



Missouri

Water and wastewater utilities in Missouri fall under several rate setting regulatory systems.

Commission-regulated utilities	
Noncommission-regulated utilities	

Commission-Regulated Utilities

The **Missouri Public Service Commission (MPSC)** regulates private water and wastewater companies in Missouri. The MPSC does not regulate government-owned water or wastewater utilities.

Pursuant to **Mo. Rev. Stat. § 393.130.1**, rates of commission-regulated utilities must be “just and reasonable and not more than allowed by law or by order or decision of the commission.” Under **Mo. Rev. Stat. § 393.130.2**, commission-regulated utilities may not grant any special rates or rebates to any person or charge a greater or less compensation for water or wastewater services than charged to any other person “for doing a like and contemporaneous service with respect thereto under the same or substantially similar circumstances or conditions.”²⁰⁷ Additionally, under **Mo. Rev. Stat. § 393.130.3**, commission-regulated utilities are prohibited from granting any “undue or unreasonable preference or advantage to any person.”

Thus, for commission-regulated utilities seeking to implement a low-income customer assistance program (CAP) funded by rate revenues, the prohibitions on the granting of special rates or rebates or of any undue or unreasonable preference or advantage would likely pose significant challenges. Further, any CAP would likely need to be authorized and approved by the MSPC.

Noncommission-Regulated Utilities

In Missouri, utilities that are not regulated by the MPSC include public and metropolitan water supply districts and municipal-owned water and wastewater utilities. **Chapters 91 and 247** of the Missouri Revised Statutes authorize the governing boards of these utilities to establish and collect “reasonable” rates and charges for water and wastewater services. Missouri state law does not expressly prohibit alternative rate structures or discounts based on nonservice characteristics. Additionally, some municipalities and counties

State Population (2016):	6,093,000
Median Annual Household Income (2015):	\$48,173
Poverty Rate (2015):	15.6%
Typical Annual Household Water and Wastewater Expenditures (2015):	\$673
Missouri has 1,426 community water systems (CWS), of which 568 are privately owned and 1,354 serve populations of 10,000 or fewer people.	
Missouri has 774 publicly owned treatment works facilities (POTWs), of which 688 treat 1 MGD or less.	
1,446,792 people are served by privately owned CWS; 3,891,619 are served by government-owned CWS; and 4,335,947 are served by POTWs.	
Estimated Long-Term Water and Wastewater Infrastructure Needs:	\$18.1 billion

Sources: U.S. Census Bureau, 2016 Population Estimate & 2011–2015 American Community Survey 5-Year Estimates; 2016 EFC Rates Survey; U.S. Environmental Protection Agency, 2016 Safe Drinking Water Information System, 2011 Drinking Water Infrastructure Needs Survey, and 2012 Clean Watersheds Needs Survey. See Appendix C for more details.

in Missouri operate under home rule charters and, thus, have more governing authority to create their own programs.²⁰⁸

In *Shepherd v. City of Wentzville*,²⁰⁹ the court held that, although municipal-owned utilities are not subject to the rate-making process of the MPSC, the courts have jurisdiction to prevent a municipality from imposing utility charges that are “clearly, palpably and grossly unreasonable.” The court further held that a municipality may classify its users for the purpose of fixing rates if the classification is reasonable and if there is no discrimination within a class.

207. An exception is made for the provision of a sliding scale for a fixed amount of time, provided the sliding scale is approved by the commission.

208. In Missouri, 44 municipalities (including the state’s 8 largest cities) and 4 counties have adopted home rule charters pursuant to the state constitution.
209. *Shepherd v. City of Wentzville*, 645 S.W.2d 130, 133 (Mo. Ct. App. 1982).

Therefore, for noncommission-regulated utilities, there is no clear language specifically authorizing low-income CAPs funded by rate revenues. Additionally, the authority granted in the state statutes is broad and limited by general reasonableness requirements and a prohibition against discrimination within classes, arising from case law. Home rule municipalities or counties have even broader authority to allow for CAPs funded by rate revenues, subject to any limitations found in local charters.²¹⁰

210. Several government-owned utilities in Missouri currently offer customer assistance programs that rely on customer revenues. For example, the [Moberly Water Department](#) provides a 25 percent discount (up to \$10) on monthly water and wastewater bills for one year for income-eligible senior citizens and disabled customers. Additionally, the [Metropolitan St. Louis Sewer District](#) offers a 50 percent rate reduction to eligible low-income seniors and disabled customers.