not reprinted here. This proposed amendment becomes effective thirty (30) days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS: No comments were received.

TITLE 13 – DEPARTMENT OF SOCIAL SERVICES
Division 70 – MO HealthNet Division
Chapter 20 – Pharmacy Program

ORDER OF RULEMAKING

By the authority vested in the Department of Social Services, MO HealthNet Division, under section 208.153, RSMo Supp. 2024, and sections 208.175, 208.201, and 660.017, RSMo 2016, the division amends a rule as follows:

13 CSR 70-20.300 Retrospective Drug Use Review Process **is amended**.

A notice of proposed rulemaking containing the text of the proposed amendment was published in the *Missouri Register* on December 2, 2024 (49 MoReg 1817-1818). No changes have been made to the text of the proposed amendment, so it is not reprinted here. This proposed amendment becomes effective thirty (30) days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS: No comments were received.

TITLE 20 – DEPARTMENT OF COMMERCE AND INSURANCE
Division 4240 – Public Service Commission
Chapter 3 – Filing and Reporting Requirements

ORDER OF RULEMAKING

By the authority vested in the Public Service Commission under section 386.250, RSMo 2016, the commission rescinds a rule as follows:

20 CSR 4240-3.305 Filing Requirements for Sewer Utility Applications for Certificates of Convenience and Necessity **is rescinded**.

A notice of proposed rulemaking containing the proposed rescission was published in the *Missouri Register* on November 15, 2024 (49 MoReg 1716). No changes have been made to the proposed rescission, so it is not reprinted here. This proposed rescission becomes effective thirty (30) days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS: The comment period ended on December 15, 2024, and a public hearing was held on December 18, 2024. No comments were received regarding the rescission of this rule.

TITLE 20 – DEPARTMENT OF COMMERCE AND INSURANCE
Division 4240 – Public Service Commission
Chapter 3 – Filing and Reporting Requirements

ORDER OF RULEMAKING

By the authority vested in the Public Service Commission under section 386.250, RSMo 2016, the commission rescinds a rule as follows:

20 CSR 4240-3.600 Filing Requirements for Water Utility Applications for Certificates of Convenience and Necessity **is rescinded**.

A notice of proposed rulemaking containing the proposed rescission was published in the *Missouri Register* on November 15, 2024 (49 MoReg 1716-1717). No changes have been made to the proposed rescission, so it is not reprinted here. This proposed rescission becomes effective thirty (30) days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS: The comment period ended on December 15, 2024, and a public hearing was held on December 18, 2024. No comments were received regarding the rescission of this rule.

TITLE 20 – DEPARTMENT OF COMMERCE AND INSURANCE
Division 4240 – Public Service Commission
Chapter 10 – Utilities

ORDER OF RULEMAKING

By the authority vested in the Public Service Commission under sections 386.250 and 393.140, RSMo 2016, the commission adopts a rule as follows:

20 CSR 4240-10.155 is adopted.

A notice of proposed rulemaking containing the text of the proposed rule was published in the *Missouri Register* on November 1, 2024 (49 MoReg 1609-1613). Those sections with changes are reprinted here. This proposed rule becomes effective thirty (30) days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS: The public comment period ended December 6, 2024, and the commission held a public hearing on the proposed rule on December 10, 2024. The commission received timely written comments from eight (8) people representing six (6) entities during the comment period and thirteen (13) people representing eleven (11) entities provided comments at the hearing. The comments were generally in support of the proposed rule with a few suggested changes.

COMMENT #1: Goldie T. Bockstruck, Director, Regulatory Affairs and Regulatory Counsel, provided written comments on behalf of Summit Natural Gas of Missouri (Summit). Summit proposed adding language to subsection (8)(A) to define limitations of accessibility to the books and records of a covered utility's parent and affiliates. J. Scott Stacey, Deputy Counsel, on behalf of the staff of the commission (staff) commented that it is opposed to Summit's proposed edits. Staff stated these entities are trying to limit the commission's authority in this affiliate transaction rule, which has been litigated previously. Staff commented that the Missouri Supreme Court found that "the PSC's authority to require utilities to maintain records so that it may determine whether utilities are following their obligations under section 393.130.2, RSMo, is firmly established.

Likewise, the PSC has authority to extend the reach of the rules to a utility's affiliate where the affiliate is 'substantially kept separate and apart' from the business of the utility... that section also states that the PSC shall have the right to inquire as to, and prescribe the apportionment of, capitalization, debts, and expenses fairly and justly to be awarded or borne by the ownership, operation, management or control of such gas plant, electric plant... Sec. 393.140(12)," etc. *State ex rel. Atmos Energy Corp. v. PSC*, 103 S.W.3rd 753, 764 (2003) (*Atmos Energy*).
RESPONSE: The commission thanks Summit for its comment. However, the commission agrees with staff that it has the authority to propose rules on affiliate transactions and authority to seek the information sought. Therefore, the commission makes no change as a result of this comment.

COMMENT #2: Sreenivasa Rao Dandamudi, Director and Associate General Counsel - Regulatory, on behalf of Spire Missouri Inc. (Spire) submitted written comments. David Yonce, also on behalf of Spire, reaffirmed the written comments made by Mr. Dandamudi. Spire is concerned whether the new rule would affect existing cost allocation manuals (CAMs) that have been drafted and already approved by the commission. Spire is looking for clarification; Spire proposes to edit subsection (1)(C) to allow more flexibility. Staff commented that it was not opposed to Spire's proposed edit.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with Spire's comments and will change subsection (1)(C).

COMMENT #3: Spire proposed additional language to clarify the definition of derivatives in subsection (1)(H). Staff commented that it was not opposed to Spire's proposed edit.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with Spire's comments and will clarify the definition in subsection (1)(H).

COMMENT #4: Spire recommends including language concerning variances in subsection (1)(U). Staff commented that it was not opposed to Spire's proposed edit.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with Spire's comments and will change subsection (1)(U) as published to include variances.

COMMENT #5: Spire proposed language in subsection (5)(C) which would allow a utility to file its CAM on a date other than May 15 if agreed to by the commission and the utility. Staff commented that it was not opposed Spire's proposed edit.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with Spire's comment and will change subsection (5)(C).

COMMENT # 6: Rachel L. Niemeier, Corporate Counsel on behalf of Missouri-American Water Company (MAWC), submitted written comments suggesting edits to subsection (1)(I). Staff commented that it is opposed to MAWC's edit. Staff stated that removing the fair market price requirements would allow a covered utility to charge its fully distributed costs regardless of whether the service can be obtained elsewhere at a lower cost. Staff stated that MAWC's proposed change would defeat the principle behind the affiliate transactions rule that the utility's affiliate not be provided or receive a benefit from the utility that an unrelated third party would not also receive.
RESPONSE: The commission agrees with staff regarding the principle of the rule and makes no change as a result of this comment.

COMMENT #7: MAWC proposed changing the wording in subsection (2)(E) from "Missouri residents" to "a covered utility's customers." Staff commented that it was not opposed to MAWC's edit.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with MAWC's comment and will change subsection (2)(E) as suggested.

COMMENT #8: MAWC proposed edits to section (4) to refine the evidentiary standard as to the timing in which costs are calculated. Staff commented that it opposes MAWC's proposed edit. Staff noted that MAWC's suggested edits include new terminology that is not defined within the rule.
RESPONSE: The commission agrees with staff and will not introduce new undefined terminology in the rule. No change was made as a result of this comment.

COMMENT #9: MAWC proposed language in section (6) to modify the recordkeeping requirements for covered utilities. MAWC asserts it is not the controlling entity of its parent or any of its affiliates and does not have the authority to direct their business practices, specifically the maintenance of records. Staff commented that it is opposed to MAWC's proposed edit.
RESPONSE: While MAWC does not control its parent company, MAWC and its parent company must follow the record-keeping and other requirements of the states in which they operate. WC incurs costs from its service company and its parent company which are included in the costs of service to Missouri ratepayers. If these costs are not properly recorded, then the commission cannot audit those costs to set appropriate rates. Electric and gas corporations currently adhere to similar rules. Therefore, the commission determines no change should be made as a result of this comment. No change has been made as a result of these comments.

COMMENT #10: MAWC proposed language in section (7) to lighten requirements that a covered utility ensure its parent and any other affiliates maintain books and records including certain information regarding affiliate transactions. MAWC asserts it is not the controlling entity of its parent or any of its affiliates and does not have the authority to direct their business practices, specifically the maintenance of records. Staff commented that it opposes MAWCs proposed edit.
RESPONSE: While MAWC does not control its parent company, MAWC and its parent company must follow the record-keeping and other requirements of the states in which they operate. MAWC incurs costs from its service company and its parent company which are included in the costs of service to Missouri ratepayers. If these costs are not properly recorded, then the commission cannot audit those costs to set appropriate rates. Electric and gas corporations currently adhere to similar rules. Therefore, the commission determines no change should be made as a result of this comment. No change has been made as a result of these comments.

COMMENT #11: MAWC proposed language in subsection (8)(B). MAWC asserts it is not the controlling entity of its parent or any of its affiliates and does not have the authority to direct their business practices, specifically the maintenance of records. Staff responded that it is opposed to MAWC's proposed edits because the commenters are trying to limit the commission's authority in this affiliate transaction rule and that authority was previously upheld by the courts in the *Atmos Energy* case as explained in the comments above.
RESPONSE: The commission thanks MAWC for its comment. However, the commission agrees with staff that it has the authority to propose rules on affiliate transactions and authority to require utilities to keep certain records as needed. Therefore, the commission makes no change as a result of

these comments.

COMMENT #12: MAWC commented that affiliate transaction rules are not necessary for water and sewer corporations in the same manner as they may apply to electric and gas corporations.
RESPONSE: The commission notes that larger water and sewer companies have parent companies, service companies, and many affiliates that provided services to the regulated utility and non-regulated affiliated entities similar to electric and gas corporations. Thus, the affiliated transaction rule should also apply to water and sewer companies to ensure that the utility is not subsidizing it affiliated companies. Therefore, no change has been made as a result of this comment.

COMMENT #13: James B. Lowery on behalf of Union Electric d/b/a Ameren Missouri provided written comments on the definition of information in subsection (1)(L). Staff commented that it opposed Ameren's proposed edit.
RESPONSE: The commission thanks Ameren Missouri for its comments. However, the commission does not want to limit what information is considered in the way that Ameren Missouri's definition would limit it. Therefore, no change has been made as a result of this comment.

COMMENT #14: Ameren proposed edits to allow the sharing of "operational" information with it its affiliates in paragraph (2)(F)2. Staff commented that it is not opposed to Ameren's proposed edit.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with Ameren's comment and will change paragraph (2)(F)2.

COMMENT #15: Lena Mantle, Senior Analyst, for the Office of the Public Counsel (OPC), proposes adding language defining asset in section (1). Ameren provided written responsive comments to OPC's addition of the definition of an asset. Ameren opposed classifying employees as assets. Ameren states that employees should be free to work for whomever they want to work and that employees are not "under regulation" like the utilities they work for are. Ameren cited to commission File No. GO-20003-0354 where the commission declined to treat employees as part of a utility's franchise, works, or system, stating that after those employees' transfers, the employees' work functions were still being performed. Staff commented that it was opposed to the second sentence of the proposed definition.
RESPONSE: OPC's proposed addition would include, among other things, employees in the definition of assets. The commission finds Ameren's arguments persuasive and disagrees with the proposed change. No change has been made as a result of these comments.

COMMENT #16: OPC proposed adding language defining covered gas utility in section (1). Staff commented that it is opposed to the addition because gas corporations are included in the definition of covered utility in subsection (1)(G).
RESPONSE: The commission agrees with staff and no change has been made as a result of this comment.

COMMENT #17: OPC proposes changing "regulated utility" to "covered utility" in subsection (1)(L). Staff commented that it supported OPC's edit.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with OPC's comment and will change the wording in subsection (1)(L). No other changes were made as a result of these comments.

COMMENT #18: OPC recommends removing definition of "long-term" in subsection (1)(M) since is not used any place in the rule. Staff is in support of this definition removal.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with OPC's comments and will remove subsection (1)(M) as published and reletter the remaining subsections in section (1).

COMMENT #19: OPC recommends changing the phrase "nonregulated operations" to "nonregulated business operations" in subsection (1)(O). Staff commented that staff was not opposed to OPC's proposed edit.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with OPC's comments and will change subsection (1)(O) as published to include the word "business."

COMMENT #20: OPC proposed to include in the definition of preferential position in subsection (1)(Q) that the provision of information and the provision of assets could be giving an affiliate a preferential position. Staff commented that it was not opposed to OPC's proposed edit.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with OPC's comments and will change the definition in subsection (1)(Q) as published to include "information or actions."

COMMENT #21: OPC recommends changing the wording "regulated gas corporation" in subsection (1)(R) to "covered gas utility." Staff commented that it was not opposed to OPC's proposed edit.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with OPC's comments and will change the wording in subsection (1)(R) as published to OPC's suggested wording.

COMMENT #22: OPC recommends removing the definition of short-term in subsection (1)(S) since is it not used any place in the rule. Staff is in support of this definition removal.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with OPC's comments and will delete subsection (1)(S) as published.

COMMENT #23: OPC recommends changing the wording "gas corporation" and "regulated gas corporation" to "covered gas utility" in subsection (1)(T). Staff is in support of OPC's proposed edits.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with OPC's comments and will change subsection (1)(T) as published to include OPC's suggestion.

COMMENT #24: John Clizer, Senior Counsel for OPC, recommends moving subsection (2)(F) to the end of subsection (2)(B). Mr. Lowery for Ameren responded that if OPC's proposal was adopted Ameren would have to bid out all services that are currently provided by Ameren Services (AMS) which would require Ameren to hire a sizeable team of people to develop and issue requests for proposals, vet responses, and award contracts. Ameren was also concerned with the quality of work if a vendor submitted a "low ball" offer to win the contract. Ameren commented that OPC's proposed addition would continue to subject service companies to asymmetric pricing. Tom Byrne, a former senior director of regulatory affairs for Ameren, reaffirmed Ameren's written comments at the hearing. Mr. Byrne also commented that there is value in having a consistent group of dedicated employees who provide service over decades rather than having the possibility of switching back and forth among service providers for such important things as accounting, legal services, environmental

services, etc. Ameren commented that the use of a service company for the last 27 years has been successful and in customers' best interests. Ameren commented that OPC's suggestions would undermine the status quo and should be rejected. MAWC commented that it supports Ameren's responses.

Staff commented that it does not believe it is necessary to move subsection (2)(F) to subsection (2)(B). Staff stated that service companies are common within utility structures containing multiple regulated entities, as this type of affiliate provides the benefits of economies of scale for the provision of goods and services for regulated utilities compared to the cost of each regulated utility providing the good or service for itself on a stand-alone basis. The service company structure can be reasonably assumed to be less costly in most situations than arrangements in which the utility receives goods and services from unaffiliated entities at market value. The expected lower costs associated with the provision of service company goods and services are due to the inherent economies of scale available in the offering of centralized services to multiple entities; a requirement to transact with a service company at fully distributed costs ensures these transactions will not include a profit margin for the charges associated with provision of its goods and services, unlike the case of unaffiliated/independent third-party vendors. Mark Johnson, Chief Staff Counsel, reaffirmed staff's opposition to OPC's proposal at the hearing. He commented that several utilities utilize service companies and the ratepayers benefit from the use of the service company because it can be less costly due to economies of scale. Staff will continue to audit all costs including service company costs in future rate cases.
RESPONSE: The commission thanks OPC and the other parties for their comments. However, the commission agrees with the utilities and staff that this change should not be made. Therefore, no change has been made as a result of this comment.

COMMENT #25: OPC proposed edits to subsection (2)(E) to include electronic advertising such as social media and email. Staff commented that it is not opposed to OPC's edit.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with OPC's comments and will change subsection (2)(E) as published to include electronic forms of advertising.

COMMENT #26: OPC proposes changing the wording "regulated gas corporation" to "covered gas utility" in subsections (3)(B) through (3)(O). Staff commented that it supports OPC's proposed edit.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with OPC's comment and will change the wording in subsections (3)(B) through (3)(O).

COMMENT #27: OPC proposed removing language from paragraph (3)(H)1. to update the rule to require filing in the commission's electronic filing and information system (EFIS). OPC suggests changes to paragraph (3)(H)2. to provide specification on where this disclosure is made. OPC suggests changes to paragraph (3)(H)3. to clarify whether the contemplated filings would open a case or be filed in a non-case related submission in EFIS. And, OPC suggests moving paragraph (3)(H)4. to become subparagraph (3)(H)3.A. Staff supports OPC's proposed edits.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees in principle with OPC's comments and will amend paragraphs (3)(H)1., (3)(H)2., (3)(H)3., and (3)(H)4. to clarify where the filings will be made and whether they will open a new commission case file or be submitted in a non-case related submission.

COMMENT #28: OPC proposes changes to subsection (3)(M) to reduce the amount of time allowed for the recording of a complaint and to tie the start of this time period to when the complaint was received. OPC also proposes adding a provision for updates to the log and the amount of time the covered gas utility has to provide the record when requested by staff or OPC. Staff commented that it does not oppose OPC's proposed edit.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with OPC's comment and will change subsection (3)(M) accordingly.

COMMENT #29: OPC proposed language in subsection (5)(B) to add clarity on how often a utility must update its CAM; OPC proposed language requiring a utility to update its CAM no less frequently than every twelve (12) months. Staff commented that staff does not support OPC's proposed edit. Staff stated that the review of the information every twelve (12) months is too frequent. Staff would support a review every three (3) years, or some other reasonable time period.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with staff's comment and will change subsection (5)(B) to require a review every three (3) years.

COMMENT #30: OPC proposed removing the requirement in subsection (6)(B) that copies of affiliate transaction reports be served, and that proposes to clarify that submission of those reports in EFIS would not open a case before the commission. Staff commented that it supports OPC's proposed edit.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with OPC's comment and will change subsection (6)(B) accordingly.

COMMENT #31: Roger W. Steiner and James Fischer on behalf of Evergy Metro, Inc. d/b/a Evergy Missouri Metro and Evergy Missouri West, Inc. d/b/a Evergy Missouri West gave comments in general support of Ameren's comments.
RESPONSE: The commission thanks Evergy for its comment. No additional changes have been made as a result of these comments.

COMMENT #32: John Coffman with the Consumer's Council of Missouri commented that it is generally supportive of OPC's position.
RESPONSE: The commission thanks the Consumer's Council of Missouri for its comment. No additional changes have been made as a result of this comment.

COMMENT #33: Tim Opitz with the Midwest Energy Consumers Group (MECG) commented that MECG is in support of moving subsection (2)(F) to subsection (2)(B). MECG is in support of Ameren's proposed language for section (2)(F) in regard to provision of sharing day-to-day operational information, if the commission moves section (2)(F) to section (2)(B).
RESPONSE: The commission thanks the MECG for its comments. For the same reasons the commission did not make these changes in response to the comments above, no changes have been made as a result of these comments.

COMMENT #34: Mr. Johnson commented that the affiliate transaction rule needs to be updated from the current rule. He stated the rule has been complicated and difficult to administer. Staff is in support of the rule with changes outlined in staff's written comments.
RESPONSE: The commission thanks the staff for its comments.

No additional changes have been made as a result of these comments.

20 CSR 4240-10.155 Affiliate Transactions Respecting Electrical Corporations, Gas Corporations, Heating Companies, Certain Water Corporations, and Certain Sewer Corporations

(1) Definitions.

(C) Affiliate Transactions Report means the filing that each covered utility is required to make with the secretary of the commission no later than each May 15, unless a different date has been agreed to between the commission and the utility within its CAM, providing the information identified in section (6) of this rule, Recordkeeping Requirements.

(H) Derivatives means a financial instrument with a value, realized or unrealized, that is directly dependent upon or derived from an underlying factor. This underlying factor can be financial assets, real assets, indices, securities, debt instruments, commodities, other derivative instruments, any agreed upon pricing index or arrangement (e.g., the movement over time of the Consumer Price Index or freight rates), or the composition of these factors. Derivatives can involve the trading of rights or obligations based on the underlying good, but may not directly transfer property. They are used to hedge risk or to exchange a floating rate of return for a fixed rate of return or vice versa.

(L) Information means any data obtained by a covered utility that is not obtainable by nonaffiliated entities or can only be obtained at a competitively prohibitive cost in either time or resources.

(M) Marketing affiliate means an affiliate that engages in or arranges a commission-related sale of any natural gas service or portion of natural gas service to a shipper.

(N) Nonregulated business operations mean assets, goods, information, or services of an affiliate or a covered utility not subject to the jurisdiction of the commission under Chapters 386 and 393, RSMo.

(O) Opportunity sales means sales of unused contract entitlements necessarily held by a gas corporation to meet the daily and seasonal swings of its system customers and intended to maximize utilization of assets that remain under regulation.

(P) Preferential position means treatment, information or actions provided by a covered utility that offers an affiliate an advantage that cannot be obtained by nonaffiliates, or can only be obtained at a competitively prohibitive cost in either time or resources.

(Q) Shippers means all current and potential transportation customers on a covered gas utility's natural gas distribution system.

(R) Transportation means the receipt of natural gas at one point on a covered gas utility's system and the redelivery of an equivalent volume of natural gas to the retail customer of the gas at another point on the covered gas utility's system including, without limitation, scheduling, balancing, peaking, storage, and exchange to the extent such services are provided pursuant to the covered gas utility's commission tariff, and includes opportunity sales.

(S) Variance means an exemption granted by the commission from any applicable standard required pursuant to this rule. Any variances granted to 20 CSR 4240-40.015 shall continue as a variance under this rule.

(2) Standards.

(E) All forms of marketing materials, information, or advertisements, including but not limited to those in electronic or digital form, distributed to a covered utility's customers by an affiliate entity that shares an exact or similar name, logo, or trademark of the covered utility shall clearly display in a font size no smaller than ten- (10-) point font or announce that the affiliate entity is not regulated by the "Missouri Public Service Commission."

(F) This section shall not apply to or prohibit any of the following unless found by the commission, after notice and hearing, that such practice is contrary to the purposes and intent of this rule:

1. The joint provision of corporate support services, at FDC, between or among a covered utility and any affiliate. This includes joint provision of corporate support services by an affiliated service company; and

2. The provision, at FDC, of goods, information, or services of any kind between or among a covered utility and an affiliate regulated by the commission or other state utility commission, provided that a covered utility may share information with such an affiliate as part of its day-to-day communications with such an affiliate for the process of improving service, operations, or efficiency.

(3) Nondiscrimination Standards Respecting Gas Marketing.

(B) A covered gas utility shall apply all tariff provisions relating to transportation in the same manner to customers similarly situated whether they use affiliated or nonaffiliated marketers or brokers.

(C) A covered gas utility shall uniformly enforce its tariff provisions for all shippers.

(D) A covered gas utility shall not, through a tariff provision or otherwise, give its marketing affiliate and/or its customers any preference over a customer using a nonaffiliated marketer in matters relating to transportation or curtailment priority.

(E) A covered gas utility shall not give any customer using its marketing affiliate a preference, in the processing of a request for transportation services, over a customer using a nonaffiliated marketer, specifically including the manner and timing of such processing of a request for transportation services.

(F) A covered gas utility shall not disclose or cause to be disclosed to its marketing affiliate or any nonaffiliated marketer any information that it receives through its processing of requests for or provision of transportation.

(G) If a covered gas utility provides information related to transportation that is not readily available or generally known to other marketers to a customer using a marketing affiliate, it shall provide that information (electronic format, phone call, facsimile, etc.) contemporaneously to all nonaffiliated marketers transporting on its distribution system.

(H) A covered gas utility shall not condition or tie an offer or agreement to provide a transportation discount to a shipper to any service in which the marketing affiliate is involved. If the covered gas utility seeks to provide a discount for transportation to any shipper using a marketing affiliate, the regulated gas corporation shall, subject to an appropriate protective order –

1. File an application in the commission's electronic filing information system (EFIS) for approval of the transaction;

2. Disclose in the application filing whether the marketing affiliate of the covered gas utility is the gas supplier or broker serving the shipper;

3. Submit, as a non-case related submission in EFIS, quarterly public reports that provide the aggregate periodic and cumulative number of transportation discounts provided by the covered gas utility; and

4. Provide, in the quarterly reports, the aggregate number of such agreements which involve shippers for whom the

covered gas utility's marketing affiliate is or was at the time of the granting of the discount the gas supplier or broker.

(I) A covered gas utility shall not make opportunity sales directly to a customer of its marketing affiliate or to its marketing affiliate unless such supplies and/or capacity are made available to other similarly situated customers using nonaffiliated marketers on an identical basis given the nature of the transactions.

(J) A covered gas utility shall not condition or tie agreements (including prearranged capacity release) for the release of interstate or intrastate pipeline capacity to any service in which the marketing affiliate is involved under terms not offered to nonaffiliated companies and their customers.

(K) A covered gas utility shall maintain its books of account and records completely separate and apart from those of the marketing affiliate.

(L) A covered gas utility is prohibited from giving any customer using its marketing affiliate preference with respect to any tariff provisions that provide discretionary waivers or variances.

(M) A covered gas utility shall maintain records when it is made aware of any marketing complaint against an affiliate. The records should contain a log detailing the date the complaint was received by the covered gas utility, the name of the complainant, a brief description of the complaint, and, as applicable, how it has been resolved. If the complaint has not been recorded by the covered gas utility within three (3) days, an explanation for the delay must be recorded.

(N) A covered gas utility will not communicate to any customer, supplier, or third parties that any advantage may accrue to such customer, supplier, or third party in the use of the regulated gas corporation's services as a result of that customer, supplier, or third party dealing with its marketing affiliate and shall refrain from giving any appearance that it speaks on behalf of its affiliate.

(O) If a customer requests information about a marketing affiliate, the covered gas utility may provide the requested information but shall also provide a list of all marketers operating on its system.

(5) Cost Allocation Manuals (CAM)

(B) Each covered utility shall file a CAM for approval by the commission as part of its first general rate case after the effective date of this rule, or in a separate filing no later than two (2) years after the effective date of this rule. Each covered utility shall conduct periodic reviews of its cost allocation, market valuation, and internal cost methods, no less frequently than every three (3) years, and shall update its CAM accordingly.

(C) Each covered utility shall file its CAM with the commission on or before May 15 each year, unless a different date has been agreed to between the commission and the utility within its CAM, as part of the covered utility's Affiliate Transaction Report. Included in the report should be a list of all affiliates regardless if services are provided to or services were obtained from the affiliate. The commission may, at any time, direct its staff to conduct an audit or review of a covered utility's CAM.

(6) Recordkeeping Requirements.

(B) Each covered utility shall maintain the following information in a mutually agreed-to electronic format (i.e., agreement between the commission staff, the Office of the Public Counsel, and the covered utility) regarding affiliate transactions with affiliates on a calendar year basis and shall file such information in the form of an Affiliate Transactions Report with the secretary of the commission in EFIS by no later than May 15 of the succeeding year:

1. A full and complete list of all affiliates as defined by this rule;

2. A full and complete list of all assets, goods, information, and services sold or provided to, or purchased or received from, affiliates;

3. A full and complete list of all contracts entered with affiliates;

4. A full and complete list of all affiliate transactions undertaken with affiliates without a written contract together with a brief explanation of why there was no contract;

5. The amount of all affiliate transactions by affiliate and account charged;

6. The basis used (e.g., FMP, FDC, etc.) to record each type of affiliate transaction, and a description of the method used by the covered utility to determine FMP;

7. A list of all affiliate transactions for which the covered utility could not determine a reasonable FMP, with explanations as to why a reasonable FMP was unobtainable; and

8. A full and complete listing of all affiliate transactions made pursuant to subparagraph (11)(A)2.B. of this rule.

TITLE 20 – DEPARTMENT OF COMMERCE AND INSURANCE
Division 4240 – Public Service Commission
Chapter 10 – Utilities

ORDER OF RULEMAKING

By the authority vested in the Public Service Commission under sections 386.760.1 and 393.140, RSMo 2016, the commission adopts a rule as follows:

20 CSR 4240-10.165 is adopted.

A notice of proposed rulemaking containing the text of the proposed rule was published in the *Missouri Register* on November 1, 2024 (49 MoReg 1613-1614). Those sections with changes are reprinted here. This proposed rule becomes effective thirty (30) days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS: The public comment period ended December 6, 2024, and the commission held a public hearing on the proposed rule on December 6, 2024. The commission received one (1) written comment from parties during the comment period and one (1) party commented at the hearing. The comments were generally in support of the proposed rule with a suggested change.

COMMENT # 1: Lindsay VanGerpen, Senior Counsel, on behalf of the Office of the Public Counsel (OPC), submitted written comments. OPC suggested subsection (1)(A) should be amended to include the word "covered" before the word "utility" in the definition of "affiliated entity" so that the definition refers to a "covered utility." This will ensure consistency with the definitions contained in the rule and throughout the rule itself.

RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with the comments of OPC and the commission will add the word "covered" to subsection (1)(A).