

**HOUSE** \_\_\_\_\_ **AMENDMENT NO.** \_\_\_\_\_

**Offered By**

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AMEND House Committee Substitute for Senate Bill No. 207, Page 21, Section 137.115  
(repealed), Line 198 by inserting after all of said Section and Line the following:

“250.236. 1. Any city, town or village may contract with a private or public water company to terminate water services, at the direction of the city, because a customer fails to pay his sewer bill. When charges for sewer services are in arrears for more than three months and after the city sends notice to the customer [by certified mail], the city may disconnect the customer's sewer line or request in writing that the private or public water company discontinue water service until such time as the sewer charges and all related costs are paid.

2. A private or public water company acting pursuant to a written request from the city as provided in subsection 1 of this section is not liable for damages related to termination of water services. All costs related to disconnection and reconnections shall be reimbursed to the private water company by the city.

393.015. 1. Notwithstanding any other provision of law to the contrary, any sewer corporation, municipality or sewer district established under the provisions of chapter 249 or 250, or sections 204.250 to 204.470, or any sewer district created and organized pursuant to constitutional authority, may contract with any water corporation to terminate water services to any customer premises for nonpayment of a sewer bill. No such termination of water service may occur until thirty days after the sewer corporation, municipality or statutory sewer district or sewer district created and organized pursuant to constitutional authority sends a written notice to the customer [by certified mail], except that if the water corporation is performing a combined water and sewer billing service for the sewer corporation, municipality or sewer district, no additional notice or any additional waiting period shall be required other than the notice and waiting period already used by the water corporation to disconnect water service for nonpayment of the water bill. Acting pursuant to a contract, the water corporation shall discontinue water service until such time as the sewer charges and all related costs of termination and reestablishment of sewer and water services are paid by the customer.

2. A water corporation acting pursuant to a contract with a sewer corporation, municipality or sewer district as provided in subsection 1 of this section shall not be liable for damages related to termination of water services unless such damage is caused by the negligence

1 of such water corporation, in which case the water corporation shall be indemnified by the sewer  
2 corporation, municipality or sewer district. Unless otherwise specified in the contract, all costs  
3 related to the termination and reestablishment of services by the water corporation shall be  
4 reimbursed by the sewer corporation, municipality, sewer district or sewer district created and  
5 organized pursuant to constitutional authority.

6 393.275. 1. The commission shall notify the governing body of each city or county  
7 imposing a business license tax pursuant to section 66.300, 92.045, 94.110, 94.270 or 94.360,  
8 RSMo, or a similar tax adopted pursuant to charter provisions in any constitutional charter city  
9 with a population of at least three hundred fifty thousand inhabitants which is located in more than  
10 one county, on gross receipts of any gas corporation, electric corporation, water corporation or  
11 sewer corporation of any tariff increases authorized for such firm doing business in that city or  
12 county if the approved increase exceeds seven percent. The commission shall include with such  
13 notice to any city or county the percentage increase approved for the utility, together with an  
14 estimate of the annual increase in gross receipts resulting from the tariff increase on customers  
15 residing in that city or county. The provisions of this subsection shall not apply to rate  
16 adjustments in the purchase price of natural gas which are approved by the commission.

17 2. The governing body of each city or county notified of a tariff increase as provided in  
18 subsection 1 of this section shall reduce the tax rate of its business license tax on the gross  
19 receipts of utility corporations. Within sixty days of the effective date of the tariff increase, the  
20 tax rate shall be reduced to the extent necessary so that revenue for the ensuing twelve months  
21 will be approximately equal to the revenue received during the preceding twelve months plus a  
22 growth factor. The growth factor shall be equal to the average of the additional revenue received  
23 in each of the preceding three years. However, a city or county may maintain the tax rate of its  
24 business license tax on the gross receipts of utility corporations without reduction if an ordinance  
25 to maintain the tax rate is enacted by the governing body of the city or an order to maintain the tax  
26 rate is issued by the governing body of the county after September 28, 1985. The provisions of  
27 this subsection shall not apply to rate adjustments in the purchase price of natural gas which are  
28 approved by the commission and such purchased gas adjustment rates shall include the gas cost  
29 portion of net write-offs incurred by the gas corporation in providing service to system sales  
30 customers upon the filing and approval of new rate schedules applicable to such customers. Such  
31 rate schedules shall be designed to simultaneously decrease the gas corporation's base rates and  
32 increase its purchased gas adjustment rates by like amounts so as to reasonably ensure that the gas  
33 cost portion of the net write-offs applicable to such customers, as such portion is determined by  
34 the commission, is only being recovered once through the gas corporation's purchased gas  
35 adjustment rates. Increases and decreases in the gas cost portion of net write-offs shall thereafter  
36 be reflected in the gas corporation's purchased gas adjustment rates under tariff provisions

1 approved by the commission provided, however, that such tariff provisions shall:

2 (1) Limit increases or decreases in the gas cost portion of net write-offs as reflected in  
3 purchased gas adjustment rates to once each year;

4 (2) Require a true-up of the gas cost portion of net write-offs as reflected in purchased gas  
5 adjustment rates once each year; and

6 (3) Require commission review of the gas cost portion of net write-offs as reflected in  
7 purchased gas adjustment rates once each year to ensure that the gas corporation is prudently  
8 pursuing collection of amounts owed by its customers.

9 393.1000. As used in sections 393.1000 to 393.1006, the following terms mean:

10 (1) "Appropriate pretax revenues", the revenues necessary to produce net operating  
11 income equal to:

12 (a) The water corporation's weighted cost of capital multiplied by the net original cost of  
13 eligible infrastructure system replacements, including recognition of accumulated deferred income  
14 taxes and accumulated depreciation associated with eligible infrastructure system replacements  
15 which are included in a currently effective ISRS; and

16 (b) Recover state, federal, and local income or excise taxes applicable to such income;  
17 and

18 (c) Recover all other ISRS costs;

19 (2) "Commission", the Missouri public service commission;

20 (3) "Eligible infrastructure system replacements"[,];

21 (a) Water utility plant projects that:

22 [(a)] a. Replace or extend the useful life of existing infrastructure;

23 [(b)] b. Are in service and used and useful;

24 [(c)] c. Do not increase revenues by directly connecting the infrastructure replacement to  
25 new customers; and

26 [(d)] d. Were not included in the water corporation's rate base in its most recent general  
27 rate case; and

28 (b) Energy efficiency projects that:

29 a. Are in service and used and useful;

30 b. Do not increase revenues by directly connecting the infrastructure replacements to new  
31 customers; and

32 c. Were not included in the water corporation's rate base in its most recent general rate  
33 case;

34 (4) "Energy efficiency", measures that reduce the amount of energy required to achieve a  
35 given end result;

1           ~~(5)~~ "ISRS", infrastructure system replacement surcharge;

2           ~~[(5)]~~ ~~(6)~~ "ISRS costs", depreciation expenses and property taxes that will be due within

3 twelve months of the ISRS filing;

4           ~~[(6)]~~ ~~(7)~~ "ISRS revenues", revenues produced through an ISRS, exclusive of revenues

5 from all other rates and charges;

6           ~~[(7)]~~ ~~(8)~~ "Water corporation", every corporation, company, association, joint stock

7 company or association, partnership, and person, their lessees, trustees, or receivers appointed by

8 any court whatsoever, owning, operating, controlling, or managing any plant or property, dam or

9 water supply, canal, or power station, distributing or selling for distribution, or selling or

10 supplying for gain any water [to more than ten thousand customers];

11           ~~[(8)]~~ ~~(9)~~ "Water utility plant projects" may consist only of the following:

12           (a) Mains, [and associated] valves [and], hydrants, service lines, and meters installed as

13 replacements for existing facilities that have worn out or are in deteriorated condition or replaced

14 as part of a commission order;

15           (b) Main cleaning and relining projects; [and]

16           (c) Facilities relocations required due to construction or improvement of a highway, road,

17 street, public way, or other public work by or on behalf of the United States, this state, a political

18 subdivision of this state, or another entity having the power of eminent domain provided that the

19 costs related to such projects have not been reimbursed to the water corporation; and

20           (d) Energy efficiency projects.

21           393.1003. 1. Notwithstanding any provisions of chapter 386, RSMo, and this chapter to

22 the contrary, as of August 28, ~~[2003]~~ 2012, a water corporation [providing water service in a

23 county with a charter form of government and with more than one million inhabitants] may file a

24 petition and proposed rate schedules with the commission to establish or change ISRS rate

25 schedules that will allow for the adjustment of the water corporation's rates and charges to provide

26 for the recovery of costs for eligible infrastructure system replacements [made in such county with

27 a charter form of government and with more than one million inhabitants;], provided that an

28 ISRS, on an annualized basis, must produce ISRS revenues of at least one million dollars, or ten

29 thousand dollars for a small water corporation as defined in section 393.146, but not in excess of

30 ten percent of the water corporation's base revenue level approved by the commission in the water

31 corporation's most recent general rate proceeding. An ISRS and any future changes thereto shall

32 be calculated and implemented in accordance with the provisions of sections 393.1000 to

33 393.1006. ISRS revenues shall be subject to refund based upon a finding and order of the

34 commission, to the extent provided in subsections 5 and 8 of section 393.1006.

35           2. The commission shall not approve an ISRS for a water corporation [in a county with a

1 charter form of government and with more than one million inhabitants] that has not had a general  
2 rate proceeding decided or dismissed by issuance of a commission order within the past three  
3 years, unless the water corporation has filed for or is the subject of a new general rate proceeding.

4 3. In no event shall a water corporation collect an ISRS for a period exceeding three years  
5 unless the water corporation has filed for or is the subject of a new general rate proceeding;  
6 provided that the ISRS may be collected until the effective date of new rate schedules established  
7 as a result of the new general rate proceeding, or until the subject general rate proceeding is  
8 otherwise decided or dismissed by issuance of a commission order without new rates being  
9 established.”; and

10  
11 Further amend said bill, Page 24, Section 393.1075, Line 112 by inserting after all of said Section  
12 and Line the following:

13  
14 “660.122. Funds appropriated under the authority of sections 660.100 to 660.136 may be  
15 used to pay the expenses of reconnecting or maintaining service to households that have had their  
16 primary or secondary heating or cooling source disconnected or service discontinued because of  
17 their failure to pay their bill. Any qualified household or other household which has as its head a  
18 person who is elderly or disabled, as defined in section 660.100, shall be eligible for assistance  
19 under this section if the income for the household is no more than one hundred fifty percent of the  
20 current federal poverty level or sixty percent of the state median income and if moneys have been  
21 appropriated by the general assembly to the utilicare stabilization fund established pursuant to  
22 section 660.136. Payments under this section shall be made directly to the primary or secondary  
23 heating or cooling source supplier. Any primary or secondary heating or cooling source supplier  
24 subject to the supervision and regulation of the public service commission shall, at any time  
25 during the period of the cold weather rule specified in the cold weather rule as established and as  
26 amended by the public service commission, reconnect and provide services to each household  
27 eligible for assistance under this section in compliance with the terms of such cold weather rule,  
28 provided that such suppliers shall permit customers who have not yet been disconnected and who  
29 incurred an arrearage during the cold weather rule period to retain service by paying during each  
30 of the three months following the cold weather rule period an amount equal to one-third of the  
31 customer's arrearage, plus the customer's current bill. All home energy suppliers receiving funds  
32 under this section shall provide service to eligible households consistent with their contractual  
33 agreements with the department of social services and sections 660.100 to 660.136.”; and

34  
35 Further amend said bill by amending the title, enacting clause, and intersectional references  
36 accordingly.