

FIRST REGULAR SESSION

SENATE BILL NO. 366

92ND GENERAL ASSEMBLY

INTRODUCED BY SENATORS SCOTT, STEELMAN, NODLER AND GROSS.

Read 1st time January 27, 2003, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

0786S.03I

AN ACT

To amend chapter 393, RSMo, by adding thereto one new section relating to the approval of certain gas and electrical facilities 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 393.156, to read as follows:

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

- (1) "Company", an electrical corporation or a gas corporation;**
- (2) "Contract", a company's contract for the purchase of electric power in the amount of five million dollars or more;**
- (3) "Cost", the total installed cost of the facility;**
- (4) "Facility", any electric plant or gas plant with an estimated total investment or leased cost of five million dollars or more for companies serving one hundred thousand to one million customers in this state, and twenty-five million dollars or more for those companies serving more than one million customers in this state;**
- (5) "Stake", a company's whole or fractional ownership share or leasehold, or other proprietary interest in a facility.**

2. Prior to undertaking the construction of, or participation in, a new facility or prior to entering into a new contract, and in order to assure the financial community that a reasonable return will be realized, a company may file with the commission a petition for a determination of the ratemaking principles and treatment that will apply to the recovery in retail rates of the cost to be incurred by the company to acquire its stake in the facility during the expected useful life of the

facility or the recovery in retail rates of the contract during the term thereof. The commission shall thereafter issue an order setting forth the ratemaking principles and treatment that will be applicable to the company's stake in the facility or to the contract in all ratemaking proceedings on and after such time as the facility is placed in service or the term of the contract commences. The ratemaking principles and treatment applicable to the facility or contract shall be utilized by the commission in all proceedings in which the cost of the company's stake in the facility or the cost of purchased power under the contract is considered. If the commission fails to issue a determination within one hundred eighty days of the date a petition for a determination of ratemaking principles and treatment is filed, the ratemaking principles and treatment proposed by the petitioning company will be deemed to have been approved by the commission and shall be binding for ratemaking purposes during the useful life of the facility or during the term of the contract.

3. The company shall have twelve months from the effective date of the determination of the commission to notify the commission whether it will construct, or participate in the construction of, the facility or whether it will perform under terms of the contract. If the company notifies the commission within the twelve-month period that the company will not construct, or participate in the construction of, the facility or that it will not perform under the terms of the contract, then the determination of ratemaking principles and treatment pursuant to subsection 2 of this section shall be of no further force or effect, shall have no precedential value in any subsequent proceeding, and there shall be no adverse presumption applied in any future proceeding as a result of such notification.

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