

SB 845 STAFF MEASURE SUMMARY

Senate Committee On Natural Resources and Wildfire

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Meeting Dates: 2/18

WHAT THE MEASURE DOES:

The measure authorizes the Public Utilities Commission (PUC) to order the acquisition of an incumbent water utility if it cannot reasonably be expected to provide safe, adequate, efficient and reasonable service to customers and establishes conditions for acquisition approval.

Fiscal impact: May have fiscal impact, but no statement yet issued.

Revenue impact: May have revenue impact, but no statement yet issued.

Detailed Summary:

Defines terms related to water utilities. Authorizes the Public Utilities Commission (PUC) to provide notice and hold a public hearing regarding the acquisition of an incumbent water utility by another, provided the acquiring utility is financially and technically capable of completing the acquisition. Authorizes PUC to order the acquisition of an incumbent water utility if it is found to be in violation of statutory or regulatory standards, fails to comply with a PUC order, or is unable to provide safe, adequate, efficient, and reasonable service. Clarifies that if the incumbent utility’s operations pose an unreasonable risk to public health or safety due to contamination, deteriorating infrastructure, or inadequate water or sanitation facilities, alternative solutions are deemed infeasible, and the acquisition would not result in unreasonable rate increases for consumers, the PUC may proceed with the acquisition order. Establishes conditions for acquisition approval and pricing determinations between the incumbent and acquiring water utilities that are subject to PUC determination that the prices are fair and reasonable. Authorizes PUC to appoint an independent administrator to represent or protect the interests of incumbent water utility customers during the acquisition and transition.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Public Utility Commission (PUC) regulates a portion of the state’s 3,500 water systems, including some investor-owned water utilities that provide service to Oregonians, ensuring that they offer safe and reliable water at reasonable rates. Regulated water utilities must adhere to PUC service rules and regulations, which cover areas such as water quality, pressure, customer service, and maintenance. PUC also investigates complaints to ensure that customers receive safe and adequate water service. Some regulated utilities are required to follow PUC rules concerning rates to ensure that residents receive water service at fair and reasonable costs.