

OPC Exhibit No. 125  
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# Why the “85%”?

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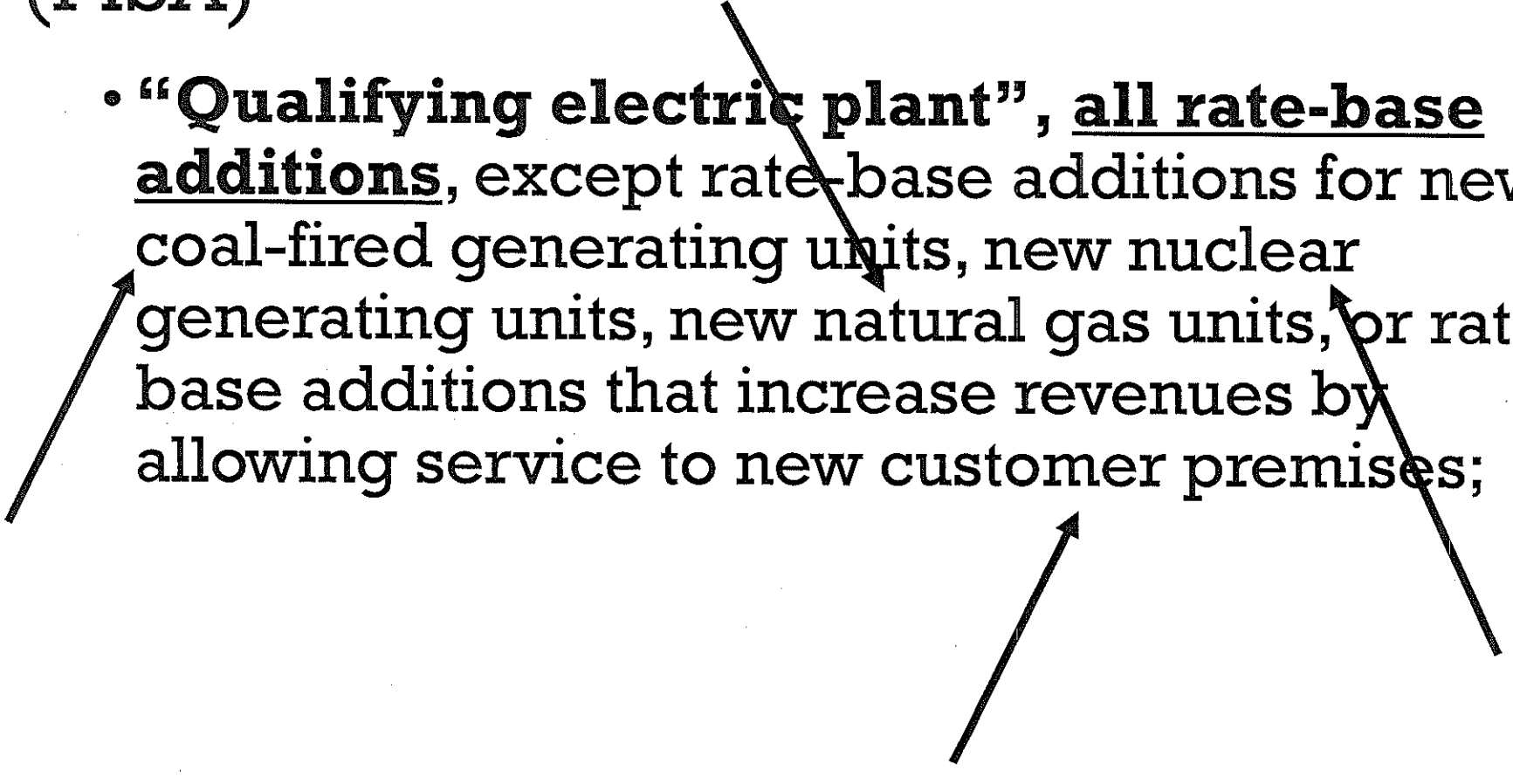
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# Public Counsel's Argument

- Argument 1: Follow the Plain Reading of the Statute.
- Argument 2: Legislative History Supports the Plain Reading.

## Section 393.1400.1.(3) Plant in Service (PISA)

- “**Qualifying electric plant**”, all rate-base additions, except rate-base additions for new coal-fired generating units, new nuclear generating units, new natural gas units, or rate-base additions that increase revenues by allowing service to new customer premises;
- 

## Section 393.1400.2(1) Plant-in-Service (PISA)

Despite the...

Renewable Energy Standard (RESRAM)

**chapter to the contrary**, electrical corporations shall defer to a regulatory asset **eighty-five percent of all depreciation expense and return** associated with **all qualifying electric plant** recorded to plant-in-service on the utility's books commencing on or after the effective date of this section...

# Sections 393.1665 and 393.1670

- Carrying costs at the Renewable Energy Commission's Standard Cost of Capital (RESRAM) of the regulatory asset balance of the regulated asset shall be recovered through rates set under section 393.150 or through a rate adjustment mechanism under section 393.1030, as soon as is practical.

- At its Renewable Energy Commission's Standard Cost of Capital (RESRAM) payments it has made through either base rates or through a rate adjustment mechanism under section 393.1030,

# Missouri House Revisions to PISA

- HB 2265 Introduced 1/24/18 – “...electrical corporations shall defer to a regulatory asset all depreciation expense and return associated with all qualifying electric plant...”
- HCS HB 2265 3/6/18 – “... electrical corporations shall defer to a regulatory asset one hundred percent of all depreciation expense and return associated with half of all qualifying electric plant...”
- HCS HB 2265 Perfected 3/14/18 – “... electrical corporations shall... defer to a regulatory asset fifty percent of the depreciation expense and return...”

# Missouri Senate Revisions to PISA

- SB 564 Introduced 12/1/17 - “~~... electrical corporations shall defer to a regulatory asset~~ all depreciation expense and return...”
- SS#5 SB 564 Offered 2/7/18 - “~~... electrical corporations shall defer to a regulatory asset~~ ninety percent of all depreciation expense and return...”
- SA 1 SS#5 SB 564 Adopted 2/7/18 - “Further amend said bill...by striking “ninety” and inserting in lieu thereof the following: “eight-five”
- SS#5 SB 564 TAFP 5/16/18 - “~~electrical corporations shall defer to a regulatory asset~~ eighty-five percent of all depreciation expense and return...”

**Why the “85%”?**

**Thank You**

**Happy Halloween**