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# Missouri senators seek to allow utility corporations to increase rates

GRIGOR ATANESIAN Jan 24, 2018

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## Clarification

Additional information has been added to this story to reflect campaign contributions and lobbyist support.

JEFFERSON CITY — Two bills allowing utility providers to temporarily adjust rates were heard Wednesday by a Senate committee. Republican Sens. Ed Emery and Jeanie Riddle sponsored the bills. Supported by industry lobbyists, they said that the measures are aimed at managing volatility.

Consumer protection groups warned the new bills could open a path for providers to take advantage of customers.

Under current Missouri legislation, only gas corporations can apply for temporary rate adjustments in case of unexpected costs caused by weather conditions or conservation. The two acts sponsored by Emery and Riddle are designed to broaden this measure, and include water and sewer suppliers — and in Emery's case, electrical — into the list of businesses that can submit applications for the rate adjustments to Public Service Commission.

The bills also seek to provide gas, electrical, water and sewer corporations with the opportunity to adjust rates in more cases than weather or conservation-related losses.

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Speaking in favor of the bill, energy lobbyists and environment advocates formed a rare alliance.

Representatives of Empire District Electric Company and Missouri American Water argued that the measure will manage the volatility risk and benefit customers.

Ashok Gupta, a senior energy economist at the Natural Resources Defense Council, said similar bills were passed in 25 states throughout the nation. He said that, under the proposed acts, consumers who are involved in efficient energy consumption "will see their bills go down significantly."

James Owen, executive director at Renew Missouri, said Emery's bill would lead to "more consumer savings and more efficiency." Renew Missouri is a non-profit located in Columbia that focuses on advancing energy efficiency and renewable energy policy in Missouri.

Consumer advocates disagreed. David Woodsmall of **Midwest Energy Consumers Group** criticized the legislature as "overbroad" and said that in the current form, it will make suppliers eligible for rate adjustments to reimburse any change in customer usage, including economic downturn. He said the bills shouldn't include water and sewer companies, as well as electricity suppliers with more than 200,000 customers.

**John Coffman**, utility consumer counsel at the Consumers Council of Missouri, said both bills would effectively punish the state's consumers, summarizing its impact with the formula "save more — pay more." He said that after the Minnesota Legislature passed a similar bill, the state's customers saw a 3 to 5 percent increase in their bills. Coffman also said that this measure will effectively mean "transferring the risk from utility [suppliers]" to customers.

"When dramatic events occur — an economic downturn, like in 2008 — a monopoly utility will be shielded, and the consumers' bills will be going up," he said. He could only see the lawmakers pass these bills if their "goal is to pass the risk on your constituents."

In 2017, Emery and Riddle received campaign contributions from utility providers that lobbied in support of the bills.

Missouri American Water Employees donated \$1,000 and \$1,550 to the Emery and Riddle campaigns respectively. The Empire District Electric Company donated \$5,000 to Riddle's campaign.

Both senators also received donations from other utility suppliers that may benefit from the bill. Ameren donated more than \$20,000 to Riddle and \$1,300 to Emery. The same year, Riddle received \$2,000 from Spire, \$2,000 from Kansas City Power and Light Company, and \$1,800 from Missouri Energy Development Association.

Since 2004, Emery received more than \$2,400 in gifts from lobbyists on behalf of such utility suppliers as Ameren, Empire District Electric Company, MEDA and others, according to data from LobbyingMissouri.org. Riddle also accepted \$4,958 in gifts from Ameren lobbyists throughout the last 14 years, according to LobbyingMissouri.org.

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