

**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 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 affiliated entity] 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) *[No]* In addition to the prohibition in (2)(A) above, 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.

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 Supp. 2025. Original rule filed Sept. 25, 2024, effective May 30, 2025. Amended: Filed Aug. 28, 2025.

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

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) 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 Nov. 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 Nov. 21, 2025, at 12 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 of 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.

**TITLE 20 – DEPARTMENT OF COMMERCE AND
INSURANCE**

**Division 4240 – Public Service Commission
Chapter 13 – Service and Billing Practices for
Residential Customers of Electric, Gas, Sewer,
and Water Utilities**

PROPOSED AMENDMENT