

SECOND REGULAR SESSION

SENATE BILL NO. 618

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR WALLINGFORD.

Pre-filed December 1, 2019, and ordered printed.

ADRIANE D. CROUSE, Secretary.

4059S.011

AN ACT

To repeal section 393.1009, RSMo, and to enact in lieu thereof one new section relating to an infrastructure system replacement surcharge for gas corporations.

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

Section A. Section 393.1009, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 393.1009, to read as follows:

393.1009. As used in sections 393.1009 to 393.1015, the following terms mean:

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

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

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

(c) Recover all other ISRS costs;

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

(3) "Eligible infrastructure system replacements", gas utility plant projects that:

(a) Do not increase revenues by directly connecting the infrastructure replacement to new customers;

(b) Are in service and used and useful;

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

19 (c) Were not included in the gas corporation's rate base in its most recent
20 general rate case; and

21 (d) Replace or extend the useful life of an existing infrastructure;

22 (4) "Gas corporation", every corporation, company, association, joint stock
23 company or association, partnership and person, their lessees, trustees or
24 receivers appointed by any court whatsoever, owning, operating, controlling, or
25 managing any gas plant operating for public use under privilege, license, or
26 franchise now or hereafter granted by the state or any political subdivision,
27 county, or municipality thereof as defined in section 386.020;

28 (5) "Gas utility plant projects" may consist only of the following:

29 (a) Mains, valves, service lines, regulator stations, vaults, and other
30 pipeline system components installed to comply with state or federal safety
31 requirements as replacements for existing **cast iron, steel, or other** facilities
32 that [have worn out or are in deteriorated condition] **can no longer be**
33 **installed under currently applicable safety standards, including any**
34 **connected or associated facilities that, regardless of their material, age,**
35 **or condition, are replaced as part of a qualifying replacement project**
36 **in a manner that adds no incremental cost to a project compared to**
37 **tying into or reusing existing facilities;**

38 (b) Main relining projects, service line insertion projects, joint
39 encapsulation projects, and other similar projects extending the useful life or
40 enhancing the integrity of pipeline system components undertaken to comply with
41 state or federal safety requirements; and

42 (c) Facilities relocations required due to construction or improvement of
43 a highway, road, street, public way, or other public work by or on behalf of the
44 United States, this state, a political subdivision of this state, or another entity
45 having the power of eminent domain provided that the costs related to such
46 projects have not been reimbursed to the gas corporation;

47 (6) "ISRS", infrastructure system replacement surcharge;

48 (7) "ISRS costs", depreciation expense and property taxes that will be due
49 within twelve months of the ISRS filing;

50 (8) "ISRS revenues", revenues produced through an ISRS exclusive of
51 revenues from all other rates and charges.

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