

HCS SB 294 -- UTILITIES

SPONSOR: Schmitt (Funderburk)

COMMITTEE ACTION: Voted "Do Pass" by the Committee on Utilities by a vote of 19 to 0.

This substitute changes laws regarding utilities. In its main provisions, the substitute:

(1) Allows the Missouri Public Service Commission to intervene in federal administrative, regulatory, and judicial hearings on behalf of the state. Historically, the commission has intervened in these matters, but it is currently prevented from intervening by a federal court injunction stating that current state law is insufficient to properly authorize the commission to intervene in federal matters;

(2) Requires the commission to consider water and sewer corporations as a single group of public utilities for the purposes of the fiscal year assessment of the utilities to fund the expenses incurred by the commission as reasonably attributable to the regulation of public utilities as specified under Section 386.370, RSMo;

(3) Prohibits a person, public utility, or other corporation from acquiring or holding 50% or more of the total capital stock issued by small sewer or water corporations that provide service to up to 8,000 customers without notifying the commission within 30 days of the acquisition. If a water or sewer corporation is delinquent in filing its annual report, is at least six months delinquent in paying its assessment, or is in violation of the commission's or Department of Natural Resources' rules or regulations, it cannot sell or transfer 50% or more of its capital stock without commission approval;

(4) Clarifies the meaning of a doubly enacted section of law under Section 393.760 which allows bond funding for specified water projects to proceed;

(5) Adds service lines and meters that have worn out, are in a deteriorated condition, or replaced as part of an order issued by the commission, as well as meters for automated meter reading, to the list of projects that are allowable water utility plant projects; and

(6) Allows a water corporation in any county to file a petition with the commission to adjust the corporation's rates and charges for the recovery of costs for eligible infrastructure system

replacements. Currently, only a water corporation providing service in St. Louis County is allowed to petition the commission for a rate adjustment and this restriction to water corporations in St. Louis County is reimposed beginning August 28, 2019.

PROPONENTS: Supporters say that the bill allows the Missouri Public Service Commission to act in the same fashion as all other state commissions that are able to intervene in cases at the Federal Regulatory Energy Commission. Interventions have been practiced by the commission for almost 100 years and can save customers a great deal of money on rates and charges.

Testifying for the bill were Senator Schmitt; and Missouri Public Service Commission.

OPPONENTS: There was no opposition voiced to the committee.