Denny Hoskins

Secretary of State / Administrative Rules

RULE TRANSMITTAL

1018

Administrative Rules Stamp

RECEIVED
By Administrative Rules at 4:49 pm, Sep 21, 2026

JCAR Stamp

RECEIVED
By JCAR at 4:03 pm, Sep 21, 2026

Rule number **20 CSR 4240-21.040**

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:

Missouri Public Service Commission

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

September 18, 2026

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

Re: 20 CSR 4240-21.040 Transmission and Distribution Analysis Requirements

Dear Director Schappe,

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: *sections 386.040, 386.250, 386.610, 393.140, RSMo 2016, and section 393.1900, RSMo Supp. 2025.*

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

KAYLA HAHN
Chair

MAIDA J. COLEMAN
Commissioner

GLEN KOLKMEYER
Commissioner

JOHN P. MITCHELL
Commissioner

VACANT
Commissioner

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

September 18, 2026

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

Re: 20 CSR 4240-21.040 Transmission and Distribution Analysis Requirements

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: *sections 386.040, 386.250, 386.610, 393.140, RSMo 2016, and section 393.1900, RSMo Supp. 2025.*

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

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

September 16, 2026

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

Dear Ms. Hahn:

Our office has received the Proposed New rulemakings for the following regulations:

- **20 CSR 4240-21.030** Load Forecasting Requirements
- **20 CSR 4240-21.035** Supply-Side Resource Analysis Requirements
- **20 CSR 4240-21.040** Transmission and Distribution Analysis Requirements
- **20 CSR 4240-21.050** Demand-Side Resource Analysis Requirements

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,

Lowell Pearson

Lowell Pearson
General Counsel

AFFIDAVIT

PUBLIC COST

STATE OF MISSOURI)
)
COUNTY OF COLE)

I, Rodney Massman, General Counsel of the Public Service Commission, do declare that it is my opinion that the cost of proposed rule 20 CSR 4240-21.040 is less than five hundred dollars in the aggregate to this agency, any other agency of state government or any political subdivision thereof.

Rodney Massman
Rodney Massman
General Counsel
Public Service Commission

Subscribed and sworn to before me this 9th day of September, 2026. I am commissioned as a notary public within the County of Cole, State of Missouri, and my commission expires on June 29, 2029.

KAYLA DANAE KLIETHERMES
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: June 29, 2029
Commission Number: 25746700

Kayla Danae Kliethermes
Notary Public

Title 20 - DEPARTMENT OF COMMERCE AND INSURANCE
Division 4240 - Public Service Commission
Chapter 21 - Resource Planning for Electric Utilities

PROPOSED RULE

20 CSR 4240-21.040 Transmission and Distribution Analysis Requirements

PURPOSE: This rule establishes the minimum standards for the scope and level of detail required for the transmission and distribution network analysis.

(1) Transmission analysis requirements.
(A) The electric utility shall describe the adequacy of its existing transmission system including:
1. Age, condition, and efficiency level of its existing transmission system; and
2. Transmission constraints identified through operations or other assessments, if known.
(B) The electric utility shall describe the adequacy of its existing transmission system for any projects anticipated to be completed, using at a minimum, the following scenarios:
1. High-growth scenario load forecast at year five (5) pursuant to 20 CSR 4240-21.030(8)(A)3.A.;
2. Low-growth scenario load forecast at year five (5) pursuant to 20 CSR 4240-21.030(8)(A)3.B.; and
3. The electric utility may also select scenarios to stress-test its transmission system.
(C) The electric utility shall describe and justify the identification, timing, and cost of planned actions and transmission system upgrades over the implementation period; including those actions and upgrades that:
1. Maintain a viable, reliable, and/or resilient transmission network;
2. Affect supply-side resources that were evaluated pursuant to 20 CSR 4240-21.035(1);
3. Relate to the retirement of existing supply-side resources; and
4. Are planned by the appropriate regional transmission organization or independent system operator (RTO/ISO) primarily for economic reasons that may impact the alternative resource plans of the electric utility.
(D) The electric utility shall develop and provide a hosting capacity map to identify areas on its transmission system that may be suitable for new load or new generation sources. The electric utility may satisfy this requirement using similar maps hosted by the appropriate RTO/ISO.
(E) The electric utility shall provide estimates of the portion and amount of costs and revenues of proposed regional transmission upgrades that would be allocated to the electric utility over the implementation period.
(F) The electric utility shall provide an estimate of the amount of revenue requirement of regional transmission assets that would be allocated under the appropriate RTO/ISO tariff based on load to the electric utility. The electric utility may rely on the appropriate RTO/ISO

RECEIVED
By Administrative Rules at 4:49 pm, Sep 21, 2026

RECEIVED
By JCAR at 4:03 pm, Sep 21, 2026

for this estimate and shall update its estimate should the RTO/ISO provide an updated one to the electric utility.

(G) The electric utility shall provide an analysis for consideration pursuant to 20 CSR 4240-21.035(1)(D) that identifies the physical transmission upgrades needed to interconnect generation and facilitate power purchases and sales and justifies the interconnection costs assumptions used in its integrated resource plan (IRP) analyses.

(H) The utility shall provide its assessment of the most recently completed RTO/ISO expansion plan as it relates to an improvement, justifying the cost to maintain or improve a viable, reliable, and/or resilient transmission network and provide the following:

1. Explanation of its assessment including any assumptions;
2. Identification of transmission constraints relieved by the RTO/ISO expansion plan;
3.Identification of alternatives presented by the electric utility to the RTO/ISO that were adopted in the RTO/ISO expansion plan; and
4. Alternatives presented by the electric utility to the RTO/ISO that were not adopted in the RTO/ISO expansion plan.

(2) Distribution analysis requirements.

(A) The electric utility shall describe the adequacy of its existing distribution system including:

1. Age, condition, and efficiency level of its existing distribution system;
2. If needed to inform preparation of the IRP filing, all known distribution constraints, including constraints due to real power, reactive power, and power quality, under current peak demand; and
3. If needed to inform preparation of the IRP filing, all known distribution constraints, including constraints due to real power, reactive power, and power quality, under reasonably anticipated additions to peak demand.

(B) The electric utility shall describe and document the adequacy of its existing distribution system under, at a minimum, the following scenarios:

1. High-growth scenario load forecast at year five (5);
2. Low-growth scenario load forecast at year five (5); and
3. Any additional scenarios the electric utility may select to stress-test its distribution system.

(C) The electric utility shall describe and document the identification, timing, and cost of planned actions and distribution system upgrades over the implementation period; including those actions and upgrades that:

1. Maintain a viable distribution network;
2. Affect supply-side resources that were evaluated pursuant to 20 CSR 4240-21.035(2); and
3. Enable future cost-effective distributed energy resources evaluated under 20 CSR 4240-21.055.

(D) The electric utility shall develop and provide a hosting capacity map to provide a general understanding of areas where its distribution system has capacity to serve new load or interconnect distributed energy resources.

(3) Advanced transmission and distribution network technologies.

(A) The electric utility shall assess advanced transmission and distribution technologies that may become available during the planning horizon and facilitate or expand the availability and cost effectiveness of demand-side resources or supply-side resources.

(B) The engineering and cost studies that show the potential cost savings of advanced transmission and distribution technologies compared to the existing technology shall be separately identifiable in the analyses required in section (1) and section (2) and include:

1. A description of the electric utility's efforts at incorporating advanced grid technologies into its transmission and distribution networks; and

2. A description of the impact of the implementation of transmission and distribution advanced grid technologies on the selection of a resource acquisition strategy.

(4) If the electric utility has an existing Missouri Energy Efficiency Investment Act (MEEIA) portfolio or will propose a MEEIA portfolio during the implementation period, the electric utility shall develop, describe and document an avoided transmission capacity cost and an avoided distribution capacity cost based upon investments in transmission assets or distribution assets that can be reasonably avoided due to implementation of demand-side management programs. Such analysis must provide time periods identified as well as magnitudes necessary to avoid or minimize necessary transmission and distribution system upgrades. The avoided transmission and distribution capacity costs are components of the avoided demand cost pursuant to 20 CSR 4240-21.050(1)(A)2.

(5) Affiliate relationships and documentation requirements.

(A) If any affiliate of the electric utility intends to build transmission within the electric utility's service territory where the project(s) are partially- or fully-driven by economic considerations, then the electric utility shall explain why such affiliate-built transmission is in the best interest of the electric utility's Missouri customers and the electric utility shall maintain any analysis performed to determine whether such affiliate-built transmission is in the best interest of the electric utility's Missouri customers.

(B) The electric utility shall describe any affiliate or other relationship with transmission planning, designing, engineering, building, and/or construction management companies that the electric utility impacts or may impact. Any description and documentation in section (1), section (2), section (4), and section (5), also applies to any affiliate transmission planning, designing, engineering, building, and/or construction management company or other transmission planning, designing, engineering, building, and/or construction management company currently participating in transmission works or transmission projects for and/or with the electric utility.

(6) Distribution system load forecast.

(A) The electric utility shall describe the methodology used to forecast its distribution substation load and discuss how those forecasts are informed by or aligned with the system level forecast.

(B) The electric utility shall maintain feeder-level loading analysis.

(C) For any substation that is forecasted to grow by more than 5 MW at year five (5), the utility shall:

1. Discuss historical load growth within the geographical area served by each such distribution substation; and

2. Identify any known changes, such as customer additions, in the geographic area served by each such distribution substation.

AUTHORITY: sections 386.040, 386.250, 386.610, 393.140, RSMo 2016, and section 393.1900, RSMo Supp. 2025. Original rule filed ________, 2026.

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 is estimated to cost private entities one million two hundred thousand dollars ($1,200,000) in the aggregate in year one.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: 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, P.O. Box 360, Jefferson City, MO 65102. To be considered, comments must be received at the commission's offices on or before December 2, 2026, and should include a reference to Commission Case No. EX-2027-0085. Comments may also be submitted via a filing using the commission's electronic filing and information system at https://psc.mo.gov/General/Submit_Comments. A public hearing regarding this proposed rule is scheduled for December 15, 2026, at 10 a.m., in Room 310 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 rule and may be asked to respond to commission questions. Any persons 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
PRIVATE COST

I. Department Title: Title 20--DEPARTMENT OF COMMERCE AND INSURANCE
Division Title: Division 4240—Public Service Commission
Chapter Title: Chapter 21— Resource Planning for Electric Utilities

Rule Number and Title:	20 CSR 4240-21.040 Transmission and Distribution Analysis Requirements
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	$ 0 to $ 1,200,000 annually for the five-year (5-year) life of the rule.

III. WORKSHEET

The rule will likely affect four (4) electrical corporations (investor-owned electric utilities). Staff requested input on the anticipated cost to implement the proposed rule from the affected electrical corporations. The feedback that was received was that the proposed rule would have a $ 0 to $ 1,200,000 cost for the electrical corporations to implement.

IV. ASSUMPTIONS

Staff relied on the input from the four (4) electrical corporations to determine the estimated fiscal impact of this proposed rule.

In accordance with the Commission's May 22, 2026, order, all four utilities submitted rule comments and estimated costs to comply. The low estimate assumes no incremental cost to the rule compared to utility existing distribution planning practices. The high estimate is based on Ameren's high cost estimate.

Ameren submitted rule comments and cost of compliance information through the Commission's electronic filing system on June 22, 2026. Staff carefully considered Ameren's rule comments and made significant responsive changes to the rule language. On July 31, 2026, Ameren emailed Staff updated cost estimates based on the revised rule language.

Liberty-Empire submitted rule comments and cost of compliance information through the Commission's electronic filing system on June 22, 2026. Liberty-Empire stated that it could not estimate the cost of a process that has never been undertaken, but the prescriptiveness of the new requirements will result in a significantly higher cost to comply. Staff carefully considered Liberty-Empire's rule comments and made significant responsive changes to the rule language.

Evergy submitted rule comments and cost of compliance information through the Commission's electronic filing system on June 22, 2026. Evergy stated that the prescriptiveness of the new requirements will drive significant costs to comply. Staff carefully considered Evergy's rule comments and made significant responsive changes to the rule language.

Cost of this rule is related to certain elements of distribution system planning. Staff notes distribution system planning is a function all electric utilities in Missouri must do to provide safe and adequate service to its customers. Staff further revised the rule language to clarify that certain elements are to be completed if needed to inform the preparation of the IRP.

Assumptions:
- Rule life: 5 years
- Annual labor cost: $0 - $400,000
- Number of electric utilities: 3 (Ameren Missouri, Evergy, Liberty-Empire)

Calculation:
Low total cost for all 3 utilities = $0

High total cost for all 3 utilities = (3)*($400,000) = $1,200,000 year one