

HB 1335 -- UTILITY RATE ADJUSTMENTS

SPONSOR: Fraker

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Utility Infrastructure by a vote of 11 to 4.

This bill allows water and sewer corporations to apply to the Public Service Commission to approve rate schedules authorizing periodic rate adjustments outside of the general rate proceedings to prevent over and under recoveries of the cost of providing utility service because of changes in revenue due to variations in weather, conservation, or other factors the commission deems appropriate.

PROPOSERS: Supporters say that the bill will standardize rates and allow the commission the same authority as with other types of utilities. It may save expenses on rate cases.

Testifying for the bill were Representative Fraker; Missouri American Water; and Missouri Energy Development Association.

OPPONENTS: Those who oppose the bill say that it could lead to a "decoupling" of estimated revenues versus actual sales and allow state regulated monopoly utilities to gain extra revenue at the expense of utility customers. It might be more fair to charge a flat rate to customers for purposes such as rehabilitating infrastructure.

Testifying against the bill were AARP Missouri; Greg Meyer; and Fair Energy Rate Action Fund (FERAF).

OTHERS: Others testifying on the bill say that many cities wish to form a tri-state water coalition to study water and sewer issues.

Testifying on the bill was City Utilities of Springfield, Mo.