

# HOUSE BILL REPORT

## HB 1325

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*As Passed House  
March 11, 1991*

**Title:** An act relating to the regulatory authority of the utilities and transportation commission over certain nonmunicipal systems.

**Brief Description:** Regulating certain nonmunicipal water systems.

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

**Brief History:**

Reported by House Committee on:  
Energy & Utilities, February 14, 1991, DP;  
Passed House, March 11, 1991, 91-0.

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**HOUSE COMMITTEE ON  
ENERGY & UTILITIES**

**Majority Report:** *Do pass.* Signed by 8 members: Representatives Grant, Chair; H. Myers, Vice Chair; May, Ranking Minority Member; Bray; Cooper; R. Fisher; Jacobsen; and Rayburn.

**Minority Report:** *Do not pass.* Signed by 2 members: Representatives Hochstatter, Assistant Ranking Minority Member; and Casada.

**Staff:** Fred Adair (786-7113).

**Background:** Needless expense and confusion can arise from certain public water systems coming under and out from regulation by the Utilities and Transportation Commission. This can occur with systems at or near the regulatory threshold of 100 customers or annual bills of \$300.

The problem can be avoided by keeping systems once over the regulatory threshold under regulation unless it becomes in the public interest that they be removed.

The commission has developed auditing expertise in regulating public water systems under its purview. This expertise can be used to assist troubled smaller water systems, not subject to commission regulation. This use

could obviate the need to develop and maintain a separate body of auditing expertise for unregulated public water systems.

**Summary of Bill:** Once under regulation by the Utilities and Transportation Commission, a public water system cannot be removed from regulation except by commission permission.

The commission shall audit unregulated nonmunicipal public water systems referred to it and report results to the referring agency. The number of systems referred shall not exceed 20 percent of the number of regulated public water systems. Audited water systems shall pay a fee to the commission.

**Fiscal Note:** Requested February 2, 1991.

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

**Testimony For:** The regulatory process would be simplified by not having the near-threshold water companies alternatively coming under and out from regulation.

Small water companies can benefit from the commission's in-place auditing expertise. Fees for auditing vary with the size of the company and are low for small companies.

**Testimony Against:** None.

**Witnesses:** Carol Monohon, Utilities & Transportation Commission.