

Senate Bill 782

Sponsored by COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

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

1
2 Relating to rate regulation of wastewater services; amending ORS 757.061.

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

4 **SECTION 1.** ORS 757.061 is amended to read:

5 757.061. (1) For the purposes of this section:

6 (a) "Rate regulation" means regulation under this chapter, except for regulation under ORS
7 757.105 to 757.110.

8 (b) "Service regulation" means regulation under this chapter, except for regulation under ORS
9 757.105 to 757.110, 757.140, 757.205 to 757.220, 757.225, 757.245, 757.259, 757.355, 757.400 to 757.460,
10 757.485, 757.490, 757.495 and 757.500.

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

13 **(b) If a water utility subject to rate regulation under this chapter provides, either di-**
14 **rectly or through an affiliate, wastewater services to the customers of the water utility,**
15 **those services are also subject to rate regulation.**

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

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

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

21 *[(c)]* **(b)** A water utility that serves fewer than 500 customers, if the Public Utility Commission
22 grants a petition from the water utility requesting that the water utility be subject to rate regu-
23 lation.

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

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

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

28 **(ii) The water utility, or an affiliate of the water utility, proposes to charge a rate for**
29 **wastewater services that exceeds the maximum rates established by the commission for**
30 **those services under subsection (5) of this section; and**

31 (C) Twenty percent or more of the customers of the water utility file a petition with the com-

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 mission requesting that the water utility be subject to rate regulation.

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

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

7 (b) A water utility that serves fewer than 500 customers and that at any time charges an aver-
 8 age annual residential rate of \$24 per month or more.

9 (5)(a) **For the purpose of determining whether a petition may be filed under subsection**
 10 **(3)(c) of this section,** the commission shall adopt rules establishing maximum rates for **water**
 11 **service provided by water utilities serving fewer than 500 customers and wastewater services**
 12 **provided by water utilities, or affiliates of water utilities, serving fewer than 500 customers.**
 13 [*for the purpose of determining whether a petition may be filed under subsection (3)(d)(C) of this sec-*
 14 *tion.*]

15 (b) To encourage metered water systems for water utilities serving fewer than 500 customers,
 16 the commission shall establish a higher maximum rate for water utilities with metered water systems
 17 than for water utilities with unmetered systems.

18 (6) Not less than 60 days before a water utility that serves fewer than 500 customers, **or an**
 19 **affiliate of a water utility that serves fewer than 500 customers,** increases [*any*] a rate to ex-
 20 ceed [*any*] a maximum rate prescribed under subsection (5) of this section, the water utility shall
 21 provide written notice to all of its customers advising the customers of their right to file a petition
 22 under subsection [(3)(d)(C)] **(3)(c)** of this section. The commission shall adopt rules prescribing the
 23 content of the written notice.
