

HCS HB 2494 -- ELECTRIC COOPERATIVES

SPONSOR: Jones, 89 (Pollock)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on General Laws by a vote of 6 to 0.

This substitute requires a regional electric cooperative that provides electrical power and energy under an all-requirements contract to two or more municipalities within Missouri to allow the municipalities to appoint at least four members to its governing board. Appointments will be made by majority vote of the mayors of the municipalities served by the cooperative, and the individuals appointed to represent the municipalities will have the same rights and benefits as other members of the board.

A regional electric cooperative providing electrical power and energy under an all-requirements contract to two or more municipalities is prohibited, either directly or indirectly by any special rate, rebate, or drawback from charging, demanding, collecting, or receiving a greater amount of compensation for electrical services than it charges from any other municipality located in the United States for offering a like and contemporaneous service under substantially similar circumstances or conditions. A regional electric cooperative cannot make or grant any undue or unreasonable advantage or preference to any person, corporation, or locality or subject any particular person, corporation, or locality to any undue or unreasonable prejudice or disadvantage.

The provisions of the substitute may be enforced by an injunction prohibiting any regional electric cooperative who fails to comply with any of the requirements of the substitute from operating within Missouri.

FISCAL NOTE: No impact on state funds in FY 2009, FY 2010, and FY 2011.

PROPONENTS: Supporters say that the bill limits regional cooperatives from declaring or making winners and losers among the consumers to whom the cooperatives provide power. The bill promotes fair treatment and prevents the cooperatives from discriminating between municipalities or customers. In the past, rural customers have been given cheaper power rates than municipal customers because of a disparate impact of municipal areas having higher usage rates because of manufacturing.

Testifying for the bill were Representative Pollock; and Peter Harrington.

OPPONENTS: There was no opposition voiced to the committee.