

SCS SB 240 -- GAS CORPORATION INFRASTRUCTURE REGULATIONS

(Vetoed by the Governor)

This bill changes the laws regarding a request to the Missouri Public Service Commission for a rate increase by a gas corporation. In its main provisions, the bill:

(1) Requires a commission order or decision to specify the annual amount of net write-offs incurred by the corporation in providing service to system sales customers as of the date revenues, rate base, and expenses were last updated or trued-up in the general rate proceeding. The corporation must thereafter defer and accumulate for future recovery from or return to customers 90% of the net increase or decrease in the annual amount of the net write-offs until they are updated or trued-up in the corporation's next general rate case proceeding. Subject to a review of the reasonableness and prudence of the corporation's collection practices, the deferred amounts must be recovered from or returned to customers through a positive or negative rate base adjustment designed to recover or return the amounts within five years;

(2) Prohibits the commission from approving an infrastructure system replacement surcharge (ISRS) request from a gas corporation if it would produce total annualized ISRS revenues exceeding 13% of the corporation's base revenue level approved in its most recent general rate case proceeding. Currently, the commission cannot approve an ISRS if it would produce total annualized ISRS revenues exceeding 10% of the corporation's base revenue level approved in its most recent general rate proceeding; and

(3) Prohibits the commission from approving an ISRS request for any gas corporation that has not had a general rate proceeding decided or dismissed by a commission order within the past five years and prohibits a gas corporation from collecting an ISRS for more than five years unless the gas corporation has filed for or is subject to a new general rate proceeding. Currently, the commission cannot approve an ISRS request for any gas corporation that has not had a general rate proceeding decided or dismissed within the past three years and a corporation cannot collect an ISRS for more than three years unless the corporation has filed for or is subject to a new general rate proceeding.