

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 299
95TH GENERAL ASSEMBLY

Reported from the Committee on Commerce, Consumer Protection, Energy and the Environment, April 2, 2009, with recommendation that the Senate Committee Substitute do pass.

1608S.03C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal sections 393.130, 393.275, 660.110, 660.115, and 660.122, RSMo, and to enact in lieu thereof five new sections relating to utilities.

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

Section A. Sections 393.130, 393.275, 660.110, 660.115, and 660.122, RSMo, are repealed and five new sections enacted in lieu thereof, to be known as sections 393.130, 393.275, 660.110, 660.115, and 660.122, to read as follows:

393.130. 1. Every gas corporation, every electrical corporation, every water corporation, and every sewer corporation shall furnish and provide such service instrumentalities and facilities as shall be safe and adequate and in all respects just and reasonable. All charges made or demanded by any such gas corporation, electrical corporation, water corporation or sewer corporation for gas, electricity, water, sewer or any service rendered or to be rendered shall be just and reasonable and not more than allowed by law or by order or decision of the commission. Every unjust or unreasonable charge made or demanded for gas, electricity, water, sewer or any such service, or in connection therewith, or in excess of that allowed by law or by order or decision of the commission is prohibited.

2. No gas corporation, electrical corporation, water corporation or sewer corporation shall directly or indirectly by any special rate, rebate, drawback or other device or method, charge, demand, collect or receive from any person or corporation a greater or less compensation for gas, electricity, water, sewer or for any service rendered or to be rendered or in connection therewith, except as authorized in this chapter, than it charges, demands, collects or receives from any

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

18 other person or corporation for doing a like and contemporaneous service with
19 respect thereto under the same or substantially similar circumstances or
20 conditions.

21 3. No gas corporation, electrical corporation, water corporation or sewer
22 corporation shall make or grant any undue or unreasonable preference or
23 advantage to any person, corporation or locality, or to any particular description
24 of service in any respect whatsoever, or subject any particular person, corporation
25 or locality or any particular description of service to any undue or unreasonable
26 prejudice or disadvantage in any respect whatsoever.

27 4. Nothing in this section shall be taken to prohibit a gas corporation,
28 electrical corporation, water corporation or sewer corporation from establishing
29 a sliding scale for a fixed period for the automatic adjustment of charges for gas,
30 electricity, water, sewer or any service rendered or to be rendered and the
31 dividends to be paid stockholders of such gas corporation, electrical corporation,
32 water corporation or sewer corporation; provided, that the sliding scale shall first
33 have been filed with and approved by the commission; but nothing in this
34 subsection shall operate to prevent the commission after the expiration of such
35 fixed period from fixing proper, just and reasonable rates and charges to be made
36 for service as authorized in sections 393.110 to 393.285.

37 5. No water corporation shall be permitted to charge any municipality or
38 fire protection district a rate for the placing and providing of fire hydrants for
39 distribution of water for use in protecting life and property from the hazards of
40 fire within such municipality or fire protection district. Nothing herein shall
41 prevent such water corporation from including the cost of placement and
42 maintenance of such fire hydrants in its cost basis in determining a fair and
43 reasonable rate to be charged for water. Any such fee or rental charge being
44 made for such fire hydrants whether by contract or otherwise at the time this act
45 shall take effect may remain in effect for a period of one hundred twenty days
46 after this section shall take effect.

47 6. In any home rule city with more than four hundred thousand
48 inhabitants and located in more than one county, any deposits held by the city for
49 any water or sewerage services provided to a customer at any premises shall
50 accrue interest if the customer is current in payments for water and sewerage
51 services and if the city has held the deposit for two or more years. Interest for
52 each year, or part thereof, shall accrue at the rate set for six month United States
53 treasury bills effective December thirty-first of the preceding year. For any

54 deposit held by the city on or before the December thirty-first prior to August 28,
55 2002, if that deposit is still held by the city on the December thirty-first one year
56 next following August 28, 2002, interest accruing pursuant to this section from
57 the effective date shall be credited to the customer's individual account, or paid
58 to the customer, at the city's discretion.

59 **7. Any gas corporation, electrical corporation, water corporation,**
60 **or sewer corporation may collect, in advance of providing service to a**
61 **new customer, one half of the deposit that the corporation is entitled**
62 **to charge the customer pursuant to rules established by the public**
63 **service commission, with the remaining amount billed in two monthly**
64 **installments thereafter. Such advance collection shall not apply to new**
65 **customers receiving service under a cold weather rule payment plan.**

393.275. 1. The commission shall notify the governing body of each city
2 or county imposing a business license tax pursuant to section 66.300, 92.045,
3 94.110, 94.270 or 94.360, RSMo, or a similar tax adopted pursuant to charter
4 provisions in any constitutional charter city with a population of at least three
5 hundred fifty thousand inhabitants which is located in more than one county, on
6 gross receipts of any gas corporation, electric corporation, water corporation or
7 sewer corporation of any tariff increases authorized for such firm doing business
8 in that city or county if the approved increase exceeds seven percent. The
9 commission shall include with such notice to any city or county the percentage
10 increase approved for the utility, together with an estimate of the annual increase
11 in gross receipts resulting from the tariff increase on customers residing in that
12 city or county. The provisions of this subsection shall not apply to rate
13 adjustments in the purchase price of natural gas which are approved by the
14 commission.

15 2. The governing body of each city or county notified of a tariff increase
16 as provided in subsection 1 of this section shall reduce the tax rate of its business
17 license tax on the gross receipts of utility corporations. Within sixty days of the
18 effective date of the tariff increase, the tax rate shall be reduced to the extent
19 necessary so that revenue for the ensuing twelve months will be approximately
20 equal to the revenue received during the preceding twelve months plus a growth
21 factor. The growth factor shall be equal to the average of the additional revenue
22 received in each of the preceding three years. However, a city or county may
23 maintain the tax rate of its business license tax on the gross receipts of utility
24 corporations without reduction if an ordinance to maintain the tax rate is enacted

25 by the governing body of the city or an order to maintain the tax rate is issued
26 by the governing body of the county after September 28, 1985. The provisions of
27 this subsection shall not apply to rate adjustments in the purchase price of
28 natural gas which are approved by the commission **and such purchased gas**
29 **adjustment rates shall include the gas cost portion of net write-offs**
30 **incurred by the gas corporation in providing service to system sales**
31 **customers upon the filing and approval of new rate schedules**
32 **applicable to such customers. Such rate schedules shall be designed to**
33 **simultaneously decrease the gas corporation's base rates and increase**
34 **its purchased gas adjustment rates by like amounts so as to reasonably**
35 **ensure that the gas cost portion of the net write-offs applicable to such**
36 **customers, as such portion is determined by the commission, is only**
37 **being recovered once through the gas corporation's purchased gas**
38 **adjustment rates. Increases and decreases in the gas cost portion of net**
39 **write-offs shall thereafter be reflected in the gas corporation's**
40 **purchased gas adjustment rates under tariff provisions approved by the**
41 **commission provided, however, that such tariff provisions shall:**

42 (1) **Limit increases or decreases in the gas cost portion of net**
43 **write-offs as reflected in purchased gas adjustment rates to once each**
44 **year;**

45 (2) **Require a true-up of the gas cost portion of net write-offs as**
46 **reflected in purchased gas adjustment rates once each year; and**

47 (3) **Require commission review of the gas cost portion of net**
48 **write-offs as reflected in purchased gas adjustment rates once each**
49 **year to insure that the gas corporation is prudently pursuing collection**
50 **of amounts owed by its customers.**

660.110. The department of social services shall be responsible for
2 coordination of all federal heating assistance programs into the utilicare program
3 and shall provide plans for the implementation and administration of these
4 programs. The department may contract with local not-for-profit community
5 agencies which render energy assistance pursuant to affiliation or contract with
6 the United States Community Service Administration or another federal agency
7 to distribute the federal moneys, to administer the federal heating and cooling
8 assistance programs in accordance with the plan developed by the department
9 and to provide certain administrative services in connection with the utilicare
10 program which may include the processing of utilicare applications and any other

11 service which the department deems practical. Insofar as possible, within the
12 provisions of federal law and regulations, all payments made from funds available
13 from the Crude Oil Windfall Profit Tax Act of 1980 and other federal sources
14 shall be made directly to energy suppliers in a manner similar to payments made
15 under the state utilicare program **and all eligible households receiving**
16 **energy assistance shall make a matching payment of at least one**
17 **hundred dollars or twenty-five percent of the amount of the energy**
18 **assistance being provided, whichever is greater.**

660.115. 1. For each eligible household, an amount not exceeding eight
2 hundred dollars for each fiscal year may be paid from the utilicare stabilization
3 fund to the primary or secondary heating source supplier, or both, including
4 suppliers of heating fuels, such as gas, electricity, wood, coal, propane and
5 heating oil. For each eligible household, an amount not exceeding eight hundred
6 dollars for each fiscal year may be paid from the utilicare stabilization fund to the
7 primary or secondary cooling source supplier, or both; provided that the
8 respective shares of overall funding previously received by primary and secondary
9 heating and cooling source suppliers on behalf of their customers shall be
10 substantially maintained. **To receive such energy assistance, the eligible**
11 **household shall make a matching payment of at least one hundred**
12 **dollars or twenty-five percent of the amount of the energy assistance**
13 **being provided, whichever is greater.**

14 2. For an eligible household, other than a household located in publicly
15 owned or subsidized housing, an adult boarding facility, an intermediate care
16 facility, a residential care facility or a skilled nursing facility, whose members
17 rent their dwelling and do not pay a supplier directly for the household's primary
18 or secondary heating or cooling source, utilicare payments shall be paid directly
19 to the head of the household, except that total payments shall not exceed eight
20 percent of the household's annual rent or one hundred dollars, whichever is less.
21 **To receive such assistance, the eligible household shall make a**
22 **matching payment equal to the amount of the energy assistance**
23 **provided.**

660.122. Funds appropriated under the authority of sections 660.100 to
2 660.136 may be used to pay the expenses of reconnecting or maintaining service
3 to **eligible** households [that have had their primary or secondary heating or
4 cooling source disconnected or service discontinued because of their failure to pay
5 their bill]. **Eligible households which have paid or attempted to pay**

6 **their utility bills shall not be discriminated against in receiving such**
7 **assistance.** Any qualified household or other household which has as its head
8 a person who is elderly or disabled, as defined in section 660.100, shall be eligible
9 for assistance under this section if the income for the household is no more than
10 one hundred fifty percent of the current federal poverty level or sixty percent of
11 the state median income and if moneys have been appropriated by the general
12 assembly to the utilicare stabilization fund established pursuant to section
13 660.136. Payments under this section shall be made directly to the primary or
14 secondary heating or cooling source supplier. Any primary or secondary heating
15 or cooling source supplier subject to the supervision and regulation of the public
16 service commission shall, at any time during the period of the cold weather rule
17 specified in the cold weather rule as established and as amended by the public
18 service commission, reconnect and provide services to each household eligible for
19 assistance under this section in compliance with the terms of such cold weather
20 rule, **provided that such suppliers shall permit customers who have not**
21 **yet been disconnected and who incurred an arrearage during the cold**
22 **weather rule period to retain service by paying during each of the**
23 **three months following the cold weather rule period an amount equal**
24 **to one-third of the customer's arrearage, plus the customer's current**
25 **bill.** All home energy suppliers receiving funds under this section shall provide
26 service to eligible households consistent with their contractual agreements with
27 the department of social services **and sections 660.100 to 660.136.**

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