

FIRST REGULAR SESSION

HOUSE BILL NO. 654

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SCHOELLER.

1797L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 393.275 and 393.1012, RSMo, and to enact in lieu thereof two new sections relating to gas corporations.

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

Section A. Sections 393.275 and 393.1012, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 393.275 and 393.1012, to read as follows:

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

12 2. The governing body of each city or county notified of a tariff increase as provided in
13 subsection 1 of this section shall reduce the tax rate of its business license tax on the gross
14 receipts of utility corporations. Within sixty days of the effective date of the tariff increase, the
15 tax rate shall be reduced to the extent necessary so that revenue for the ensuing twelve months
16 will be approximately equal to the revenue received during the preceding twelve months plus a
17 growth factor. The growth factor shall be equal to the average of the additional revenue received

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 in each of the preceding three years. However, a city or county may maintain the tax rate of its
19 business license tax on the gross receipts of utility corporations without reduction if an ordinance
20 to maintain the tax rate is enacted by the governing body of the city or an order to maintain the
21 tax rate is issued by the governing body of the county after September 28, 1985. The provisions
22 of this subsection shall not apply to rate adjustments in the purchase price of natural gas which
23 are approved by the commission **and such purchased gas adjustment rates shall include the**
24 **gas cost portion of net write-offs incurred by the gas corporation in providing service to**
25 **system sales customers upon the filing and approval of new rate schedules applicable to**
26 **such customers. Such rate schedules shall be designed to simultaneously decrease the gas**
27 **corporation's base rates and increase its purchased gas adjustment rates by like amounts**
28 **so as to reasonably ensure that the gas cost portion of the net write-offs applicable to such**
29 **customers, as such portion is determined by the commission, is only being recovered once**
30 **through the gas corporation's purchased gas adjustment rates. Increases and decreases**
31 **in the gas cost portion of net write-offs shall thereafter be reflected in the gas corporation's**
32 **purchased gas adjustment rates under tariff provisions approved by the commission**
33 **provided, however, that such tariff provisions shall:**

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

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

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

393.1012. 1. Notwithstanding any provisions of chapter 386, RSMo, and this chapter
2 to the contrary, beginning August 28, 2003, a gas corporation providing gas service may file a
3 petition and proposed rate schedules with the commission to establish or change ISRS rate
4 schedules that will allow for the adjustment of the gas corporation's rates and charges to provide
5 for the recovery of costs for eligible infrastructure system replacements. The commission may
6 not approve an ISRS to the extent it would produce total annualized ISRS revenues below the
7 lesser of one million dollars or one-half of one percent of the gas corporation's base revenue level
8 approved by the commission in the gas corporation's most recent general rate proceeding. The
9 commission may not approve an ISRS to the extent it would produce total annualized ISRS
10 revenues exceeding ten percent of the gas corporation's base revenue level approved by the
11 commission in the gas corporation's most recent general rate proceeding. An ISRS and any
12 future changes thereto shall be calculated and implemented in accordance with the provisions
13 of sections 393.1009 to 393.1015. ISRS revenues shall be subject to a refund based upon a

14 finding and order of the commission to the extent provided in subsections 5 and 8 of section
15 393.1009.

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

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

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