

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 240
97TH GENERAL ASSEMBLY

Reported from the Committee on Commerce, Consumer Protection, Energy and the Environment, February 28, 2013, with recommendation that the Senate Committee Substitute do pass.

1297S.02C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal sections 393.150 and 393.1012, RSMo, and to enact in lieu thereof two new sections relating to ratemaking for gas corporations, with an emergency clause for a certain section.

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

Section A. Sections 393.150 and 393.1012, RSMo, are repealed and two
2 new sections enacted in lieu thereof, to be known as sections 393.150 and
3 393.1012, to read as follows:

393.150 1. Whenever there shall be filed with the commission by any gas
2 corporation, electrical corporation, water corporation or sewer corporation any
3 schedule stating a new rate or charge, or any new form of contract or agreement,
4 or any new rule, regulation or practice relating to any rate, charge or service or
5 to any general privilege or facility, the commission shall have, and it is hereby
6 given, authority, either upon complaint or upon its own initiative without
7 complaint, at once, and if it so orders without answer or other formal pleading by
8 the interested gas corporation, electrical corporation, water corporation or sewer
9 corporation, but upon reasonable notice, to enter upon a hearing concerning the
10 propriety of such rate, charge, form of contract or agreement, rule, regulation or
11 practice, and pending such hearing and the decision thereon, the commission
12 upon filing with such schedule, and delivering to the gas corporation, electrical
13 corporation, water corporation or sewer corporation affected thereby, a statement
14 in writing of its reasons for such suspension, may suspend the operation of such
15 schedule and defer the use of such rate, charge, form of contract or agreement,
16 rule, regulation or practice, but not for a longer period than one hundred and

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

17 twenty days beyond the time when such rate, charge, form of contract or
18 agreement, rule, regulation or practice would otherwise go into effect; and after
19 full hearing, whether completed before or after the rate, charge, form of contract
20 or agreement, rule, regulation or practice goes into effect, the commission may
21 make such order in reference to such rate, charge, form of contract or agreement,
22 rule, regulation or practice as would be proper in a proceeding initiated after the
23 rate, charge, form of contract or agreement, rule, regulation or practice had
24 become effective.

25 2. If any such hearing cannot be concluded within the period of
26 suspension, as above stated, the commission may, in its discretion, extend the
27 time of suspension for a further period not exceeding six months. At any hearing
28 involving a rate sought to be increased, the burden of proof to show that the
29 increased rate or proposed increased rate is just and reasonable shall be upon the
30 gas corporation, electrical corporation, water corporation or sewer corporation,
31 and the commission shall give to the hearing and decision of such questions
32 preference over all other questions pending before it and decide the same as
33 speedily as possible.

34 **3. The commission order or decision shall specify the annual**
35 **amount of net write-offs incurred by the gas corporation in providing**
36 **service to system sales customers as of the date revenues, rate base,**
37 **and expenses were last updated or trued-up in the general rate case**
38 **proceeding. The gas corporation shall thereafter defer and accumulate**
39 **for future recovery from or return to customers ninety percent of the**
40 **net increase or decrease in the annual amount of such net write-offs for**
41 **system sales customers from the date revenues, rate base, and expenses**
42 **were last updated or trued-up in the general rate case proceeding until**
43 **the date revenues, rate base, and expenses are updated or trued-up in**
44 **the gas corporation's next general rate case proceeding. Subject to a**
45 **review of the reasonableness and prudence of the gas corporation's**
46 **collection practices, the amounts so deferred shall be recovered from**
47 **or returned to system sales customers through a positive or negative**
48 **rate base adjustment designed to recover or returned such amounts**
49 **over a period not to exceed five years.**

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] fifteen**
12 percent of the gas corporation's base revenue level approved by the commission
13 in the gas corporation's most recent general rate proceeding. An ISRS and any
14 future changes thereto shall be calculated and implemented in accordance with
15 the provisions of sections 393.1009 to 393.1015. ISRS revenues shall be subject
16 to a refund based upon a finding and order of the commission to the extent
17 provided in subsections 5 and 8 of section 393.1009.

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

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

Section B. Because immediate action is necessary to promote the
2 stabilization of rates paid by consumers, the repeal and reenactment of section
3 393.1012 of this act is deemed necessary for the immediate preservation of the
4 public health, welfare, peace and safety, and is hereby declared to be an
5 emergency act within the meaning of the constitution, and the repeal and
6 reenactment of section 393.1012 of this act shall be in full force and effect upon
7 its passage and approval.

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