

SS SCS SB 179 -- COST RECOVERY FOR UTILITY COMPANIES

This bill allows electrical, gas, or water corporations to apply to the Missouri Public Service Commission for approval to make rate adjustments in order to recover their costs. The commission has the power to approve, modify, or reject any adjustment mechanism after hearing and considering all the relevant factors. The commission may approve the rate schedules if the adjustment mechanism is reasonably designed to provide the utility an opportunity to earn a fair equity return; includes provisions for an annual true-up to remedy any over- or under-collections; includes provisions to require the utility to file a general rate case with an effective date of no later than four years after the effective date of the initial adjustment mechanism implementation; and includes provisions for prudence reviews of the costs subject to the adjustment mechanism.

The bill will become effective January 1, 2006.