

Rules of Department of Economic Development

Division 240—Public Service Commission

Chapter 20—Electric Utilities

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(A) Applicability. This section applies to qualifying cogeneration facilities and qualifying small power production facilities which have a power production capacity which does not exceed thirty (30) megawatts and to any qualifying small power production facility with a power production capacity over thirty (30) megawatts if that facility produces electric energy solely by the use of biomass as a primary energy source.

(B) A qualifying facility described in subsection (1)(A) shall not be considered to be an electric utility company as defined in section 2(a)(3) of the Public Utility Holding Company Act of 1935, 15 U.S.C. 79b(a)(3).

(C) Any qualifying facility shall be exempted (except as otherwise provided) from Missouri PSC law or rule respecting the rates of electric utilities and the financial and organizational regulation of electric utilities. A qualifying facility may not be exempted from Missouri PSC law and rule implementing subpart C of PURPA.

AUTHORITY: sections 386.250 and 393.140, RSMo 2000.* Original rule filed Oct. 14, 1980, effective May 15, 1981. Amended: Filed Aug. 16, 2002, effective April 30, 2003.

*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996 and 393.140, RSMo 1939, amended 1949, 1967.

4 CSR 240-20.065 Net Metering

PURPOSE: This rule implements the Consumer Clean Energy Act (section 386.887, RSMo Supp. 2002) and establishes standards for interconnection of qualified net metering units (generating capacity of one hundred kilowatts (100 kW) or less) with retail electric power suppliers.

(1) Definitions.

(A) Commission means the Public Service Commission of the state of Missouri.

(B) Customer-generator means a consumer of electric energy who purchases electric energy from a retail electric power supplier and is the owner of a qualified net metering unit.

(C) Local distribution system means facilities for the distribution of electric energy to the ultimate consumer thereof.

(D) Qualified net metering unit means an electric generation unit which—

1. Is owned by a customer-generator;
2. Is a hydrogen fuel cell or is powered by sun, wind or biomass;

3. Has an electrical generating system with a capacity of not more than one hundred kilowatts (100 kW);

4. Is located on premises that are owned, operated, leased or otherwise controlled by the customer-generator;

5. Is interconnected with, and operates in parallel and in synchronization with a retail electric power supplier; and

6. Is intended primarily to offset part or all of the customer-generator's own electric power requirements.

(E) Retail electric power supplier means any entity that sells electric energy to the ultimate consumer thereof.

(F) Value of electric energy means the total resulting from the application of the appropriate rates, which may be time-of-use rates at the option of the retail electric power supplier, to the quantity of electric energy delivered to the retail electric power supplier from a qualified net metering unit or to the quantity of electric energy sold to a customer-generator.

(2) Applicability.

(A) This rule applies to retail electric power suppliers and customer-generators.

(3) Retail Electric Power Supplier Obligations.

(A) Each retail electric power supplier shall develop a tariff or rate schedule applicable to net metering customer-generators that shall—

1. Be made available to qualifying customer-generators upon request; and

2. Shall be posted with any other tariffs or rate schedules on the retail electric power supplier's website.

(B) Each retail electric power supplier shall provide net metering service on a first-come, first-served basis, until the total rated generating capacity used by customer-generators is equal to or in excess of the lesser of ten thousand kilowatts (10,000 kW) or one-tenth of one percent (0.1%) of the capacity necessary to meet the retail electric power supplier's aggregate customer peak demand for the preceding calendar year.

(C) Each retail electric power supplier shall notify the commission when total generating capacity of customer-generators is equal to or in excess of the lesser of ten thousand kilowatts (10,000 kW) or one-tenth of one percent (0.1%) of the capacity necessary to meet the retail electric power supplier's aggregate customer peak demand for the preceding calendar year.

(D) Each retail electric power supplier shall maintain and make available to the public, records of the total generating capacity of

customer-generators, the type of generating systems and the energy sources used.

(E) The retail electric power supplier's tariff, tariff rider, or rate schedule used to provide service to the customer-generator shall be identical in rate structure, all retail rate components, and any monthly charges, to the tariff or rate schedule provisions to which the same customer would be assigned if that customer were not a customer-generator.

1. Time-of-use rates, which may be applied at the option of the retail electric power supplier, shall be the time-of-use rates applicable to the customer-generator's assigned rate classification, absent the output of the net metering unit.

(F) No retail electric power supplier's tariff or rate schedule for net metering shall require customer-generators to—

1. Perform or pay for additional tests or analysis beyond those required to determine the effect of the operation of the net metering system on the local distribution system; or

2. Purchase additional liability insurance beyond that required by section (4) of this rule.

(4) Customer-Generator Liability Insurance Obligation.

(A) The customer-generator shall carry no less than one hundred thousand dollars (\$100,000) of liability insurance that provides for coverage of all risk of liability for personal injuries (including death) and damage to property arising out of or caused by the operation of the net metering unit. Insurance may be in the form of an existing policy or an endorsement on an existing policy.

(5) Determination of Net Value of Energy.

(A) Each retail electric power supplier shall calculate the net value of energy for a customer-generator in the following manner—

1. The retail electric power supplier shall individually measure both—

A. The electric energy delivered by the customer-generator to the retail electric power supplier; and

B. The electric energy provided by the retail electric power supplier to the customer-generator during each billing period by using metering capable of such function—either by a single meter capable of registering the flow of electricity in two (2) directions, or by using two (2) meters. The customer-generator is responsible for the costs of the metering described in this subsection beyond those a retail electric power supplier would incur in providing electric service to a customer in the same rate class as the customer-generator but who is not a customer-generator.

2. If the value of the electric energy supplied by the retail electric power supplier exceeds the value of the electric energy delivered by the customer-generator to the retail electric power supplier during a billing period, then the customer-generator shall be billed for the net value of the electric energy supplied by the retail electric power supplier in accordance with the rates, terms and conditions established by the retail electric power supplier for customer-generators.

3. If the value of the electric energy delivered by the customer-generator to the retail electric power supplier exceeds the value of the electric energy supplied by the retail electric power supplier, then the customer-generator—

A. Shall be billed for the appropriate customer charges for that billing period; and

B. Shall be credited for the net value of the electric energy delivered to the retail electric power supplier during the billing period, calculated using the retail electric power supplier's avoided cost (time of use or non-time of use), with this credit appearing on the customer-generator's bill no later than the following billing period.

(B) The retail electric power supplier, at its own expense, may install additional special metering (e.g. load research meter) to monitor the flow of electricity in each direction, not to include meters needed to comply with subsection (5)(A) of this rule.

(6) Interconnection Agreement.

(A) Each customer-generator and retail electric power supplier shall enter into the interconnection agreement included herein.

(7) Retail Electric Power Supplier Reporting Requirements.

(A) Each retail electric power supplier shall—

1. Supply the commission staff with a copy of the standard information regarding net metering and interconnection requirements provided to customers or posted on the retail electric power supplier's website; and

2. Supply the commission staff with a description of additional requirements, if these additional requirements are applicable to all net metering customers and not specific to individual interconnection situations, beyond those needed to meet the specific requirements outlined in section C of the interconnection agreement included herein.

(8) Customer-Generator Testing Requirements.

(A) Each customer-generator shall, at least once every year, conduct a test to confirm that the net metering unit automatically ceas-

es to energize the output (interconnection equipment output voltage goes to zero) within two (2) seconds of being disconnected from the retail electric power supplier's system. Disconnecting the net metering unit from the retail electric power supplier's electric system at the visible disconnect switch and measuring the time required for the unit to cease to energize the output shall satisfy this test.

(B) The customer-generator shall maintain a record of the results of these tests and, upon request, shall provide a copy of the test results to the retail electric supplier.

1. If the customer-generator is unable to provide a copy of the test results upon request, the retail electric power supplier shall notify the customer-generator by mail that the customer-generator has thirty (30) days from the date the customer-generator receives the request to provide the results of a test to the retail electric power supplier.

2. If the customer-generator's equipment ever fails this test, the customer-generator shall immediately disconnect the net metering unit.

3. If the customer-generator does not provide the results of a test to the retail electric power supplier within thirty (30) days of receiving a request from the retail electric power supplier or the results of the test provided to the retail electric power supplier show that the unit is not functioning correctly, the retail electric power supplier may immediately disconnect the net metering unit.

4. The net metering unit shall not be reconnected to the retail electric power supplier's electrical system by the customer-generator until the net metering unit is repaired and operating in a normal and safe manner.

INTERCONNECTION APPLICATION/AGREEMENT FOR NET METERING SYSTEMS WITH CAPACITY OF 100 kW OR LESS

For Customers Applying for Interconnection:

If you are interested in applying for interconnection to [Utility Name]'s electrical system, you should first contact [Utility Name] and ask for information related to interconnection of parallel generation equipment to [Utility Name]'s system and you should understand this information before proceeding with this Application. If you wish to apply for interconnection to [Utility Name]'s electrical system, please complete sections A, B, C, and D, and attach the plans and specifications describing the net metering, parallel generation, and interconnection facilities (hereinafter collectively referred to as the "Customer-Generator's System") and submit them to [Utility Name] at:

[Utility Mailing Address]

You will be provided with an approval or denial of this Application within ninety (90) days of receipt by [Utility Name]. If this Application is denied, you will be provided with the reason(s) for the denial. If this Application is approved and signed by both you and [Utility Name], it shall become a binding contract and shall govern your relationship with [Utility Name].

For Customers Who Have Received Approval of Customer-Generator System Plans and Specifications:

After receiving approval of your Application, it will be necessary to construct the Customer-Generator System in compliance with the plans and specifications described in the Application, complete sections E and F of this Application, and forward this Application to [Utility Name] for review and completion of section G at:

[Utility Mailing Address]

[Utility Name] will complete the utility portion of section G and, upon receipt of a completed Application/Agreement form and payment of any applicable fees, permit interconnection of the Customer-Generator System to [Utility Name]'s electrical system within fifteen (15) days of receipt by [Utility Name] if electric service already exists to the premises, unless the Customer-Generator and [Utility Name] agree to a later date. Similarly, upon receipt of a completed Application/Agreement form and payment of any applicable fees, if electric service does not exist to the premises, [Utility Name] will permit interconnection of the Customer-Generator System to [Utility Name]'s electrical system no later than fifteen (15) days after service is established to the premises, unless the Customer-Generator and [Utility Name] agree to a later date.

For Customers Who Are Assuming Ownership or Operational Control of an Existing Customer-Generator System:

If no changes are being made to the existing Customer-Generator System, complete sections A, D and F of this Application/Agreement and forward to [Utility Name] at:

[Utility Mailing Address]

[Utility Name] will review the new Application/Agreement and shall approve such, within fifteen (15) days of receipt by [Utility Name] if the new Customer-Generator has satisfactorily completed Application/Agreement, and no changes are being proposed to the existing Customer-Generator System. There are no fees or charges for the Customer-Generator who is assuming ownership or operational control of an existing Customer-Generator System if no modifications are being proposed to that System.

**A. Customer-Generator's Information**

Name: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
Service/Street Address (if different from above): _____
City: _____ State: _____ Zip Code: _____
Daytime Phone: _____ Fax: _____ E-Mail: _____
Emergency Contact Phone: _____
[Utility Name] Account No. (from Utility Bill): _____

B. Customer-Generator's System Information

Manufacturer Name Plate (if applicable) AC Power Rating: _____ kW Voltage: _____ Volts
System Type: Solar __ Wind __ Biomass __ Fuel Cell __ Other (describe) _____
Service/Street Address: _____
Inverter/Interconnection Equipment Manufacturer: _____
Inverter/Interconnection Equipment Model No.: _____
Are Required System Plans & Specifications Attached? Yes __ No __
Inverter/Interconnection Equipment Location (describe): _____

Outdoor Manual/Utility Accessible & Lockable Disconnect Switch Location (describe)

Existing Electrical Service Capacity _____ Amperes Voltage _____ Volts
Service Character: Single Phase __ Three Phase

C. Installation Information/Hardware and Installation Compliance

Person or Company Installing: _____
Contractor's License No. (if applicable): _____
Approximate Installation Date: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
Daytime Phone: _____ Fax: _____ E-Mail: _____
Person or Agency Who Will Inspect/Certify Installation: _____

The Customer-Generator's proposed System hardware complies with all applicable National Electrical Safety Code (NESC), National Electric Code (NEC), Institute of Electrical and Electronics Engineers (IEEE) and Underwriters Laboratories (UL) requirements for electrical equipment and their installation. As applicable to System type, these requirements include, but are not limited to, UL 1741 and IEEE 929-2000. The proposed installation complies with all applicable local electrical codes and all reasonable safety requirements of [Utility Name]. The proposed System has a lockable, visible disconnect device, accessible at all times to [Utility Name] personnel. The System is only required to include one lockable, visible disconnect device, accessible to [Utility Name]. If the interconnection equipment is equipped with a visible, lockable, and accessible disconnect, no redundant device is needed to meet this requirement.

The Customer-Generator's proposed System has functioning controls to prevent voltage flicker, DC injection, overvoltage, undervoltage, overfrequency, underfrequency, and overcurrent, and to provide for System

synchronization to [Utility Name]'s electrical system. The proposed System does have an anti-islanding function that prevents the generator from continuing to supply power when [Utility Name]'s electric system is not energized or operating normally. If the proposed System is designed to provide uninterruptible power to critical loads, either through energy storage or back-up generation, the proposed System includes a parallel blocking scheme for this backup source that prevents any backflow of power to [Utility Name]'s electrical system when the electrical system is not energized or not operating normally.

Signed (Installer): _____ Date: _____
Name (Print): _____

D. Additional Terms and Conditions

In addition to abiding by [Utility Name]'s other applicable rules and regulations, the Customer-Generator understands and agrees to the following specific terms and conditions:

1) Operation/Disconnection

If it appears to [Utility Name], at any time, in the reasonable exercise of its judgment, that operation of the Customer-Generator's System is adversely affecting safety, power quality or reliability of [Utility Name]'s electrical system, [Utility Name] may immediately disconnect and lock-out the Customer-Generator's System from [Utility Name]'s electrical system. The Customer-Generator shall permit [Utility Name]'s employees and inspectors reasonable access to inspect, test, and examine the Customer-Generator's System.

2) Liability

The Customer-Generator agrees to carry no less than \$100,000 of liability insurance that provides for coverage of all risk of liability for personal injuries (including death) and damage to property arising out of or caused by the operation of the Customer-Generator's System. Insurance may be in the form of an existing policy or an endorsement on an existing policy.

3) Interconnection Costs

The Customer-Generator shall, at the Customer-Generator's cost and expense, install, operate, maintain, repair, and inspect, and shall be fully responsible for the Customer-Generator's System. The Customer-Generator further agrees to pay or reimburse to [Utility Name] all of [Utility Name]'s Interconnection Costs. Interconnection Costs are the reasonable costs incurred by [Utility Name] for: (1) additional tests or analyses of the effects of the operation of the Customer-Generator's System on [Utility Name]'s local distribution system, (2) additional metering, and (3) any necessary controls. These Interconnection Costs must be related to the installation of the physical facilities necessary to permit interconnected operation of the Customer-Generator's System with [Utility Name]'s system and shall only include those costs, or corresponding costs, which would not have been incurred by [Utility Name] in providing service to the Customer-Generator solely as a consumer of electric energy from [Utility Name] pursuant to [Utility Name]'s standard cost of service policies in effect at the time the Customer-Generator's System is first interconnected with [Utility Name]'s system. Upon request, [Utility Name] shall provide the Customer-Generator with a not-to-exceed cost statement for interconnection with [Utility Name]'s based upon the plans and specifications provided by the Customer-Generator to [Utility Name].

4) Energy Pricing and Billing

Section 386.887, RSMo Supp. 2002 sets forth the valuation and billing of electric energy provided by [Utility Name] to the Customer-Generator and to [Utility Name] from Customer-Generator. The value of the electric energy delivered to the Customer-Generator shall be billed in accordance with rate schedule(s)

Utility's Applicable Rate Schedules]. The value of the electric energy delivered by the Customer-Generator to [Utility Name] shall be credited in accordance with rate schedule(s) [Utility's Applicable Rate Schedules].

5) Terms and Termination Rights

This Agreement becomes effective when signed by both the Customer-Generator and [Utility Name], and shall continue in effect until terminated. After fulfillment of any applicable initial tariff or rate schedule term, the Customer-Generator may terminate this Agreement at any time by giving [Utility Name] at least thirty (30) days prior written notice. In such event, the Customer-Generator shall, no later than the date of termination of Agreement, completely disconnect the Customer-Generator's System from parallel operation with [Utility Name]'s system. Either party may terminate this Agreement by giving the other party at least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of this Agreement, so long as the notice specifies the basis for termination, and there is an opportunity to cure the default. This Agreement may also be terminated at any time by mutual agreement of the Customer-Generator and [Utility Name]. This agreement may also be terminated, by approval of the Commission, if there is a change in statute that is determined to be applicable to this contract and necessitates its termination.

6) Transfer of Ownership

If operational control of the Customer-Generator's System transfers to any other party than the Customer-Generator, a new Application/Agreement must be completed by the person or persons taking over operational control of the existing Customer-Generator System. [Utility Name] shall be notified no less than thirty (30) days before the Customer-Generator anticipates transfer of operational control of the Customer-Generator's System. The person or persons taking over operational control of Customer-Generator's System must file a new Application/Agreement, and must receive authorization from [Utility Name], before the existing Customer-Generator System can remain interconnected with [Utility Name]'s electrical system. The new Application/Agreement will only need to be completed to the extent necessary to affirm that the new person or persons having operational control of the existing Customer-Generator System completely understand the provisions of this Application/Agreement and agree to them. If no changes are being made to the Customer-Generator's System, completing sections A, D and F of this Application/Agreement will satisfy this requirement. If no changes are being proposed to the Customer-Generator System, [Utility Name] will assess no charges or fees for this transfer. [Utility Name] will review the new Application/Agreement and shall approve such, within fifteen (15) days if the new Customer-Generator has satisfactorily completed the Application/Agreement, and no changes are being proposed to the existing Customer-Generator System. [Utility Name] will then complete section G and forward a copy of the completed Application/Agreement back to the new Customer-Generator, thereby notifying the new Customer-Generator that the new Customer-Generator is authorized to operate the existing Customer-Generator System in parallel with [Utility Name]'s electrical system. If any changes are planned to be made to the existing Customer-Generator System that in any way may degrade or significantly alter that System's output characteristics, then the Customer-Generator shall submit to [Utility Name] a new Application/Agreement for the entire Customer-Generator System and all portions of the Application/Agreement must be completed.

7) Dispute Resolution

If any disagreements between the Customer-Generator and [Utility Name] arise that cannot be resolved through normal negotiations between them, the disagreements may be brought to the Missouri Public Service Commission by either party, through an informal or formal complaint. Procedures for filing and processing these complaints are described in 4 CSR 240-2.070. The complaint procedures described in 4 CSR 240-2.070 apply only to retail electric power suppliers to the extent that they are regulated by the Missouri Public Service Commission.

8) Testing Requirement

The Customer-Generator must, at least once every year, conduct a test to confirm that the Customer-Generator's net metering unit automatically ceases to energize the output (interconnection equipment output voltage goes to zero) within two (2) seconds of being disconnected from [Utility Name]'s electrical system. Disconnecting the net metering unit from [Utility Name]'s electrical system at the visible disconnect switch and measuring the time required for the unit to cease to energize the output shall satisfy this test. The Customer-Generator shall maintain a record of the results of these tests and, upon request by [Utility Name], shall provide a copy of the test results to [Utility Name]. If the Customer-Generator is unable to provide a copy of the test results upon request, [Utility Name] shall notify the Customer-Generator by mail that Customer-Generator has thirty (30) days from the date the Customer-Generator receives the request to provide to [Utility Name], the results of a test. If the Customer-Generator's equipment ever fails this test, the Customer-Generator shall immediately disconnect the Customer-Generator's System from [Utility Name]'s system. If the Customer-Generator does not provide results of a test to [Utility Name] within thirty (30) days of receiving a request from [Utility Name] or the results of the test provided to [Utility Name] show that the Customer-Generator's net metering unit is not functioning correctly, [Utility Name] may immediately disconnect the Customer-Generator's System from [Utility Name]'s system. The Customer-Generator's System shall not be reconnected to [Utility Name]'s electrical system by the customer-generator until the Customer-Generator's System is repaired and operating in a normal and safe manner.

I have read, understand, and accept the provisions of Section D, subsections 1 through 8 of this Application/Agreement.

Signed (Customer-Generator): _____ Date: _____

E. Electrical Inspection

The Customer-Generator System referenced above satisfies all requirements noted in Section C.

Inspector Name (print): _____

Inspector Certification: I am a Licensed Engineer in Missouri _____ or I am a Licensed Electrician in Missouri _____ License No. _____

Signed (Inspector): _____ Date: _____

F. Customer-Generator Acknowledgement

I am aware of the Customer-Generator System installed on my premises and I have been given warranty information and/or an operational manual for that system. Also, I have been provided with a copy of [Utility Name]'s parallel generation tariff or rate schedule (as applicable) and interconnection requirements. I am familiar with the operation of the Customer-Generator System.

I agree to abide by the terms of this Application/Agreement and I agree to operate and maintain the Customer-Generator System in accordance with the manufacturer's recommended practices as well as [Utility Name]'s interconnection standards. If, at any time and for any reason, I believe that the Customer-Generator System is operating in an unusual manner that may result in any disturbances on [Utility Name]'s electrical system, I shall disconnect the Customer-Generator System and not reconnect it to [Utility Name]'s electrical system until the Customer-Generator System is operating normally after repair or inspection. Further, I agree to notify [Utility Name] no less than thirty (30) days prior to modification of the components or design of the Customer-Generator System that in any way may degrade or significantly alter that System's output characteristics. I acknowledge that any such modifications will require submission of a new Application/Agreement to [Utility Name].



I agree not to operate the Customer-Generator System in parallel with [Utility Name]'s electrical system until this Application/Agreement has been approved by [Utility Name].

Signed (Customer-Generator): _____ Date: _____

G. Utility Application Approval (*completed by [Utility Name]*)

[Utility Name] does not, by approval of this Application/Agreement, assume any responsibility or liability for damage to property or physical injury to persons due to malfunction of the Customer-Generator's System or the Customer-Generator's negligence.

This Application is approved by [Utility Name] on this _____ day of _____ (month), _____ (year).

[Utility Name] Representative Name (print): _____

Signed [Utility Name] Representative: _____

AUTHORITY: sections 386.250, RSMo 2000 and 386.887, RSMo Supp. 2002*. Original rule filed March 11, 2003, effective Aug. 30, 2003.

*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1987, 1988, 1991, 1993, 1995, 1996 and 386.887, RSMo 2002.

4 CSR 240-20.070 Decommissioning Trust Funds

PURPOSE: This rule is promulgated pursuant to section 393.292, RSMo to—1) govern the review and authorization of changes to the rates and charges contained in the tariff(s) of an electric corporation as a result of a change in the level or annual accrual of funding necessary for its nuclear power plant decommissioning trust fund, 2) govern the procedure for the submission, examination, hearing and approval for the tariff changes and 3) ensure that the amounts collected from ratepayers and paid into the trust funds will be neither greater nor lesser than the amounts necessary to carry out the purposes of the trust. Additional requirements pertaining to this subject matter are also found at 4 CSR 240-3.185.

(1) As used in this rule, decommissioning means those activities undertaken in connection with a nuclear generating unit's retirement from service to ensure that the final removal, disposal, entombment or other disposition of the unit and of any radioactive components and materials associated with the unit, are accomplished in compliance with all applicable laws, and to ensure that the final disposition does not pose any undue threat to the public health and safety. Decommissioning includes the removal and disposal of the structures, systems and components of a nuclear generating unit at the time of decommissioning.

(2) As used in this rule, decommissioning costs means all reasonable costs and expenses incurred in connection with decommissioning, including all expenses to be incurred in connection with the preparation for decommissioning, including, but not limited to, engineering and other planning expenses; and to be incurred after the actual decommissioning occurs, including, but not limited to, physical security and radiation monitoring expenses, less proceeds of insurance, salvage or resale of machinery, construction equipment or apparatus the cost of which was charged as a decommissioning expense.

(3) As used in this rule, utility(ies) means all electrical corporations subject to the jurisdiction of the Missouri Public Service Commission (commission) that own, in whole or in part, or operate nuclear generating units in Missouri or elsewhere and that have costs of these units reflected in the rates charged to Missouri ratepayers.

(4) Each utility shall establish a tax-qualified externally managed trust fund for the purpose of collecting funds to pay for decommissioning costs. The tax-qualified trust shall be established and maintained in accordance with the provisions of the *Internal Revenue Code*. If the utility has collected funds in excess of the Internal Revenue Service's (IRS) tax-qualified amount, a nontax-qualified externally managed trust fund shall be established and maintained for all these funds. These trust funds shall be administered pursuant to the following requirements:

(A) Each utility shall submit a copy of the decommissioning trust agreement and any other agreement entered into between the utility, trustee and investment manager(s) for approval by the commission. The listing of trustee fees shall be contained in or attached to the trust agreement itself. Any change in the trust agreement, trustee or investment manager(s) also shall be submitted to the commission for approval;

(B) The commission shall have the authority to require each utility to change the trustee or investment manager(s) of a decommissioning trust for good cause shown. The commission shall be informed of any significant disputes between the utility, the trustee or investment manager(s);

(C) Each utility shall maintain separate tax qualified trusts for each nuclear generating unit. All decommissioning trusts shall be maintained to show the amounts contributed annually by Missouri jurisdictional customers. Amounts to be contributed annually for Missouri jurisdictional customers shall be computed based on the jurisdictional allocator used in the company's last general rate proceeding unless otherwise ordered by the commission;

(D) The decommissioning trust shall be funded through no less than quarterly payments by the utility. The tax-qualified trust shall be funded with the lesser of the utility's decommissioning costs reflected in its cost of service or the maximum amount allowable by the IRS. All funds in excess of the IRS's ruling amount shall be placed in a nonqualified trust;

(E) The trustee or investment manager(s) shall invest the tax-qualified trust assets and nontax-qualified trust assets only in assets

that are prudent investments for assets held in trust and in a manner designed to maximize the after-tax return on funds invested, consistent with the conservation of the principal, subject to the limitations specified as follows:

1. The trustee and investment manager(s) shall not invest any portion of the tax-qualified or nontax-qualified trust's funds in the securities or assets of the following:

A. Any owner or operator of a nuclear power plant;

B. Any index fund, mutual fund or pooled fund in which more than fifteen percent (15%) of the assets are issued by owners or operators of nuclear power plants;

C. Any affiliated company of the utility; or

D. The trustee or investment manager(s)' company or affiliated companies (This limitation does not include time or demand deposits offered through the trustee or investment manager(s)' affiliated banking operations.);

2. The nontax-qualified trust shall be subject to the prohibitions against self-dealing applicable to the tax qualified trust as specified in the *Internal Revenue Code*; and

3. A utility's total book value of investments in equity securities in all of its decommissioning trusts shall not exceed sixty-five percent (65%) of the trust funds' book value; and

(F) All income earned by a trust's funds shall become a part of that trust's funds.

(5) The utility shall take every reasonable action to provide reasonable assurance that adequate funds are available at the nuclear generating unit's termination of operation, so that decommissioning can be carried out in a safe and timely manner and that lack of funds does not result in delays that may cause undue health and safety hazards.

(6) The utility shall maintain its nuclear generating unit(s) in a manner calculated to minimize the utility's total cost of maintenance and decommissioning, consistent with the prudent operation of the unit.

(7) Upon the filing of the appropriate tariff(s) as set in 4 CSR 240-3.180, the commission shall establish a schedule of proceedings which shall be limited in scope to the following issues:

(A) The extent of any change in the level or annual accrual of funding necessary for the utility's decommissioning trust fund; and

(B) The changes in rates which would reflect any change in the funding level or accrual rate.