

HCS SCS SB 1177 -- UTILITIES

SPONSOR: Klindt (Rector)

COMMITTEE ACTION: Voted "do pass" by the Committee on Communications, Energy and Technology by a vote of 20 to 0.

Current law requires that territorial agreements specify the boundaries of the service area of each water and electric service supplier. In cases where the parties cannot agree, they may petition the Missouri Public Service Commission to designate the boundaries to be served by each party. This substitute clarifies that the commission can only be petitioned when the parties cannot agree upon the boundaries of the service areas that are not specified in the agreement.

Current law states that the commission must hold an evidentiary hearing when receiving any petition, when determining whether or not a territorial agreement should become effective, and when complaints involving any commission-approved territorial agreement are presented. The substitute states that these hearings can be waived if the matter is resolved by a stipulation and an agreement is submitted to the commission. All parties must agree to waive the hearing.

The commission is allowed to approve the terms and conditions, as well as the energy efficiency, weatherization, and evaluation components of assistance programs for low-income residential customers proposed by electric or gas corporations. All assistance programs must provide for adjusting rates as necessary to prevent a negative financial impact on the electric or gas corporation.

The substitute establishes a system by which the Clean Water Commission determines a per capita average cost for all safe water remediation projects in the state by dividing the state into six classes based on population. These provisions apply to any state or federally funded project. If the subsequent design or engineering firm prepares plans which have an average cost less than the per capita average determined by the commission, the firm will receive a bonus for the below-cost design. The formula does not require any project to accept a proposal or award any additional compensation to any certified licensed engineer if it increases the net combined costs of installation and operational costs for the first five years of the project.

If a city that owns a water supply system receives an inquiry from a developer regarding the supply of water to a specific area which is at least partially located within the boundaries of a public water supply district, the city must notify the district

of the inquiry within 10 days. The written notice must provide the location of the proposed area, the projected water usage, and any other relevant information that would be necessary to determine whether or not the district could provide adequate water service within a reasonable time frame to that area.

In 2002, voters approved a constitutional amendment allowing joint municipal utility commissions to develop utility projects with municipalities, electric cooperatives, or public utilities without additional regulation by the commission. The substitute codifies the Missouri Revised Statutes to reflect these changes.

FISCAL NOTE: Not available at time of printing.

PROPOSERS: Supporters say that the bill is necessary to properly implement a change to Missouri's Constitution which was approved by voters in 2002. The constitutional amendment facilitates shared municipal utility projects, such as the building of power plants.

Testifying for the bill were Senator Klindt; American Council of Engineering Companies of Missouri; and Missouri Association of Municipal Utilities.

OPPOSERS: There was no opposition voiced to the committee.

Alice Hurley, Legislative Analyst