

# FINAL BILL REPORT

## HB 1581

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*Synopsis As Enacted*

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

By Representatives Grant, Miller and Rasmussen; by request of Utilities & Transportation Commission.

House Committee on Energy & Utilities  
Senate Committee on Energy & Utilities

**Background:** The Utilities and Transportation Commission has regulatory authority over a variety of utility activities, including public water systems. 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.

The commission's authority to establish rates and charges for line extensions, service installations, and service connections is ambiguous.

**Summary:** In cases before the Utilities and Transportation Commission initiated prior to July 1, 1994, and 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.

***Votes on Final Passage:***

House	95	1	
Senate	43	3	(Senate amended)
House	93	1	(House concurred)

***Effective:*** July 28, 1991