

HB 1316 -- Regulation of Utilities

Sponsor: Riddle

This bill changes the laws regarding the regulation of utilities. The total amount of assessments to all public utilities to fund the Missouri Public Service Commission is reduced from a maximum of one-fourth of 1% to twenty-two hundredths of 1% of the total gross intrastate operating revenues of all utilities subject to the jurisdiction of the commission. The Office of Public Counsel is allowed to be funded by a maximum of two hundredths of 1% of the total gross intrastate operating revenues of all utilities subject to the jurisdiction of the commission and the amount allocated to telecommunications companies cannot exceed 3% of the total estimated expenses directly attributable to the public counsel's responsibilities. The Public Counsel Fund is created to be used solely for the payment of expenditures actually incurred by the public counsel attributable to his or her responsibilities. The public counsel will be allowed to attribute regulatory expenses in the same manner as the commission for the purpose of receiving a proportion of gross operating revenue. If any electrical corporation is granted a license from the United States Nuclear Regulatory Commission, the commission funding must increase to an amount not to exceed twenty-three hundredths of 1% and the public counsel funding must increase to an amount not to exceed three hundredths of 1% of the total gross intrastate operating revenues of all utilities subject to the jurisdiction of the commission for the fiscal year after the license was granted and for each year thereafter.

After October 1, 2012, an electrical corporation seeking an early site permit from the United States Nuclear Regulatory Commission, upon beginning the permitting process, is required to submit monitoring reports to the Missouri Public Service Commission every six months documenting work completed, total expenditures to date, work yet to be completed, and anticipated expenditures in order to obtain the permit. An electrical company that has obtained an early site permit is allowed to recover from ratepayers the costs associated with early site development for certain electrical generation facilities. An electric utility seeking a permit may recover up to \$45 million in prudently incurred expenses for obtaining a site permit. Rates may also be adjusted to allow recovery of interest on the uncollected principal balance at a per annum rate equal to the electric corporation's commission-approved return on the rate base. Recovery of the prudently incurred expenses will be allowed for up to 20 years and will commence with the effective date of tariffs approved by the commission in the applicable corporation's first general rate proceeding following the date on which the early site permit is obtained. This process will allow

for the recovery of expenses made prior to the time that a generation facility is fully operational and, therefore, is an exception to Section 393.135, RSMo. If an electrical corporation has recovered from ratepayers its expenses for the permit and it subsequently sells or transfers some or all of its interest in the permit or receives reimbursement for its expenses from another source, the commission will prescribe how reimbursement of these sums must be made to ratepayers and how any profits from the sale or transfer will be shared between the corporation and ratepayers. Credits made to ratepayers must include interest on the uncredited balance at an annual rate equal to the corporation's commission-approved short-term borrowing rate. If a license is not granted, the commission has authority to determine if the costs of seeking the permit were imprudent and may require the electrical corporation to credit ratepayers with the amount of the imprudent costs over a period of not less than five but not more than 10 years.