

SECOND REGULAR SESSION

# SENATE BILL NO. 1143

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR ROMINE.

Read 1st time March 1, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

6727S.011

## AN ACT

To amend chapter 393, RSMo, by adding thereto one new section relating to ratemaking by the public service commission.

*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 393.1581, to read as follows:

**393.1581. 1. The provisions of section 386.020 defining words, phrases and terms shall apply to and determine the meaning of all such words, phrases or terms as used in this section. As used in this section, "aluminum smelting facility" shall mean a facility whose primary industry is the smelting of aluminum and primary metals, Standard Industrial Classification Code 3334, which has the capacity to use three million megawatt hours or more of electricity during a calendar year. As used in this section, "global average price" shall mean the global average delivered cost of electricity, inclusive of transmission costs, for aluminum smelters, excluding those located in China, for the most recent complete calendar year, as reported by the CRU Aluminum Smelter Power Tariff index, or its successor.**

**2. Notwithstanding any other provision of law to the contrary, an aluminum smelting facility may submit an application to the commission for approval of an aluminum smelter rate, or an aluminum smelting facility and an electrical corporation may jointly submit a contract, including an aluminum smelter rate, for service to an aluminum smelting facility to the commission for approval.**

**3. Any application or contract submitted under subsection 2 of this section shall set forth the rates, terms and conditions for service to an aluminum smelting facility as follows:**

22 (1) Rates shall not be seasonally variable;

23 (2) The initial price per megawatt hour shall be set within five  
24 percent, either above or below, of the global average price; and

25 (3) The initial price per megawatt hour shall increase by one  
26 percent per year, with the first one percent increase effective  
27 beginning in the billing cycle that starts twelve months after the  
28 effective dates of tariffs.

29 4. Within ninety days of the filing of the application under  
30 subsection 2 of this section, or within sixty days of the filing of a  
31 contract under subsection 2 of this section, the commission shall issue  
32 an order directing the electrical corporation to file tariffs containing  
33 the rates, terms and conditions set forth in the application, and  
34 authorizing the electrical corporation to create a regulatory asset for  
35 the difference between the revenues that would have been collected  
36 under the previously applicable rate and the newly applicable  
37 aluminum smelter rate. Such order shall be effective thirty days after  
38 its issuance.

39 5. If a contract submitted under subsection 2 of this section is for  
40 a term longer than five years, beginning with the first billing cycle in  
41 year six and for each year thereafter, the then current rate shall be  
42 reset to the global average price in each year, provided that the rate  
43 shall not increase or decrease by more than six percent in any such  
44 annual adjustment. If the then current rate is within five percent,  
45 either above or below, of the global average price no rate adjustment  
46 shall be made.

47 6. An aluminum smelting facility shall only be eligible for the  
48 aluminum smelter rate established under this section if it maintains a  
49 number of full-time employees that equals not less than one and one-  
50 half times its megawatt demand. If an aluminum smelting facility  
51 becomes ineligible for service under the aluminum smelter rate, it shall  
52 be served at the rate that was applicable at the time the aluminum  
53 smelter rate became effective.

54 7. The commission shall have the authority to promulgate rules  
55 and regulations for the implementation of this section. Any rule or  
56 portion of a rule, as that term is defined in section 536.010 that is  
57 created under the authority delegated in this section shall become  
58 effective only if it complies with and is subject to all of the provisions

59 of chapter 536, and, if applicable, section 536.028. This section and  
60 chapter 536 are nonseverable and if any of the powers vested with the  
61 general assembly pursuant to chapter 536, to review, to delay the  
62 effective date, or to disapprove and annul a rule are subsequently held  
63 unconstitutional, then the grant of rulemaking authority and any rule  
64 proposed or adopted after August 28, 2016, shall be invalid and void.

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