

FIRST REGULAR SESSION

SENATE BILL NO. 403

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR KEHOE.

Read 1st time February 5, 2015, and ordered printed.

ADRIANE D. CROUSE, Secretary.

1995S.011

AN ACT

To repeal section 393.1012, RSMo, and to enact in lieu thereof one new section relating to ratemaking for gas corporations.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 393.1012, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 393.1012, to read as follows:

393.1012. 1. Notwithstanding any provisions of chapter 386 and this
2 chapter to the contrary, beginning August 28, 2003, a gas corporation providing
3 gas service may file a petition and proposed rate schedules with the commission
4 to establish or change ISRS rate schedules that will allow for the adjustment of
5 the gas corporation's rates and charges to provide for the recovery of costs for
6 eligible infrastructure system replacements. The commission may not approve
7 an ISRS to the extent it would produce total annualized ISRS revenues below the
8 lesser of one million dollars or one-half of one percent of the gas corporation's
9 base revenue level approved by the commission in the gas corporation's most
10 recent general rate proceeding. The commission may not approve an ISRS to the
11 extent it would produce [total annualized ISRS revenues exceeding ten percent
12 of the gas corporation's base revenue level approved by the commission in the gas
13 corporation's most recent general rate proceeding] **annual incremental ISRS**
14 **revenues exceeding one and one quarter percent of the gas**
15 **corporation's Missouri gross jurisdictional revenues, excluding gross**
16 **receipts tax, sales tax, and other similar pass-through taxes not**
17 **included in tariffed rates, for regulated services as identified by the**
18 **commission staff's accounting schedules that were most recently filed**
19 **in the utility's most recent general rate proceeding. In addition to the**

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

20 rate adjustment, the gas corporation shall be permitted to collect any
21 applicable gross receipts tax, sales tax, or other similar pass-through
22 taxes, and such taxes shall not be counted against the one and one
23 quarter percent rate adjustment cap. Any costs not recovered as a
24 result of the annual one and one quarter percent limitation on rate
25 adjustments may be deferred, at a carrying cost each month equal to
26 the gas corporation's net of tax cost of capital, for recovery in a
27 subsequent year or in the corporation's next general rate proceeding.
28 An ISRS and any future changes thereto shall be calculated and implemented in
29 accordance with the provisions of sections 393.1009 to 393.1015. ISRS revenues
30 shall be subject to a refund based upon a finding and order of the commission to
31 the extent provided in subsections 5 and 8 of section 393.1009.

32 2. The commission shall not approve an ISRS for any gas corporation that
33 has not had a general rate proceeding decided or dismissed by issuance of a
34 commission order within the past [three] **five** years, unless the gas corporation
35 has filed for or is the subject of a new general rate proceeding.

36 3. In no event shall a gas corporation collect an ISRS for a period
37 exceeding [three] **five** years unless the gas corporation has filed for or is the
38 subject of a new general rate proceeding; provided that the ISRS may be collected
39 until the effective date of new rate schedules established as a result of the new
40 general rate proceeding, or until the subject general rate proceeding is otherwise
41 decided or dismissed by issuance of a commission order without new rates being
42 established.

43 4. **Nothing in this section shall be construed as diminishing in**
44 **any way the current authority and rights of the commission, on its own**
45 **motion, the staff of the commission, public counsel, the mayor, or the**
46 **president or chairman of the board of aldermen or a majority of the**
47 **council, commission, or other legislative body of any city, town, village,**
48 **or county located in the service territory of the gas corporation, or not**
49 **less than twenty-five consumers or purchasers, or prospective**
50 **consumers or purchasers, of gas from the gas corporation to file a**
51 **complaint pursuant to section 386.390 alleging that the rates or charges**
52 **of a gas corporation are unreasonable or unlawful.**

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