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HOUSE BILL 1512

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State of Washington                      56th Legislature                      1999 Regular Session

By Representatives Haigh, Fortunato, Morris, Hatfield, Bush, Rockefeller, G. Chandler, Lantz, Thomas and Huff

Read first time 01/27/1999. Referred to Committee on Technology, Telecommunications & Energy.

1            AN ACT Relating to requiring a formal hearing on proposed water  
2 company rate increases when requested by affected customers; and  
3 amending RCW 80.04.130 and 80.28.060.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            **Sec. 1.** RCW 80.04.130 and 1998 c 110 s 1 are each amended to read  
6 as follows:

7            (1) Whenever any public service company shall file with the  
8 commission any schedule, classification, rule or regulation, the effect  
9 of which is to change any rate, charge, rental or toll theretofore  
10 charged, the commission shall have power, either upon its own motion  
11 ~~((or))~~, upon complaint, or as provided in RCW 80.28.060(2), upon  
12 notice, to enter upon a hearing concerning such proposed change and the  
13 reasonableness and justness thereof, and pending such hearing and the  
14 decision thereon the commission may suspend the operation of such rate,  
15 charge, rental or toll for a period not exceeding ten months from the  
16 time the same would otherwise go into effect, and after a full hearing  
17 the commission may make such order in reference thereto as would be  
18 provided in a hearing initiated after the same had become effective.  
19 The commission shall not suspend a tariff that makes a decrease in a

1 rate, charge, rental, or toll filed by a telecommunications company  
2 pending investigation of the fairness, justness, and reasonableness of  
3 the decrease when the filing does not contain any offsetting increase  
4 to another rate, charge, rental, or toll and the filing company agrees  
5 to not file for an increase to any rate, charge, rental, or toll to  
6 recover the revenue deficit that results from the decrease for a period  
7 of one year. The filing company shall file with any decrease  
8 sufficient information as the commission by rule may require to  
9 demonstrate the decreased rate, charge, rental, or toll is above the  
10 long run incremental cost of the service. A tariff decrease that  
11 results in a rate that is below long run incremental cost, or is  
12 contrary to commission rule or order, or the requirements of this  
13 chapter, shall be rejected for filing and returned to the company. The  
14 commission may prescribe a different rate to be effective on the  
15 prospective date stated in its final order after its investigation, if  
16 it concludes based on the record that the originally filed and  
17 effective rate is unjust, unfair, or unreasonable.

18 For the purposes of this section, tariffs for the following  
19 telecommunications services, that temporarily waive or reduce charges  
20 for existing or new subscribers for a period not to exceed sixty days  
21 in order to promote the use of the services shall be considered tariffs  
22 that decrease rates, charges, rentals, or tolls:

- 23 (a) Custom calling service;
- 24 (b) Second access lines; or
- 25 (c) Other services the commission specifies by rule.

26 The commission may suspend any promotional tariff other than those  
27 listed in (a) through (c) of this subsection.

28 The commission may suspend the initial tariff filing of any water  
29 company removed from and later subject to commission jurisdiction  
30 because of the number of customers or the average annual gross revenue  
31 per customer provisions of RCW 80.04.010. The commission may allow  
32 temporary rates during the suspension period. These rates shall not  
33 exceed the rates charged when the company was last regulated. Upon a  
34 showing of good cause by the company, the commission may establish a  
35 different level of temporary rates.

36 (2) At any hearing involving any change in any schedule,  
37 classification, rule or regulation the effect of which is to increase  
38 any rate, charge, rental or toll theretofore charged, the burden of

1 proof to show that such increase is just and reasonable shall be upon  
2 the public service company.

3 (3) The implementation of mandatory local measured  
4 telecommunications service is a major policy change in available  
5 telecommunications service. The commission shall not accept for filing  
6 a price list, nor shall it accept for filing or approve, prior to June  
7 1, 2001, a tariff filed by a telecommunications company which imposes  
8 mandatory local measured service on any customer or class of customers,  
9 except that, upon finding that it is in the public interest, the  
10 commission may accept for filing a price list or it may accept for  
11 filing and approve a tariff that imposes mandatory measured service for  
12 a telecommunications company's extended area service or foreign  
13 exchange service. This subsection does not apply to land, air, or  
14 marine mobile service, or to pay telephone service, or to any service  
15 which has been traditionally offered on a measured service basis.

16 (4) The implementation of Washington telephone assistance program  
17 service is a major policy change in available telecommunications  
18 service. The implementation of Washington telephone assistance program  
19 service will aid in achieving the stated goal of universal telephone  
20 service.

21 (5) If a utility claims a sales or use tax exemption on the  
22 pollution control equipment for an electrical generation facility and  
23 abandons the generation facility before the pollution control equipment  
24 is fully depreciated, any tariff filing for a rate increase to recover  
25 abandonment costs for the pollution control equipment shall be  
26 considered unjust and unreasonable for the purposes of this section.

27 **Sec. 2.** RCW 80.28.060 and 1989 c 152 s 1 are each amended to read  
28 as follows:

29 (1) Unless the commission otherwise orders, no change shall be made  
30 in any rate or charge or in any form of contract or agreement or in any  
31 rule or regulation relating to any rate, charge or service, or in any  
32 general privilege or facility which shall have been filed and published  
33 by a gas company, electrical company or water company in compliance  
34 with the requirements of RCW 80.28.050 except after thirty days' notice  
35 to the commission and publication for thirty days, which notice shall  
36 plainly state the changes proposed to be made in the schedule then in  
37 force and the time when the change will go into effect and all proposed  
38 changes shall be shown by printing, filing and publishing new

1 schedules, or shall be plainly indicated upon the schedules in force at  
2 the time and kept open to public inspection. Proposed changes may be  
3 suspended by the commission within thirty days or before the stated  
4 effective date of the proposed change, whichever is later. The  
5 commission, for good cause shown, may allow changes without requiring  
6 the thirty days' notice by duly filing, in such manner as it may  
7 direct, an order specifying the changes so to be made and the time when  
8 it shall take effect. All such changes shall be immediately indicated  
9 upon its schedules by the company affected. When any change is made in  
10 any rate or charge, form of contract or agreement, or any rule or  
11 regulation relating to any rate or charge or service, or in any general  
12 privilege or facility, the effect of which is to increase any rate or  
13 charge, then in existence, attention shall be directed on the copy  
14 filed with the commission to such increase by some character  
15 immediately preceding or following the item in such schedule, such  
16 character to be in form as designated by the commission.

17 (2) If, within the thirty days following a water company's filing  
18 for a proposed change in rates or charges, ten percent or more of the  
19 water company's customers request a formal hearing on the proposed  
20 changes, the commission shall set the matter for hearing as provided  
21 for in RCW 80.04.130. The commission may, in its discretion, suspend  
22 the proposed changes pending the hearing or may issue an order  
23 approving an interim change.

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