

HB 632 -- COST RECOVERY FOR ELECTRIC UTILITIES

CO-SPONSORS: Shoemaker (8), Luetkemeyer

COMMITTEE ACTION: Voted "do pass" by the Committee on Homeland Security and Veterans Affairs by a vote of 12 to 0 with 1 present.

This bill requires the Public Service Commission to allow electric utilities to recover from customers prudent costs for security measures and insurance incurred after September 11, 2001. To be eligible, expenditures must have been reasonably necessary to comply with federal and state requirements and guidelines. Requests for cost recovery are confidential and subject to protective order of the commission.

FISCAL NOTE: Estimated Net Cost to General Revenue Fund of \$97,387 in FY 2004, \$101,638 in FY 2005, and \$103,180 in FY 2006. Estimated Net Effect on Public Service Commission Fund of \$0 in FY 2004, FY 2005, and FY 2006.

PROPOSERS: Supporters say that government is requiring utilities to increase security. The added security is very expensive. The bill will allow the recovery of security costs without going through the current process, which is expensive. The increase passed on to customers will be small.

Testifying for the bill were Representative Shoemaker (8); Kansas City Power and Light; Missouri Energy Development Association; Ameren UE; and Aquila, Inc.

OPPOSERS: There was no opposition voiced to the committee.

Steve Bauer, Legislative Analyst