

Denny Hoskins
Secretary of State / Administrative Rules
RULE TRANSMITTAL

Received

AUG 28 2025

SECRETARY OF STATE
ADMINISTRATIVE RULES

Administrative Rules Stamp

JCAR Stamp

JOINT COMMITTEE ON

AUG 28 2025

ADMINISTRATIVE RULES

Rule Number 20 CSR 4240-10.165

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 27, 2025

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

Dear Ms. Hahn:

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

- **20 CSR 4240-10.165** Prohibition on HVAC Services [Affiliate Transactions] Unless Providing Services Required by Law or Providing Programs Pursuant to an Existing Tariff, Rule, or Order of the Commission

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 cursive script that reads "Lowell Pearson".

Lowell Pearson
General Counsel



Missouri Public Service Commission

MAIDA J. COLEMAN
Commissioner

GLEN KOLKMEYER
Commissioner

KAYLA HAHN
Chair

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

JOHN P. MITCHELL
Commissioner

VACANT
Commissioner

August 28, 2025

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

**Re: 20 CSR 4240-10.165 Prohibition on HVAC Services Unless Providing Services
Required by Law or Providing Programs Pursuant to an Existing Tariff, Rule, or Order
of the Commission**

Dear Secretary Hoskins,

CERTIFICATION OF ADMINISTRATIVE RULE

I do hereby certify that the attached is an accurate and complete copy of the proposed amendment 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 amendment 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 amendment 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 amendment either does not affect small business or the small business requirements do not apply pursuant to section 536.300.4, RSMo.

Statutory Authority: *section[s] 386.760.1 and] 393.140, RSMo 2016, and section 386.760 RSMo, set forth in SS#2 SB4, First Regular Session of the 103rd General Assembly*

If there are any questions regarding the content of this proposed amendment, 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

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Chair

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JOHN P. MITCHELL
Commissioner

VACANT
Commissioner

August 28, 2025

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

**Re: 20 CSR 4240-10.165 Prohibition on HVAC Services Unless Providing Services
Required by Law or Providing Programs Pursuant to an Existing Tariff, Rule, or Order
of the Commission**

Dear Director Schappe,

CERTIFICATION OF ADMINISTRATIVE RULE

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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 amendment does not constitute a taking of real property under relevant state and federal law.

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Nancy Dippell

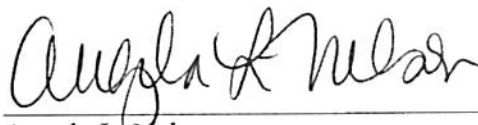
Nancy Dippell
Secretary

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 amendment, 20 CSR 4240-10.165, 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 Aug, 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

JOINT COMMITTEE ON

AUG 28 2025

ADMINISTRATIVE RULES

Received

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SECRETARY OF STATE
ADMINISTRATIVE RULES

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

PROPOSED AMENDMENT

20 CSR 4240-10.165 Prohibition on HVAC Services [*Affiliate Transactions*] Unless Providing Services Required by Law or Providing Programs Pursuant to an Existing Tariff, Rule, or Order of the Commission. The commission is amending the title, the purpose, and sections (1) and (2), and adding new sections (3), (4), and (5).

PURPOSE: This proposed amendment modifies the rule to address statutory changes to sections 386.752, 386.754, and 386.756, RSMo, set forth in SS#2 SB4, First Regular Session of the 103rd General Assembly, effective August 28, 2025.

PURPOSE: This rule prescribes the requirements and prohibitions for HVAC services [respecting affiliated entities and] to be conducted by regulated electrical corporations, gas corporations, and heating companies (covered utilities) and describes the circumstances when such covered utilities [participate in affiliated transactions with an HVAC] may have an affiliate engaging in HVAC services as set forth in sections 386.752, 386.754, 386.756, 386.760, 386.762 and 386.764, RSMo.

(1) Definitions.

(F) Utility contractor means a person, including an individual, corporation, firm, incorporated or unincorporated association or other business or legal entity, that contracts [whether in writing or not in writing,] with a covered utility to engage in or assist any entity engaging in HVAC services, but does not include employees of a covered utility.

(2) Standards

(A) A covered utility may not engage in HVAC services, except [*by an affiliated entity,*] in accordance with section 386.756, RSMo, or as provided in subsection (2)(G) or (2)(H) of this rule.

(B) In addition to the prohibition in 2(A) above, [N]no affiliated entity of a utility or a utility contractor may use any vehicles, service tools, instruments, employees, or any other covered utility's assets, the cost of which are recoverable in the regulated rates for a covered utility service, to engage in HVAC services unless the covered utility is compensated for the use of such assets at the FDC to the covered utility.

1. The determination of a covered utility's cost in this section is defined in subsection (1)(D) of this rule.

(3) Covered utilities that directly or indirectly engage with HVAC contractors shall develop a written qualification process, and shall advertise bid opportunities to all

such qualified contractors.

(A) The qualification process referred to above shall be established and in use no later than August 28, 2026.

1. Covered utilities shall file notification with the Commission when they have achieved compliance with section 386.756, RSMo, including a detailed description of the qualification process;
2. The qualification process shall be posted on the covered utility's website accessible to any interested person or company;
3. Covered utilities shall file a notification with the Commission not less than thirty (30) days prior to substantive process or website changes; and
4. The qualification process shall clearly document the most recent revision

date.

(B) In addition to any alternative application processes, covered utilities shall maintain an online application process to become a qualified contractor which must be available to be accessed via the covered utility's website.

(4) The Commission may grant a temporary variance from any portion of this rule upon written application from a utility, for good cause. Such a variance may not conflict with any portion of sections 386.752 to 386.764, RSMo.

(5) All submissions of any information alleging any violations of sections 386.754 to 386.764, RSMo, and the processing of any commission cases in relation thereto, shall follow the provisions of 20 CSR 4240, Chapter 2, as applicable.

*AUTHORITY: section[s 386.760.1 and] 393.140, RSMo 2016, and section 386.760 RSMo, set forth in SS#2 SB4, First Regular Session of the 103rd General Assembly, effective August 28, 2025. * Original rule filed Sept. 25, 2024, effective May 30, 2025. Amended filed August 28, 2025, effective _____.*

**Original authority: 386.760, RSMo 1998, and 393.140, RSMo 1939, amended 1949, 1967.*

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than of five hundred dollars (\$500.00) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500.00) in the aggregate.

NOTICE TO SUBMIT COMMENTS AND NOTICE OF PUBLIC HEARING: Anyone may file comments in support of or in opposition to this proposed amendment 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 14, 2025, and should include a reference to commission Case No. OX-2026-0046. 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

amendment is scheduled for November 21, 2025, at 12:00 p.m., in Room 305 of the Governor Office Building, 200 Madison St., Jefferson City, MO. Interested persons may appear at this hearing to submit additional comments and/or testimony in support or in opposition to this proposed amendment, 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 4240-10.165 Prohibition on HVAC Services Unless Providing Services Required by Law or Providing Programs Pursuant to an Existing Tariff, Rule or Order of the Commission
Type of Rulemaking:	Proposed Amendment

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 4240-10.165 Prohibition on HVAC Services Unless Providing Services Required by Law or Providing Programs Pursuant to an Existing Tariff, Rule or Order of the Commission
Type of Rulemaking:	Proposed Amendment

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	\$0
5	Gas Corporations	\$0

III. WORKSHEET

The rule will apply to four (4) electrical corporations (investor-owned electric utilities) and five (5) gas corporations.

IV. ASSUMPTIONS

The rule does not change what is already required of the utilities.