

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By \_\_\_\_\_

1 AMEND Senate Bill No. 652, in the Title, Lines 3 and 4 by deleting the phrase "utility access to  
2 railroad right-of-way" and inserting in lieu thereof the phrase "utilities"; and  
3  
4

5 Further amend said bill, Page 7, Section 389.589, Line 11, by inserting after all of said section and  
6 line the following:  
7

8 "393.1000. As used in sections 393.1000 to 393.1006, the following terms mean:

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

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

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

16 (c) Recover all other ISRS costs;

17 (2) "Base revenues", revenues produced through a general rate case proceeding;

18 (3) "Commission", the Missouri public service commission;

19 [(3)] (4) "Eligible infrastructure system replacements"[,];

20 (a) Water or sewer utility plant projects that:

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

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

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

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

27 [(4)] (5) "ISRS", infrastructure system replacement surcharge;

28 [(5)] (6) "ISRS costs", depreciation expenses and property taxes that will be due within  
29 twelve months of the ISRS filing;

30 [(6)] (7) "ISRS revenues", revenues produced through an ISRS, exclusive of revenues from  
31 all other rates and charges;

Action Taken \_\_\_\_\_ Date \_\_\_\_\_

1        [(7)] (8) "Water corporation", every corporation, company, association, joint stock company  
 2 or association, partnership, and person, their lessees, trustees, or receivers appointed by any court  
 3 whatsoever, owning, operating, controlling, or managing any plant or property, dam or water supply,  
 4 canal, or power station, distributing or selling for distribution, or selling or supplying for gain any  
 5 water or any sewer system, plant, or property, for the collection, carriage, treatment, or disposal of  
 6 sewage for gain to more than ten thousand customers;

7        [(8)] (9) "Water or sewer utility plant projects" may consist only of the following:

8        (a) Mains, [and associated] valves [and], hydrants, collecting sewer pipelines and service  
 9 lines installed as replacements for existing facilities that have worn out or are in deteriorated  
 10 condition or replaced as part of a commission order;

11        (b) Main and sewer cleaning and relining projects; [and]

12        (c) Facilities relocations required due to construction or improvement of a highway, road,  
 13 street, public way, or other public work by or on behalf of the United States, this state, a political  
 14 subdivision of this state, or another entity having the power of eminent domain provided that the  
 15 costs related to such projects have not been reimbursed to the water corporation.

16        393.1003. 1. Notwithstanding any provisions of chapter 386 and this chapter to the contrary,  
 17 as of August 28, [2003] 2014, a water corporation [providing water service in a county with a charter  
 18 form of government and with more than one million inhabitants] may file a petition and proposed  
 19 rate schedules with the commission to establish or change ISRS rate schedules that will allow for the  
 20 adjustment of the water corporation's rates and charges to provide for the recovery of costs for  
 21 eligible infrastructure system replacements [made in such county with a charter form of government  
 22 and with more than one million inhabitants]; provided that an ISRS, on an annualized basis, must  
 23 produce ISRS revenues of at least one million dollars but not in excess of ten percent of the water  
 24 corporation's base revenue level approved by the commission in the water corporation's most recent  
 25 general rate proceeding. An ISRS and any future changes thereto shall be calculated and  
 26 implemented in accordance with the provisions of sections 393.1000 to 393.1006. ISRS revenues  
 27 shall be subject to refund based upon a finding and order of the commission, to the extent provided  
 28 in subsections 5 and 8 of section 393.1006.

29        2. The commission shall not approve an ISRS for a water corporation [in a county with a  
 30 charter form of government and with more than one million inhabitants] that has not had a general  
 31 rate proceeding decided or dismissed by issuance of a commission order within the past three years,  
 32 unless the water corporation has filed for or is the subject of a new general rate proceeding.

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

38        4. This section is intended for the specific and unique purpose of replacing aging water and  
 39 sewer infrastructure in order to maintain safe and reliable water and sewer service. This section is  
 40 not intended to apply beyond its specific purpose and shall not be construed in any manner to apply  
 41 to electric corporations, natural gas corporations, or any other utility regulated by the public service

1 commission."; and

2

3 Further amend said bill by amending the title, enacting clause, and intersectional references  
4 accordingly.