

FIRST REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 473**  
**97TH GENERAL ASSEMBLY**

1066L.03C

D. ADAM CRUMBLISS, Chief Clerk

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**AN ACT**

To repeal sections 393.150 and 393.1012, RSMo, and to enact in lieu thereof two new sections relating to gas corporations, with an emergency clause.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Sections 393.150 and 393.1012, RSMo, are repealed and two new sections  
2 enacted in lieu thereof, to be known as sections 393.150 and 393.1012, to read as follows:

393.150. 1. Whenever there shall be filed with the commission by any gas corporation,  
2 electrical corporation, water corporation or sewer corporation any schedule stating a new rate or  
3 charge, or any new form of contract or agreement, or any new rule, regulation or practice relating  
4 to any rate, charge or service or to any general privilege or facility, the commission shall have,  
5 and it is hereby given, authority, either upon complaint or upon its own initiative without  
6 complaint, at once, and if it so orders without answer or other formal pleading by the interested  
7 gas corporation, electrical corporation, water corporation or sewer corporation, but upon  
8 reasonable notice, to enter upon a hearing concerning the propriety of such rate, charge, form of  
9 contract or agreement, rule, regulation or practice, and pending such hearing and the decision  
10 thereon, the commission upon filing with such schedule, and delivering to the gas corporation,  
11 electrical corporation, water corporation or sewer corporation affected thereby, a statement in  
12 writing of its reasons for such suspension, may suspend the operation of such schedule and defer  
13 the use of such rate, charge, form of contract or agreement, rule, regulation or practice, but not  
14 for a longer period than one hundred and twenty days beyond the time when such rate, charge,  
15 form of contract or agreement, rule, regulation or practice would otherwise go into effect; and  
16 after full hearing, whether completed before or after the rate, charge, form of contract or  
17 agreement, rule, regulation or practice goes into effect, the commission may make such order in  
18 reference to such rate, charge, form of contract or agreement, rule, regulation or practice as

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

19 would be proper in a proceeding initiated after the rate, charge, form of contract or agreement,  
20 rule, regulation or practice had become effective.

21 2. If any such hearing cannot be concluded within the period of suspension, as above  
22 stated, the commission may, in its discretion, extend the time of suspension for a further period  
23 not exceeding six months. At any hearing involving a rate sought to be increased, the burden of  
24 proof to show that the increased rate or proposed increased rate is just and reasonable shall be  
25 upon the gas corporation, electrical corporation, water corporation or sewer corporation, and the  
26 commission shall give to the hearing and decision of such questions preference over all other  
27 questions pending before it and decide the same as speedily as possible.

28 **3. The commission order or decision shall specify the annual amount of net write-**  
29 **offs incurred by the gas corporation in providing service to system sales customers as of**  
30 **the date revenues, rate base, and expenses were last updated or trued-up in the general rate**  
31 **case proceeding. The gas corporation shall thereafter defer and accumulate for future**  
32 **recovery from or return to customers ninety percent of the net increase or decrease in the**  
33 **annual amount of such net write-offs for system sales customers from the date revenues,**  
34 **rate base, and expenses were last updated or trued-up in the general rate case proceeding**  
35 **until the date revenues, rate base, and expenses are updated or trued-up in the gas**  
36 **corporation's next general rate case proceeding. Subject to a review of the reasonableness**  
37 **and prudence of the gas corporation's collection practices, the amounts so deferred shall**  
38 **be recovered from or return to system sales customers through a positive or negative rate**  
39 **base adjustment designed to recover or return such amounts over a period not to exceed**  
40 **five years.**

393.1012. 1. Notwithstanding any provisions of chapter 386 and this chapter to the  
2 contrary, beginning August 28, 2003, a gas corporation providing gas service may file a petition  
3 and proposed rate schedules with the commission to establish or change ISRS rate schedules that  
4 will allow for the adjustment of the gas corporation's rates and charges to provide for the  
5 recovery of costs for eligible infrastructure system replacements. The commission may not  
6 approve an ISRS to the extent it would produce total annualized ISRS revenues below the lesser  
7 of one million dollars or one-half of one percent of the gas corporation's base revenue level  
8 approved by the commission in the gas corporation's most recent general rate proceeding. The  
9 commission may not approve an ISRS to the extent it would produce total annualized ISRS  
10 revenues exceeding [ten] **fifteen** percent of the gas corporation's base revenue level approved by  
11 the commission in the gas corporation's most recent general rate proceeding. An ISRS and any  
12 future changes thereto shall be calculated and implemented in accordance with the provisions  
13 of sections 393.1009 to 393.1015. ISRS revenues shall be subject to a refund based upon a

14 finding and order of the commission to the extent provided in subsections 5 and 8 of section  
15 393.1009.

16           2. The commission shall not approve an ISRS for any gas corporation that has not had  
17 a general rate proceeding decided or dismissed by issuance of a commission order within the past  
18 [three] **five** years, unless the gas corporation has filed for or is the subject of a new general rate  
19 proceeding.

20           3. In no event shall a gas corporation collect an ISRS for a period exceeding [three] **five**  
21 years unless the gas corporation has filed for or is the subject of a new general rate proceeding;  
22 provided that the ISRS may be collected until the effective date of new rate schedules established  
23 as a result of the new general rate proceeding, or until the subject general rate proceeding is  
24 otherwise decided or dismissed by issuance of a commission order without new rates being  
25 established.

          Section B. Because immediate action is necessary to promote the stabilization of rates  
2 paid by consumers, the repeal and reenactment of section 393.1012 of this act is deemed  
3 necessary for the immediate preservation of the public health, welfare, peace, and safety, and is  
4 hereby declared to be an emergency act within the meaning of the constitution, and the repeal  
5 and reenactment of section 393.1012 of this act shall be in full force and effect upon its passage  
6 and approval.

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