

Denny Hoskins

Secretary of State / Administrative Rules

RULE TRANSMITTAL

971

Administrative Rules Stamp

RECEIVED

By Administrative Rules at 4:05 pm, Aug 28, 2025

RECEIVED

By JCAR at 3:47 pm, Aug 28, 2025

Rule Number 20 CSR 4240-10.035

Use a SEPARATE rule transmittal sheet for EACH individual rulemaking.

Name of person(s) Administrative Rules can contact with questions about this rule:

Content Nancy Dippell Phone 573-751-8518 Fax 573-526-6010

Email address Nancy.Dippell@psc.mo.gov

Data Entry Kayla Kliethermes Phone 573-751-4256 Fax 573-526-6010

Email address Kayla.Kliethermes@psc.mo.gov

Interagency mailing address Public Service Commission, 9th Floor Gov. Office Bldg, JC, MO

TYPE OF RULEMAKING ACTION TO BE TAKEN

☐ Emergency Rulemaking > ☐ Rule ☐ Amendment ☐ Rescission ☐ Termination

Effective date for the emergency _____

☒ Proposed Rulemaking > ☒ Rule ☐ Amendment ☐ Rescission

☐ Rule Action Notice

☐ In Addition

☐ Rule Under Consideration

☐ Request for Non-Substantive Change

☐ Statement of Actual Cost

☐ Order of Rulemaking > ☐ Withdrawal ☐ Adoption ☐ Amendment ☐ Rescission

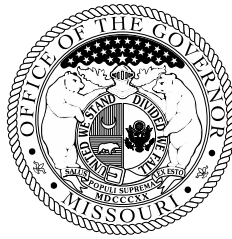
Effective date for the order _____

☐ Statutory 30 days OR Specific date _____

Does the Order of Rulemaking contain changes to the rule text? ☐ NO

☐ YES—LIST THE SECTIONS/SUBSECTIONS WITH CHANGES:

STATE CAPITOL
201 W. CAPITOL AVENUE, ROOM 216
JEFFERSON CITY, MISSOURI 65101



(573) 751-3222
WWW.GOVERNOR.MO.GOV

Mike Kehoe

GOVERNOR
STATE OF MISSOURI

August 18, 2025

Kayla Hahn, Chair
Missouri Public Service Commission
P O Box 360
Jefferson City MO 65102

Dear Ms. Hahn:

Our office has received the New Proposed rulemaking for the following regulation:

- **20 CSR 4240-10.035** Residential Advanced Meter or Hub Meter Opt-Out

Executive Order 25-13 requires this office's approval before state agencies release proposed regulations for notice and comment, amend existing regulations, or adopt new regulations. After our review, we approve submission of the rule and the regulatory impact report (if required) to JCAR and the Secretary of State.

Sincerely,

A handwritten signature in blue ink that reads "Lowell Pearson".

Lowell Pearson
General Counsel



Missouri Public Service Commission

MAIDA J. COLEMAN
Commissioner

KAYLA HAHN
Chair

JOHN P. MITCHELL
Commissioner

GLEN KOLKMEYER
Commissioner

POST OFFICE BOX 360
JEFFERSON CITY, MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
<http://psc.mo.gov>

VACANT
Commissioner

August 28, 2025

Denny Hoskins
Secretary of State
Administrative Rules Division
600 West Main Street
Jefferson City, Missouri 65101

Re: Residential Advanced Meter or Hub Meter Opt-Out

Dear Secretary Hoskins,

CERTIFICATION OF ADMINISTRATIVE RULE

I do hereby certify that the attached is an accurate and complete copy of the proposed rule lawfully submitted by the Missouri Public Service Commission.

The Public Service Commission further certifies it has conducted an analysis of whether or not there has been a taking of real property pursuant to section 536.017, RSMo, that the proposed rule does not constitute a taking of real property under relevant state and federal law.

The Public Service Commission has determined and hereby also certifies that if the proposed rule does affect small business pursuant to sections 536.300 to 536.310, RSMo, a small business impact statement has been filed as required by those sections. If no small business impact statement has been filed the proposed rule either does not affect small business or the small business requirements do not apply pursuant to section 536.300.4, RSMo.

Statutory Authority: *section 386.820, SS#2 SB4, First Regular Session of the 103rd General Assembly*

If there are any questions regarding the content of this proposed rule, please contact:

Nancy Dippell
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison Street
P.O. Box 360
Jefferson City, MO 65102
(573) 751-8518
Nancy.Dippell@psc.mo.gov



Nancy Dippell

Nancy Dippell
Secretary

Enclosures



Missouri Public Service Commission

MAIDA J. COLEMAN
Commissioner

KAYLA HAHN
Chair

JOHN P. MITCHELL
Commissioner

GLEN KOLKMEYER
Commissioner

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VACANT
Commissioner

August 28, 2024

Sarah Schappe
Director
Joint Committee on Administration Rules
State Capitol, Room B8A
Jefferson City, Missouri 65101

Re: Residential Advanced Meter or Hub Meter Opt-Out

Dear Director Schappe,

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Nancy Dippell

Nancy Dippell
Secretary

Enclosures

AFFIDAVIT

PUBLIC COST

STATE OF MISSOURI)
)
COUNTY OF COLE)

I, Angela L. Nelson, Director of the Department of Commerce and Insurance, first being duly sworn, on my oath, state that it is my opinion that the cost of proposed rule, 20 CSR 4240-10.035, is less than five hundred dollars in the aggregate to this agency, any other agency of state government or any political subdivision thereof.

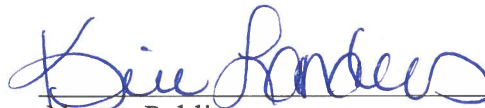
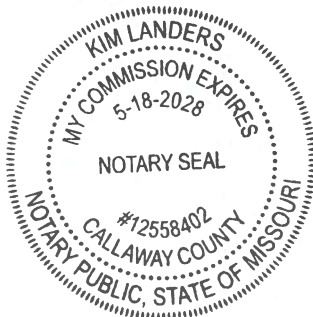


Angela L. Nelson

Director

Department of Commerce and Insurance

Subscribed and sworn to before me this 22nd day of August, 2025 I am commissioned as a notary public within the County of Callaway, State of Missouri, and my commission expires on May 18, 2028.



Notary Public

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

PROPOSED RULE

20 CSR 4240-10.035 Residential Advanced Meter or Hub Meter Opt-Out

PURPOSE: This rule establishes the requirements governing the residential advanced meter and hub meter opt-out process in accordance with section 386.820, RSMo.

(1) This rule applies to residential utility service provided by all electrical corporations, gas corporations, sewer corporations, and water corporations as those terms are defined in section 386.020, RSMo.

(2) The following definitions shall apply in this rule:

(A) Advanced meter means a meter or metering device system that is owned or leased by a utility or its agent and that meets one (1) or more of the following requirements:

1. Measures, records, and sends a customer's utility usage or other data by use of radio waves or broadband over power lines;

2. Allows for two-way communication between the meter and the utility or its agent; and

3. Allows for a utility or its agent to control a customer's thermostat, appliance, or service.

(B) Billing cycle shall have the same meaning as billing period as defined in 20 CSR 4240-13.015(1)(C).

(C) Commercially available means a meter that is readily available for purchase by the utility.

(D) Commercially reasonable means in line with commonly accepted practices and standards for electric, gas, water, and sewer utilities as determined by the commission.

(E) Hub meter means an advanced meter that generates stronger radio waves as a result of the meter serving as a hub for other advanced meters it communicates with in a given area.

(F) Inaccurate information means the intentional under reporting of meter data in an effort to not pay for services. Inaccurate information does not mean minor differences in readings by less than two percent (2%) to account for variations based on the time of day that the meter is read and similar factors.

(G) Meter use fee means a fixed monthly charge designed to recover the difference between the revenue requirement associated with metering, reading, and billing a customer without advanced metering and the revenue requirement to be recovered through a fixed monthly charge applicable to customers with similar requirements that are metered, read, and billed using advanced metering.

(H) Traditional meter means a commercially available meter that is unable to transmit usage information and is only intended to be read by an individual through a visual display. A traditional meter is not designed or capable of transmitting usage data by using radio waves or broadband over power lines, allowing two-way communication between the meter and the utility or its agents, or allowing a utility or its agents to control a customer's thermostat, appliance, or service. A traditional meter does not include an advanced meter or hub meter that has certain functionality turned off or deactivated.

RECEIVED

By JCAR at 3:47 pm, Aug 28, 2025

(I) Utility or utilities mean residential utility service provided by any electrical corporation, gas corporation, sewer corporation, or water corporation, as those terms are defined in section 386.020, RSMo.

(3) All utilities shall file with the commission a tariff that governs its advanced meter or hub meter opt-out process.

(A) The tariff may include—

1. A one-time all-inclusive fee, not to exceed one hundred and twenty-five dollars (\$125), for removal of an advanced or hub meter and to provide and install a traditional meter.

2. A monthly meter use fee, not to exceed fifteen dollars (\$15), for the use of a traditional meter.

a. The utility may propose a single monthly fee for all customers using a traditional meter, or it may propose separate monthly fees for customers who elect to self-read the traditional meter and for those whose meters are read by the utility. In no event shall a utility assess more than one monthly fee per account for the use of a traditional meter.

3. An interest charge on any unpaid amount the utility may assess due to the customer's failure to report usage or reporting inaccurate information in any given billing cycle. Such interest rate shall be no greater than five percent (5%).

(B) The tariff must include—

1. A description of the utility's meter placement practices including location;

2. A commercially reasonable time, in days, the utility expects to replace an advanced or hub meter with a traditional meter, following a request;

3. A description of how the customer may supply readings as further defined in section (5);

4. A list and description of situations that would prevent the installation of a traditional meter. For example, but not limited to, a current net-metering arrangement or customer selection of a rate that requires interval billing; and

5. If the utility's existing tariffs contain any of the items in subsections (3)(A) and (3)(B), a reference to that information shall be included in the advanced or hub meter opt-out tariff.

(4) If a utility seeks to discontinue its advanced or hub meter opt-out process, it shall include information that is sufficient to determine traditional meters are not commercially available in its discontinuance filing.

(5) Customer-supplied readings shall be in accordance with 20 CSR 4240-13.020 and the utility's commission-approved tariffs.

(A) Each utility shall provide the customer with a detailed process to report meter readings by telephone or other commercially reasonable means. A utility may additionally offer reporting through a secure website.

(B) If a customer elects to supply meter readings, the customer shall timely report accurate usage to the utility once per billing cycle.

(C) The utility shall obtain an actual meter reading to verify accuracy of customer-supplied meter readings at least once every twelve (12) months.

(6) Each utility shall provide its customers a simple comparison of the functional differences between the utility's traditional and advanced meters, hub meters, or appurtenances that enable automated or remote meter readings on traditional meters.

(7) If the utility determines or believes that the commercially reasonable time, as defined in its tariff, will be exceeded before the advanced or hub meter replacement date, the utility shall provide notice to the customer explaining the replacement of the advanced or hub meter has been extended with the new date the utility will replace the advanced or hub meter to a traditional meter.

(8) Beginning on July 1, 2027, and annually thereafter, the utility shall submit a non-case related submission that provides the following information:

(A) Number of customers electing a traditional meter.

(B) Number of advanced meters and hub meters in use by the utility to serve residential customers.

(C) Cost of offering the advanced and hub meter opt-out process for the most recent twelve (12) months.

(D) Fee revenues collected related to the advanced and hub meter opt-out process for the most recent twelve (12) months.

AUTHORITY: section 386.820, SS#2 SB4, First Regular Session of the 103rd General Assembly. Original rule filed August 28, 2025.

PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rule may cost private entities \$2,361,900 in the aggregate for the 10-year life of the rule. Utilities have the opportunity to recover the rule costs through its rates as approved by the Commission.

NOTICE TO SUBMIT COMMENTS AND NOTICE OF PUBLIC HEARING: Anyone may file comments in support of or in opposition to this proposed rule with the Missouri Public Service Commission, Nancy Dippell, Secretary of the Commission, PO Box 360, Jefferson City, MO 65102. To be considered, comments must be received at the commission's offices on or before November 5, 2025, and should include a reference to commission Case No. OX-2026-0045. Comments may also be submitted via a filing using the commission's electronic filing and information system at <http://www.psc.mo.gov/efis.asp>. A public hearing regarding this proposed rule is scheduled for November 13, 2025, at 12:00 p.m., in Room 310 of the Governor Office Building, 200 Madison St., Jefferson City, Missouri. Interested persons may appear at this hearing to submit additional comments and/or testimony in support or in opposition to this proposed rule, and may be asked to respond to commission questions. Any person with special needs as addressed by the Americans with Disabilities Act should contact the Missouri Public Service Commission at least ten (10) days prior to the hearing at one (1) of the following numbers: Consumer Services Hotline 1-800-392- 4211 or TDD Hotline 1-800-829-7541.

**FISCAL NOTE
PUBLIC COST**

- I. Department Title: Title 20--DEPARTMENT OF COMMERCE AND INSURANCE**
Division Title: Division 4240—Public Service Commission
Chapter Title: Chapter 10—Utilities

Rule Number and Name:	20 CSR 4240-10.035 Residential Advanced Metering Opt-Out
Type of Rulemaking:	Proposed Rule

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
Public Service Commission	\$0 No additional costs to the Commission are anticipated. However, it is expected that the proposed rule will result in some benefit to the Commission and affected agencies.

III. WORKSHEET

IV. ASSUMPTIONS

**FISCAL NOTE
PRIVATE COST**

- I. Department Title: Title 20--DEPARTMENT OF COMMERCE AND INSURANCE**
Division Title: Division 4240—Public Service Commission
Chapter Title: Chapter 10—Utilities

Rule Number and Title:	20 CSR 4240-10.035 Residential Advanced Metering Opt-Out
Type of Rulemaking:	Proposed Rule

II. SUMMARY OF FISCAL IMPACT

Estimate of the number of entities by class which would likely be affected by the adoption of the rule:	Classification by types of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
4	Investor-Owned Electrical Corporations	\$ 1,521,243
5	Gas Corporations	\$ 653,657
1	Water Corporations	\$ 11,000
0	Sewer Corporations	\$ 0
3	Water and Sewer Combined Corporations	\$ 176,000

III. WORKSHEET

The number of entities that will be affected by this rule is unknown because the rule amendments only apply to corporations that utilize advanced meters or hub meters. Additionally, several utilities have advanced meter opt-out options established for residential customers. The rule will likely affect four (4) electrical corporations (investor-owned electric utilities), five (5) gas corporations, one (1) water corporations, zero (0) sewer corporations, and three (3) combined water and sewer corporations.

The cost of compliance is estimated as follows:

- Annual costs for electric utilities in the aggregate: \$102,470 per year, with the total annual cost adjusted for inflation over the ten- (10-) year life of the rule being \$1,175,000.
- Annual cost for gas utilities in the aggregate: \$51,994 per year, with the total annual cost adjusted for inflation over the ten- (10-) year life of the rule being \$596,000.
- Annual cost for Water utilities \$964.82 per year, with the total annual cost adjusted for inflation over the ten- (10-) year life of the rule being \$11,000.

- Annual cost for combined Water/Sewer utilities in the aggregate: \$15,325, with the total annual cost adjusted for inflation over the ten- (10-) year life of the rule being \$176,000.

One-time cost by utility type:

- Electric utility: \$346,243
- Gas utility: \$57,657
- Water utility: \$0
- Sewer utility: \$0
- Water/Sewer utility: \$0

\$2,361,900 possible cost in the aggregate for the 10-year life of the rule. Utilities have the opportunity to recover the rule costs through its rates as approved by the Commission.

IV. ASSUMPTIONS

As proposed, section (3) requires the establishment of a tariff; section (6) requires customer education; section (7) requires notifications; and section (8) requires reporting certain information to the Commission.

For the purposes of estimating aggregate costs of compliance, the Commission made the following assumptions:

- Life of the rule is ten (10) years.
- There will be an annual inflation rate over ten (10) years of three percent (3%) per year.
- It is assumed that each potentially affected utility will have an opt-out participation rate of 0.24% and the number of opt-out customers is stable over the life of the rule.
- A small utility is assumed to have less than 500,000 residential customers (2024).
- A medium utility is assumed to have between 500,000 and 1,000,000 residential customers.
- A large utility is assumed to have over 1,000,000 residential customers.
- The number of residential customers per utility was obtained from 2024 annual reports as submitted to the Commission. Utilities who operate in multiple industries were aggregated together for the purposes of estimating the utility size.
- Water/sewer utilities that have less than 6,000 residential customers are assumed not to utilize advanced meters.
- Yearly costs based on the average of utility responses by size:
 - Yearly cost per opt-out customer (Large utility): \$12.00
 - Yearly cost per opt-out customer (Medium utility): \$38.02
 - Yearly cost per opt-out customer (Small utility): \$64.03
- One-time costs are as provided by the potentially affected utilities. If no one-time costs were provided, \$0 was assumed.
- The rule proposal implements the advanced meter provisions of Senate Bill 4 ([section 386.820, SS#2 SB4, First Regular Session of the 103rd General Assembly](#)), thus, certain costs are not caused by the rule. For example, the replacement of meters and monthly meter reading costs.

The Commission Staff received information regarding the estimated cost of compliance from: Ameren Missouri (Gas and Electric), Evergy (including Evergy Missouri Metro and Evergy Missouri West), Spire Missouri, Summit Natural Gas of Missouri, Liberty (including Empire District Electric, Empire (Gas), Midstates Natural Gas, and MO Water), and Missouri American Water Company.