

FIRST REGULAR SESSION

# HOUSE BILL NO. 956

## 98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FRAKER.

2134H.011

D. ADAM CRUMBLISS, Chief Clerk

### AN ACT

To repeal section 393.1012, RSMo, and to enact in lieu thereof one new section relating to ratemaking for gas corporations.

*Be it enacted by the General Assembly of the state of Missouri, as follows:*

2       Section A. Section 393.1012, RSMo, is repealed and one new section enacted in lieu  
3 thereof, to be known as section 393.1012, to read as follows:

4       393.1012. 1. Notwithstanding any provisions of chapter 386 and this chapter to the  
5 contrary, beginning August 28, 2003, a gas corporation providing gas service may file a petition  
6 and proposed rate schedules with the commission to establish or change ISRS rate schedules that  
7 will allow for the adjustment of the gas corporation's rates and charges to provide for the  
8 recovery of costs for eligible infrastructure system replacements. The commission may not  
9 approve an ISRS to the extent it would produce total annualized ISRS revenues below the lesser  
10 of one million dollars or one-half of one percent of the gas corporation's base revenue level  
11 approved by the commission in the gas corporation's most recent general rate proceeding. The  
12 commission may not approve an ISRS to the extent it would produce [total annualized ISRS  
13 revenues exceeding ten percent of the gas corporation's base revenue level approved by the  
14 commission in the gas corporation's most recent general rate proceeding] **annual incremental**  
15 **ISRS revenues exceeding one and one-fourth percent of the gas corporation's Missouri**  
16 **gross jurisdictional revenues, excluding gross receipts tax, sales tax, and other similar pass-**  
17 **through taxes not included in tariffed rates for regulated services as identified by the**  
**commission staff's accounting schedules that were most recently filed in the utility's most**  
**recent general rate case. In addition to the rate adjustment, the gas corporation shall be**  
**permitted to collect any applicable gross receipts tax, sales tax, or other similar pass-**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 **through taxes, and such taxes shall not be counted against the one and one-fourth percent**  
19 **rate adjustment cap. Any costs not recovered as a result of the annual one and one-fourth**  
20 **percent limitation on rate adjustments may be deferred, at a carrying cost for each month**  
21 **equal to the gas corporation's net of tax cost of capital for recovery in a subsequent year**  
22 **or in the corporation's next general rate case.** An ISRS and any future changes thereto shall  
23 be calculated and implemented in accordance with the provisions of sections 393.1009 to  
24 393.1015. ISRS revenues shall be subject to a refund based upon a finding and order of the  
25 commission to the extent provided in subsections 5 and 8 of section 393.1009.

26         2. The commission shall not approve an ISRS for any gas corporation that has not had  
27 a general rate proceeding decided or dismissed by issuance of a commission order within the past  
28 **[three] five** years, unless the gas corporation has filed for or is the subject of a new general rate  
29 proceeding.

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

36         4. **Nothing in this section shall be construed as diminishing the current authority**  
37 **and rights of the commission, on its own motion, or the staff of the commission; public**  
38 **counsel; the mayor, president, or chairperson of the board of aldermen; or a majority of**  
39 **the council, commission, or other legislative body of any city, town, village, or county**  
40 **located in the service territory of the gas corporation; or not less than twenty-five**  
41 **consumers or purchasers, or prospective consumers or purchasers of gas from the gas**  
42 **corporation to file a complaint under subsection 386.390 alleging that the rates or charges**  
43 **of the gas corporation are unreasonable or unlawful.**

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