only if it complies with and is subject to**
9 **all of the provisions of chapter 536 and, if applicable, section 536.028. This section and**
10 **chapter 536 are nonseverable and if any of the powers vested with the general assembly**

11 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul
12 a rule are subsequently held unconstitutional, then the grant of rulemaking authority
13 and any rule proposed or adopted after August 28, 2024, shall be invalid and void.

393.2020. As used in sections 393.2000 to 393.2160, the following terms shall
2 mean:

3 (1) "Anticompetitive conduct" or "discriminatory conduct", actions by an
4 electric utility that inhibit the ability of electric generation suppliers to provide electric
5 generation service to customers or that create an impression that any electric generation
6 service by the electric utility is superior to offerings in the competitive market or
7 provides an advantage to any related electric generation supplier over nonaffiliated
8 electric generation suppliers;

9 (2) "Commission", the public service commission established under section
10 386.040;

11 (3) "Competitive procurement process", an auction in which wholesale electric
12 suppliers submit bids to supply electric generation service to an electric utility for
13 default service;

14 (4) "Competitive transition charge", a nonbypassable mechanism for the
15 recovery of transition or stranded costs by an electric utility;

16 (5) "Default service", electric generation service provided by the electric utility
17 upon transition to a competitive market for customers who do not choose an electric
18 generation supplier;

19 (6) "Electric generation service", generation, sale, or purchase of electricity to or
20 by retail customers;

21 (7) "Electric generation supplier", a person or entity licensed by the commission
22 to furnish electric generation service to retail customers;

23 (8) "Electric utility" or "electric utilities", electrical corporations as defined in
24 subdivision (15) of section 386.020. "Electric utility" or "electric utilities" shall not
25 include municipally owned electric utilities operating under chapter 91 or rural electric
26 cooperatives operating under chapter 394;

27 (9) "Hourly prices", charges for default service that vary hour to hour and are
28 determined from wholesale market prices using a methodology approved by the
29 commission;

30 (10) "Large commercial and industrial customer", a customer receiving
31 transmission and distribution service from the electric utility under a nonresidential
32 tariff and whose maximum registered peak load was greater than 1000 kW within the
33 last twelve months;

34 (11) "Medium commercial or industrial customer", a customer receiving
35 transmission and distribution service from the electric utility under a nonresidential
36 tariff and whose maximum registered peak load was greater than 150 kW, but less than
37 1000 kW, within the last twelve months;

38 (12) "Residential customer", a customer receiving transmission and distribution
39 service from the electric utility under a residential tariff;

40 (13) "Retail customer", a customer purchasing electric generation service from
41 the electric utility or an electric generation supplier;

42 (14) "Small commercial or industrial customer", a customer receiving service
43 from the electric utility under a nonresidential tariff and whose maximum registered
44 peak load was less than 150 kW within the last twelve months;

45 (15) "Transition costs" or "stranded costs", costs that would have been
46 recoverable by electric utilities in a regulated environment but are not recoverable in a
47 competitive generation market. Costs include regulatory assets and other deferred
48 charges, the unfunded portion of nuclear decommissioning costs, environmental
49 expenses, cost obligations under long-term contracts, and consumer education and
50 other costs associated with implementing electric choice, in addition to any costs
51 identified by the commission;

52 (16) "Transmission and distribution service", delivery of electricity provided by
53 the electric utility over its transmission and distribution systems.

 393.2030. 1. Beginning on June 1, 2025, the commission shall permit commercial
2 and industrial customers of electric utilities to choose an electric generation supplier.

3 2. Thereafter, on a time frame selected by the commission but no later than
4 January 1, 2028, the commission shall permit residential customers of electric utilities to
5 choose an electric generation supplier.

 393.2040. 1. All retail customers of electric utilities shall have direct access to a
2 competitive market for the generation of electricity, consistent with the time frames
3 established in section 393.2030.

4 2. The commission shall develop procedures for a fair and orderly transition
5 from the current regulated structure to a competitive market for the generation and sale
6 or purchase of electricity.

7 3. Electric utilities shall provide open access over their transmission and
8 distribution systems to allow electric generation suppliers to sell electricity directly to
9 retail customers in this state.

10 4. Electric utilities shall unbundle the rates charged for generation,
11 transmission, and distribution services for all customer classes before June 1, 2024.

12 **5. Following unbundling, the commission shall no longer regulate generation of**
13 **electricity as a public utility function except as otherwise provided for in sections**
14 **393.2000 to 393.2160. The commission shall continue to regulate transmission and**
15 **distribution of electricity as natural monopoly functions.**

16 **6. After June 1, 2025, and before January 1, 2028, residential customers'**
17 **unbundled rates shall remain the same as such rates were on June 1, 2025, unless the**
18 **commission approves an increase to the transmission and distribution charges of the**
19 **electric utility.**

393.2050. 1. Each electric utility shall be permitted to recover transition or
2 **stranded costs, which traditionally would have been recoverable in a regulated**
3 **environment but are not recoverable in a competitive electric generation market and**
4 **which the commission determines will remain following mitigation by the electric utility,**
5 **in accordance with the time frame established by section 393.2040.**

6 **2. Transition or stranded costs include regulatory assets and other deferred**
7 **charges, the unfunded portion of nuclear decommissioning costs, environmental**
8 **expenses, cost obligations under long-term contracts, and consumer education and**
9 **other costs associated with implementing electric choice, in addition to any costs**
10 **identified by the commission.**

393.2060. 1. At any time, electric utilities may opt to divest their generation
2 **assets. The assets may be divested by one of the following options at the discretion of the**
3 **electric utility:**

4 **(1) Sell generation assets to an unaffiliated entity; or**

5 **(2) Transfer generation assets to an unregulated affiliate at a fair market price.**

6 **2. Once a competitive market for electric generation service is implemented for**
7 **commercial and industrial customers, an electric utility that continues to own**
8 **generation assets shall not use such assets to provide electric generation service to its**
9 **retail commercial and industrial customers and shall not recover the costs of generation**
10 **from its sale of electricity to retail commercial and industrial customers.**

11 **3. Once a competitive market for electric generation service is implemented for**
12 **residential customers, an electric utility that continues to own generation assets shall not**
13 **use such assets to provide electric generation service to its retail residential customers**
14 **and shall not recover the costs of generation from its sale of electricity to retail**
15 **residential customers.**

16 **4. The commission shall determine whether it is necessary to establish, in**
17 **addition to existing independent system operator protections, an independent market**
18 **monitor to ensure that no entity owns generation assets in an amount that gives the**
19 **entity market power.**

393.2070. 1. Each electric utility shall submit to the commission a restructuring plan to implement direct access to a competitive market for the generation of electricity. The plans shall be submitted, pursuant to a schedule established by the commission, beginning nine months prior to implementation of electric choice for commercial and industrial customers.

2. A restructuring plan shall include, in addition to other components determined by the commission, the following:

(1) Identification and quantification of transition or stranded costs, along with an explanation of mitigation efforts taken to minimize these costs;

(2) Proposed nonbypassable competitive transition charge for each customer class for the recovery of transition or stranded costs;

(3) Proposed unbundled rates for each customer class for generation, transmission, and distribution services;

(4) Proposed level of indirect costs to be recovered in the initial default service price established under sections 393.2090 and 393.2100. The commission-approved amount of indirect costs to be recovered in the initial default service price shall be reevaluated every three years in connection with the competitive procurement process established under section 393.2110;

(5) A description of the unbundling process, including an explanation of the steps taken by the electric utility to ensure that the proposed unbundled rates do not result in the creation of cross-subsidies that adversely affect residential customers;

(6) Procedures for ensuring direct access to all licensed electric generation suppliers; and

(7) Revised tariffs and rate schedules implementing the above.

3. The commission shall review each restructuring plan and, after evidentiary hearings providing notice and opportunity to be heard for all parties, issue an order accepting, modifying, or rejecting the plan no later than six months from the filing of the plan. If the commission rejects the plan, it shall state the specific reasons and direct the electric utility to file an alternative plan within thirty days. The commission shall review the alternative plan and solicit comments from interested parties.

393.2080. 1. Beginning on June 1, 2025, electric utilities shall provide default service to commercial and industrial customers that do not choose an electric generation supplier.

2. Large commercial and industrial customers shall pay hourly prices for electricity, along with indirect costs incurred by the electric utility that are not directly attributable to default service but are associated with resources that support the provision of default service. The indirect costs shall be determined through a fully

8 allocated cost study performed by the electric utility that examines each indirect cost
9 category and reasonably allocates a portion of each cost category used to provide or
10 support default service to the default service price.

11 3. Medium commercial and industrial customers shall pay hourly prices for
12 electricity, along with indirect costs incurred by the electric utility that are not directly
13 attributable to default service but are associated with resources that support the
14 provision of default service. The indirect costs shall be determined through a fully
15 allocated cost study performed by the electric utility that examines each indirect cost
16 category and reasonably allocates a portion of each cost category used to provide or
17 support default service to the default service price.

18 4. Small commercial and industrial customers shall pay a monthly price
19 established through a commission-approved competitive procurement process that shall
20 include costs incurred by the electric utility to conduct the procurement process. This
21 price shall also include indirect costs as determined through a fully allocated cost study
22 performed by the electric utility that examines each indirect cost category and
23 reasonably allocates a portion of each cost category used to provide or support default
24 service to the default service price.

393.2090. 1. On and after January 1, 2028, the electric utility shall provide
2 default service to residential customers who do not choose an electric generation
3 supplier.

4 2. Residential customers shall pay a monthly price established through a
5 commission-approved competitive procurement process and that shall include costs
6 incurred by the electric utility to conduct the procurement process. The price shall also
7 include indirect costs as determined through a fully allocated cost study performed by
8 the electric utility that examines each indirect cost category and reasonably allocates a
9 portion of each cost category used to provide or support default service to the default
10 service price.

393.2100. 1. The commission shall establish the competitive procurement
2 process under sections 393.2080 and 393.2090.

3 2. The competitive procurement process shall consist of a multiple round,
4 descending clock auction for the procurement of electricity to meet one-third of the
5 service requirements, including energy, capacity, ancillary services, and other services
6 identified by the commission, of the retail customers of the electric utilities who have not
7 chosen an electric generation supplier for a three-year period. This process shall be
8 repeated annually.

393.2110. 1. The commission shall develop regulations to ensure the provision of
2 direct access on equal and nondiscriminatory terms to all customers and electric

3 generation suppliers; prevent discrimination in rates, terms, or conditions of service by
4 electric utilities; prevent the cross-subsidization of service among customers, customer
5 classes, or between related electric utilities and electric generation suppliers; forbid
6 unfair or deceptive practices; and establish and maintain an effective and vibrant
7 competitive market in the purchase and sale of retail electricity in the state.

8 2. The commission shall monitor the market for the supply and distribution of
9 electricity to retain customers and take steps to prevent anticompetitive or
10 discriminatory conduct and the unlawful exercise of market power.

11 3. Consistent with section 386.390, the commission shall have the authority
12 under this section to impose civil penalties, after due process, in an amount not to exceed
13 one thousand dollars per violation, on entities that engage in conduct prohibited by the
14 regulations or that otherwise engage in anticompetitive or discriminatory conduct and
15 the unlawful exercise of market power.

16 4. Any proceedings initiated pursuant to this section shall be subject to the
17 provisions of sections 386.400 to 386.610 relating to procedure before the commission
18 and the provisions of sections 386.700 and 386.710 relating to the office of public
19 counsel. Provisions of sections 386.700 and 386.710 that are applicable to proceedings
20 involving electric utilities shall apply equally to electric generation suppliers.

393.2120. 1. All electric utilities have an obligation to provide open and
2 nondiscriminatory access to their systems as needed for electric generation suppliers to
3 provide service. Such access includes customer metering and other customer
4 information so long as the electric generation supplier receives customer consent for
5 the release of the data.

6 2. The commission shall develop processes for electric generation suppliers to
7 confirm and document the customer's consent to release data; however, such processes
8 shall not have onerous signature or other requirements to be received from the
9 customer.

10 3. All electric utilities shall continue to provide metering services, but customer-
11 specific data shall be released to electric generation suppliers upon customer consent.

12 4. Customers shall have the ability to select their preferred billing method
13 including, but not limited to, utility consolidated billing, supplier consolidated billing, or
14 dual bills. The commission shall institute an on-the-record proceeding to develop the
15 necessary procedures and requirements to implement alternate billing methods.

393.2130. The commission is authorized to investigate and establish guidelines
2 for any and all retail market enhancement programs that may facilitate the ability of
3 electric generation suppliers to offer competitive products and services to consumers.

4 Such programs may include, but are not limited to, purchase of receivables programs,
5 customer referral programs, and municipal aggregation programs.

393.2140. 1. Beginning August 28, 2024, the commission shall commence a
2 proceeding to develop a robust customer education program to ensure that consumers
3 have access to accurate information about their ability to access the competitive market.
4 The proceeding shall explore ways for the commission to partner with electric utilities to
5 disseminate commission-endorsed educational pieces as well as appropriate cost
6 recovery from all customers to support the customer education program.

7 2. To the extent the costs are known when the restructuring plans are filed, costs
8 may be approved for recovery through the nonbypassable competitive transition charge.

9 3. The commission shall explore the use of a website option, or shopping website,
10 that enables consumers to compare products and services being offered by electric
11 generation suppliers.

393.2150. 1. No person or corporation shall engage in the business of an electric
2 generation supplier in this state unless the person or corporation holds a license issued
3 by the commission. The commission shall issue such license only upon finding that the
4 person or corporation is fit, willing, and able to properly perform the service proposed
5 and to conform to all legal requirements consistent with the public interest and the
6 policy declared in this chapter.

7 2. The commission shall develop:

8 (1) A standard written application to gather the information needed to assess an
9 applicant;

10 (2) Internal procedures to process written applications no later than ninety days
11 after they are properly submitted; and

12 (3) Reasonable financial security requirements to ensure the financial
13 responsibility of the electric generation supplier, the supply of electricity at retail in
14 accordance with contracts, agreements, or arrangements, and the payment of all
15 required applicable state taxes.

16 3. The commission is authorized to establish a filing fee for an application filed
17 under this section, based on reasonable costs incurred to process the application to
18 recover its regulatory expenses, but in an amount no greater than five hundred dollars.

393.2160. 1. Nothing in this chapter shall adversely affect the ability of
2 residential customers to retain access to any and all financial assistance benefits
3 currently available to qualifying low-income customers.

4 2. Nothing in this chapter shall adversely affect the ability of residential
5 customers to receive access to safe and reliable electricity service.

6 **3. Through regulation, the commission shall establish guidelines for the**
7 **provisioning of electric generation service to residential customers that ensure:**

8 **(1) Accurate and adequate pricing information through marketing and**
9 **disclosure statements;**

10 **(2) An understandable format that enables comparing prices and services on a**
11 **uniform basis; and**

12 **(3) Clear processes to confirm and document a customer's intent to switch**
13 **electric generation suppliers to avoid any unauthorized switches of generation service.**

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