PSC to weigh in on ISRS legislation at the request of the General Assembly, House leaders express preference to wait for results before taking up the bill

by Scott Faughn

Jefferson City, MO – At the request of a member of the General Assembly the

Public Service Commission has been asked to weigh in on the ISRS legislation currently before the legislature. According to a public statement the Public Service Commission they will weigh in on, the safety, adequacy and reliability of Missouri's current electric infrastructure.

Included in their review the commission intends to review the identification of electric infrastructure problems, costs and needs, rate impact of the implementation of Senate Bill 207, electric utilities' financial need for legislation, due process and appropriate procedure in respect to the new rate mechanisms proposed by Senate Bill 207, and other information which the PSC finds relevant to this legislation.

In addition, the PSC will weigh in on a comparison of the provisions of Senate Bill 207 and House Bill 398, and the various versions thereof, including the provision of House Committee Substitute for House Bill 398 that allows for a 45-day pre-filing requirement to allow additional time for review, and any other differences the commenter deems relevant. As well as an evaluation of the cost tracking mechanism contained in the proposed legislation that is not directly related to infrastructure investments.

Interested utilities, organizations, individuals, and other stakeholders may file written comments no later than April 1, 2013 and a comment hearing is scheduled for April 8, 2013, beginning at 9:00 a.m. The Commission intends to issue its report to the legislature no later than Wednesday, April 17, 2013.

Irl Scissors with Missourians for a Balanced Energy Future commented, “The PSC has worked closely with the bill sponsors and the committee chairs providing great detail and analyses regarding this legislation.  HB398 now contains even stronger protection for the Missouri consumer.”

“In most states, utilities can forecast expected future costs.  ISRS will force utilities to account for all tracked business expenses and all will be reviewed by the full authority of the PSC.  There is a 2% cap on these tracked costs and NO recovery will be automatic. ISRS is tough, transparent legislation that will bring immediate economic relief and new jobs for our state.  MBEF's 5,000 members and all of Missouri electric consumers will stay protected.”

This will not be the first time that the Public Service Commission has been asked to weigh in on the ISRS legislation. Representative Doug Funderburk chairman of the House Utilities Committee asked the PSC for assistance on the bill while it was in his committee. "I reached out to the PSC not for advice on the bill, but for some assistance and definition for ideas I felt would improve the bill in committee. They were helpful in providing assistance and we changed some provisions to better suit the bill. For instance, the utilities close their books on a project 45 days before they file for a rate adjustment, so we changed the time the PSC could begin an early review to 45 days prior to the filing. They (PSC) told me in our conversations that they would need 120 days to do a proper review, so now they have 135 days."

“This bill is no different than any other piece of legislation.  It has been thoroughly vetted by the sponsors and the Senate and House committee chairs.  At the hearings, expert witness testified for hours and multiple questions (including many of Senator Schmitt's) were asked and answered by committee members.

I have the utmost confidence that House and Senate leadership realize the importance and the immediate need for this crucial legislation to bolster and secure Missouri's electric infrastructure and economy. I fully expect both the House and Senate to debate and vote on their respective bills during this session.  The health, safety, reliability and affordability of Missouri's electric grid is at stake for Missouri electric consumers”, commented Scissors.

Chris Roepe with the Fair Energy Rate Action Fund believes the PSC review would be a good time for legislators to take a second look at the legislation. “It would be foolish not to allow legislators access to this important information from the Public Service Commission prior to voting on giving a blank check to monopoly utility companies that will costs Missourians hundreds of million in higher electric bills. Proponents of this new electric surcharge and cost overrun tracker thought it was a good idea on February 20th to wait and see the Public Service Commission’s analysis of the bill before debating the bill on the floor and now legislators are finally going to get a real analysis of the entire legislation, not just the sections of the bill the utilities want analyzed.”

While many are suggesting that the Senate will take up the ISRS bill Tuesday Representative Funderburk feels that the house would benefit from hearing from the PSC. "The bill is still in my desk, but I do think it is a good idea to wait and see what the PSC's findings to Senator Schmitt’s are, and I would actually prefer to wait for the Senate to take action on the bill before we take it up on the House floor."

The chairman’s view that the PSC’s input would be helpful is a view shared by two members of House leadership Majority Caucus Chair Representative Shelley Keeney, “"I agree with Chairman Funderburk that we should wait until the PSC issues their findings. There are factories all across the state that this legislation will have a major impact on and Missourians' jobs are at stake, so I agree we should wait until we have all the facts before we begin floor debate in the House."

Assistant Majority Floor Leader Mike Cierpiot commented, “"It speaks very high of Representative Funderburk and his willingness to do all he can to make this the best bill possible that he would want all the input possible before moving forward".

The PSC announcement comes on the heels several developments over Missouri utility rates. MBEC announced plans to expand their advertising campaign in support of the legislation. On Saturday the St. Louis Post-Dispatch reported that Ameren is requesting a $51 million dollar rate increase after they reported last week that Ameren had made higher than the SEC suggested profit numbers. Critics of the ISRS legislation point to these as reasons the legislation isn’t needed.