

# HOUSE BILL REPORT

## HB 1581

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*As Passed Legislature*

**Title:** An act relating to placing the burden of proof on utilities to show that certain operations are not subject to regulation.

**Brief Description:** Placing the burden of proof on utilities to show that certain operations are not subject to regulation.

**Sponsor(s):** Representatives Grant, Miller and Rasmussen; by request of Utilities & Transportation Commission.

**Brief History:**

Reported by House Committee on:  
Energy & Utilities, February 26, 1991, DP.  
Passed House, March 12, 1991, 95-1;  
Amended by Senate;  
House concurred;  
Passed Legislature, 93-1.

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**HOUSE COMMITTEE ON  
ENERGY & UTILITIES**

**Majority Report:** *Do pass.* Signed by 10 members: Representatives Grant, Chair; H. Myers, Vice Chair; May, Ranking Minority Member; Hochstatter, Assistant Ranking Minority Member; Bray; Casada; Cooper; R. Fisher; Miller; and Rayburn.

**Staff:** Harry Reinert (786-7110).

**Background:** The Utilities and Transportation Commission has state regulatory authority over a variety of utility activities, including public water systems over a certain size. The commission has authority to regulate all water systems with more than 100 customers and water systems with fewer than 100 customers if the gross revenue per customer is less than \$300 per year. The commission may increase this gross revenue limitation based on changes in inflation. The burden of establishing that a water system is within the commission's jurisdiction falls on the commission. All regulated utilities, including regulated water systems, must file rates with the commission. The rates must be just, fair, reasonable, and sufficient. The commission may order

a regulated utility to modify its rates if the commission determines the rates violate statutory provisions.

**Summary of Bill:** In cases before the Utilities and Transportation Commission initiated prior to July 1, 1994, involving the question of whether a water system is subject to the commission's jurisdiction, the water system has the burden of establishing that it is exempt from regulation if the water system fails to provide sufficient information to enable the commission to make the determination. The commission has jurisdiction to establish rates for line extensions, service installations, and service connections for water systems. If a system has not specified a tariffed rate for these activities, the commission shall determine the fair, just, reasonable, and sufficient rate. In a proceeding on these rates, the burden is on the water company to justify its proposed charges.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** The information to determine whether a small water system is exempt from regulation is in the hands of the water system. This modification will place the burden of establishing the exemption on the entity that has the information.

**Testimony Against:** None.

**Witnesses:** Carol Monohon, Utilities and Transportation Commission (pro).