

HCS HB 1992 -- UTILITY PROJECTS

SPONSOR: Kidd

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Utilities by a vote of 11 to 3. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 9 to 1.

The following is a summary of the House Committee Substitute for HB 1992.

This bill modifies the definition of "gas utility plant projects" as it applies to the infrastructure system replacement surcharge (ISRS) for gas corporations and specifies that no entity has the power of eminent domain for the purposes of constructing above-ground merchant lines. This restriction will not apply to any rural electric cooperatives or any electrical corporation operating under a cooperative business plan.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that cast iron and steel pipes have been deemed a considerably risky pipe for natural gas and many of these pipes in the state are 60 to 100 years old. The pipes pose a safety hazard and need to be replaced. This bill would help the utility companies finance the replacement and accelerate the replacement process.

Testifying for the bill were Representative Kidd; Spire Missouri; Jeff Wiese, TRC Companies; Michael Hogan, Gas Workers Local 11-6; Rod Herrmann, Gas Workers 11-6; William Honeycutt, Gas Workers Local 11-6; Missouri Energy Development Association; Associated Industries of Missouri; Construction Employers Coalition; Summit Utilities; Ameren Missouri; Missouri Chamber of Commerce and Industry; and Liberty Utilities.

OPPOSERS: Those who oppose the bill say that monopoly utilities are required to maintain their facilities and should not be allowed to add additional charges to customers' bills to fund infrastructure projects.

Testifying against the bill was the American Association of Retired Persons.

OTHERS: Others testifying on the bill say the bill should add consumer protections, such as a sunset of the program and a

prohibition on the utility earning more than its authorized rate of return. Those testifying also discussed the process of issuing a rate adjustment if during a full rate case, a utility is found to have collected in excess through the ISRS charge.

Testifying on the bill were Midwest Energy Consumer Group and the Missouri Public Service Commission.