

D R A F T

SUMMARY

Makes wastewater services provided by water utility or affiliate of water utility subject to rate regulation if water utility is already subject to rate regulation.

A BILL FOR AN ACT

Relating to rate regulation of wastewater services; amending ORS 757.061.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 757.061 is amended to read:

757.061. (1) For the purposes of this section:

(a) “Rate regulation” means regulation under this chapter, except for regulation under ORS 757.105 to 757.110.

(b) “Service regulation” means regulation under this chapter, except for regulation under ORS 757.105 to 757.110, 757.140, 757.205 to 757.220, 757.225, 757.245, 757.259, 757.355, 757.400 to 757.460, 757.485, 757.490, 757.495 and 757.500.

(2)(a) Except as provided in this section, water utilities are not subject to regulation under this chapter or required to pay the fee provided for in ORS 756.310.

(b) If a water utility subject to rate regulation under this chapter provides, either directly or through an affiliate, wastewater services to the customers of the water utility, those services are also subject to rate regulation.

(3) The following utilities are subject to rate regulation and must pay the fee provided for in ORS 756.310:

1 (a) A water utility that serves 500 or more customers.

2 [(b) *A water utility that serves fewer than 500 customers, if the water utility*
3 *also provides wastewater services to the public inside the boundaries of a*
4 *city.*]

5 [(c)] (b) A water utility that serves fewer than 500 customers, if the
6 Public Utility Commission grants a petition from the water utility requesting
7 that the water utility be subject to rate regulation.

8 [(d)] (c) A water utility that satisfies all of the following conditions:

9 (A) The water utility serves fewer than 500 customers;

10 (B)(i) The water utility proposes to charge a rate for water service that
11 exceeds the maximum rates established by the commission under subsection
12 (5) of this section; [and] or

13 (ii) **The water utility, or an affiliate of the water utility, proposes**
14 **to charge a rate for wastewater services that exceeds the maximum**
15 **rates established by the commission for those services under sub-**
16 **section (5) of this section; and**

17 (C) Twenty percent or more of the customers of the water utility file a
18 petition with the commission requesting that the water utility be subject to
19 rate regulation.

20 (4) The following utilities are subject to service regulation and must pay
21 the fee provided for in ORS 756.310:

22 (a) A water utility that serves fewer than 500 customers and that is found
23 by the commission, pursuant to an investigation under ORS 756.515, to have
24 provided inadequate or discriminatory service at any time.

25 (b) A water utility that serves fewer than 500 customers and that at any
26 time charges an average annual residential rate of \$24 per month or more.

27 (5)(a) **For the purpose of determining whether a petition may be**
28 **filed under subsection (3)(c) of this section,** the commission shall adopt
29 rules establishing maximum rates for **water service provided by water**
30 **utilities serving fewer than 500 customers and wastewater services pro-**
31 **vided by water utilities, or affiliates of water utilities, serving fewer**

1 **than 500 customers.** [*for the purpose of determining whether a petition may*
2 *be filed under subsection (3)(d)(C) of this section.*]

3 (b) To encourage metered water systems for water utilities serving fewer
4 than 500 customers, the commission shall establish a higher maximum rate
5 for water utilities with metered water systems than for water utilities with
6 unmetered systems.

7 (6) Not less than 60 days before a water utility that serves fewer than 500
8 customers, **or an affiliate of a water utility that serves fewer than 500**
9 **customers,** increases [*any*] **a** rate to exceed [*any*] **a** maximum rate prescribed
10 under subsection (5) of this section, the water utility shall provide written
11 notice to all of its customers advising the customers of their right to file a
12 petition under subsection [(3)(d)(C)] **(3)(c)** of this section. The commission
13 shall adopt rules prescribing the content of the written notice.

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