

House _____ Amendment NO. _____

Offered By

1 AMEND House Bill No. 44, Page 1, Section A, Line 2, by inserting after all of said section the
2 following:

3 "393.1000. As used in sections 393.1000 to 393.1006, the following terms mean:

4 (1) "Appropriate pretax revenues", the revenues necessary to produce net operating income
5 equal to:

6 (a) The water corporation's or sewer corporation's weighted cost of capital multiplied by the
7 net original cost of eligible infrastructure system replacements, including recognition of accumulated
8 deferred income taxes and accumulated depreciation associated with eligible infrastructure system
9 replacements which are included in a currently effective ISRS; and

10 (b) Recover state, federal, and local income or excise taxes applicable to such income; and

11 (c) Recover all other ISRS costs;

12 (2) "Commission", the Missouri public service commission;

13 (3) "Eligible infrastructure system replacements"[,] :

14 (a) Water or sewer utility plant projects that:

15 [(a)] a. Replace or extend the useful life of existing infrastructure;

16 [(b)] b. Are in service and used and useful;

17 [(c)] c. Do not increase revenues by directly connecting the infrastructure replacement to
18 new customers; and

19 [(d)] d. Were not included in the water corporation's or sewer corporation's rate base in its
20 most recent general rate case; and

21 (b) Energy efficiency projects that:

22 a. Are in service and used and useful;

23 b. Do not increase revenues by directly connecting the infrastructure replacements to new
24 customers; and

25 c. Were not included in the water corporation's or sewer corporation's rate base in its most
26 recent general rate case;

27 (4) "Energy efficiency", measures that reduce the amount of energy required to achieve a
28 given end result;

29 (5) "ISRS", infrastructure system replacement surcharge;

30 [(5)] (6) "ISRS costs", depreciation expenses and property taxes that will be due within
31 twelve months of the ISRS filing; depreciation expense on eligible infrastructure system capital
32 investments shall not begin to be recorded on a utility's books until it is included in ISRS revenues or
33 base revenues;

34 [(6)] (7) "ISRS revenues", revenues produced through an ISRS, exclusive of revenues from
35 all other rates and charges;

36 (8) "Base revenues", revenues produced through a general rate case proceeding;

37 [(7)] (9) "Water corporation", every corporation, company, association, joint stock company

Action Taken _____ Date _____

1 or association, partnership, and person, their lessees, trustees, or receivers appointed by any court
 2 whatsoever, owning, operating, controlling, or managing any plant or property, dam or water supply,
 3 canal, or power station, distributing or selling for distribution, or selling or supplying for gain any
 4 water [to more than ten thousand customers];

5 [(8)] (10) "Sewer corporation", every corporation, company, association, joint stock
 6 company or association, partnership, and person, their lessees, trustees, or receivers appointed by any
 7 court whatsoever, owning, operating, controlling, or managing any sewer system, plant, or property,
 8 for the collection, carriage, treatment, or disposal of sewage anywhere within the state for gain;

9 (11) "Water or sewer utility plant projects" may consist only of the following:

10 (a) Mains, [and associated] valves [and] , hydrants, service lines, and meters, collecting
 11 sewers (including force lines, gravity sewers, interceptors, laterals, trunk sewers, manholes,
 12 lampholes, and necessary appurtenances, including service wyes), lift stations, and pressure pumps
 13 installed as replacements for existing facilities that have worn out or are in deteriorated condition or
 14 replaced as part of a commission order, or the replacement of any of the forms of plant utility named
 15 above with improved technology;

16 (b) Main and sewer cleaning and relining projects; [and]

17 (c) Facilities relocations required due to construction or improvement of a highway, road,
 18 street, public way, or other public work by or on behalf of the United States, this state, a political
 19 subdivision of this state, or another entity having the power of eminent domain provided that the
 20 costs related to such projects have not been reimbursed to the water corporation or sewer
 21 corporation; and

22 (d) Energy efficiency projects.

23 393.1003. 1. Notwithstanding any provisions of chapter 386, RSMo, and this chapter to the
 24 contrary, as of August 28, [2003] 2014, a water corporation or sewer corporation [providing water
 25 service in a county with a charter form of government and with more than one million inhabitants]
 26 may file a petition and proposed rate schedules with the commission to establish or change ISRS rate
 27 schedules that will allow for the adjustment of the water corporation's or sewer corporation's rates
 28 and charges to provide for the recovery of costs for eligible infrastructure system replacements
 29 [made in such county with a charter form of government and with more than one million
 30 inhabitants;] , provided that an ISRS, on an annualized basis, must produce ISRS revenues of at least
 31 one million dollars for a water corporation or sewer corporation, or ten thousand dollars for a small
 32 sewer corporation or small water corporation as defined in section 393.146, but not in excess of ten
 33 percent of the water corporation's or sewer corporation's base revenue level approved by the
 34 commission in the water corporation's most recent general rate proceeding. An ISRS and any future
 35 changes thereto shall be calculated and implemented in accordance with the provisions of sections
 36 393.1000 to 393.1006. ISRS revenues shall be subject to refund based upon a finding and order of
 37 the commission, to the extent provided in subsections 5 and 8 of section 393.1006.

38 2. The commission shall not approve an ISRS for a water corporation or sewer corporation
 39 [in a county with a charter form of government and with more than one million inhabitants] that has
 40 not had a general rate proceeding decided or dismissed by issuance of a commission order within the
 41 past three years, unless the water corporation or sewer corporation has filed for or is the subject of a
 42 new general rate proceeding.

43 3. In no event shall a water corporation or sewer corporation collect an ISRS for a period
 44 exceeding three years unless the water corporation or sewer corporation has filed for or is the subject
 45 of a new general rate proceeding; provided that the ISRS may be collected until the effective date of
 46 new rate schedules established as a result of the new general rate proceeding, or until the subject
 47 general rate proceeding is otherwise decided or dismissed by issuance of a commission order without
 48 new rates being established."; and

- 1
- 2 Further amend said bill by amending the title, enacting clause, and intersectional references
- 3 accordingly.