

HCS SS SCS SB 462 -- RECEIVERSHIP OF SEWER AND WATER CORPORATIONS

SPONSOR: Klindt (Schad)

COMMITTEE ACTION: Voted "do pass" by the Committee on Utilities by a vote of 14 to 0.

This substitute allows the Missouri Public Service Commission to order a capable public utility to acquire a smaller water or sewer corporation if the water or sewer corporation violates standards that affect the safety of the service provided, fails to comply with commission orders related to the safety of the service provided, or it is not reasonable to expect that safe and adequate facilities and service will be maintained. The commission must consider alternatives to the acquisition and determine that they are impractical or not economically feasible. The price for the acquisition of a small water or sewer corporation will be determined by an agreement between the small water or sewer corporation and the acquiring capable public utility, subject to a determination by the commission that the price is reasonable.

Any capable public utility that is ordered by the commission to acquire a small water or sewer corporation will, within 30 days after acquisition, submit a plan to the commission for approval for bringing the small water or sewer corporation into compliance with applicable statutory and regulatory standards.

The substitute contains an emergency clause.

FISCAL NOTE: Estimated Cost on General Revenue Fund of Unknown in FY 2006, FY 2007, and FY 2008. Estimated Cost on Other State Funds of Unknown in FY 2006, FY 2007, and FY 2008.

PROPOSERS: Supporters say that the bill makes it more efficient for the Missouri Public Service Commission to take over a failing water and sewer district. The bill deals with for-profit, investor-owned companies. Additionally, the circuit courts will make final decisions regarding the sale price and company value determinations.

Testifying for the bill were Senator Klindt; Missouri Public Service Commission; and Missouri American Water Company.

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that they are concerned that sewer districts could also be forced to take over these sewer and water companies and would like additional language to exempt sewer districts.

Others testifying on the bill was Metropolitan St. Louis Sewer District.

Kristina Jenkins, Legislative Analyst