

HCS HB 434 -- UTILITY RATE REGULATIONS

SPONSOR: Rector

COMMITTEE ACTION: Voted "do pass" by the Committee on Utilities by a vote of 15 to 1.

This substitute authorizes the Missouri Public Service Commission to approve rate regulation plans proposed by electrical, gas, or water corporations, including plans that apply rate-making principles to future transactions or plans that utilize incentives or mechanisms to recover costs.

FISCAL NOTE: Not available at time of printing.

PROPOSERS: Supporters say that the bill enables the Missouri Public Service Commission to determine the regulatory treatment of large construction projects and allow electric utilities to recover their fuel costs to generate electricity. In doing so, the commission may approve alternate rate regulation plans that include incentive and periodic rate adjustment mechanisms outside of general rate cases.

Testifying for the bill were Representative Rector; Aquila, Incorporated; LaClede Gas; Ameren Corporation; City Utilities; Missouri Public Utility Alliance; Missouri Association of Municipal Utilities; and Empire District Electric Company.

OPPOSERS: Those who oppose the bill say that the bill allows the Missouri Public Service Commission to disregard current rate-making proceedings and processes. Consumers would be affected negatively, and the utilities market would be destabilized if surcharges were allowed.

Testifying against the bill was Missouri Energy Group.

Kristina Jenkins, Legislative Analyst