

Senate Bill 623

Sponsored by Senator JOHNSON (at the request of Mel Olson)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires Public Utility Commission to set higher maximum water rates for unregulated water utilities serving fewer than 500 customers when water utility has metered system.

A BILL FOR AN ACT

Relating to water utility metering; creating new provisions; and amending ORS 757.061.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 757.061 is amended to read:

757.061. (1) For the purposes of this section, "financial regulation" means regulation under ORS 757.105 to 757.110, 757.135, 757.140, 757.205 to 757.220, 757.400 to 757.460 and 757.480 to 757.495.

(2) Except as provided in this section, water utilities that serve fewer than 500 customers are not subject to regulation under this chapter or required to pay the fee provided for in ORS 756.310.

(3) A water utility that serves fewer than 500 customers and that provides wastewater services to the public inside the boundaries of a city is subject to regulation under this chapter and must pay the fee provided for in ORS 756.310.

(4) A water utility that serves fewer than 500 customers and that is found by the Public Utility Commission to have provided inadequate or discriminatory service at any time is thereafter subject to regulation under this chapter and must pay the fee provided for in ORS 756.310.

(5) A water utility that serves fewer than 500 customers and that at any time charges an average annual residential rate of \$18 per month or more is thereafter subject to regulation under this chapter, other than financial regulation, and must pay the fee provided for in ORS 756.310.

(6) A water utility that serves fewer than 500 customers is subject to financial regulation under this chapter, and must pay the fee provided for in ORS 756.310, if:

(a) The Public Utility Commission grants a petition from a water utility requesting that the water utility be subject to financial regulation; or

(b) The water utility charges a rate for water service that exceeds a maximum rate established by the commission under subsection (7) of this section and 20 percent or more of the customers of the water utility file a petition with the commission requesting that the water utility be subject to financial regulation under this chapter.

(7)(a) The commission shall adopt rules establishing maximum rates for water utilities serving fewer than 500 customers for the purpose of determining whether a petition may be filed under subsection (6)(b) of this section.

(b) To encourage metered water systems for water utilities serving fewer than 500 customers, the commission shall establish a higher maximum rate for water utilities with metered water systems than for water utilities with unmetered systems.

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (8) Not less than 60 days before a water utility that serves fewer than 500 customers increases
2 any rate to exceed any maximum rate prescribed under subsection (7) of this section, the water
3 utility shall provide written notice to all of its customers advising the customers of their right to
4 file a petition under subsection (6)(b) of this section. The commission shall adopt rules prescribing
5 the content of the written notice.

6 **SECTION 2. The Public Utility Commission shall adopt rules implementing ORS 757.061**
7 **(7)(b) prior to July 1, 2010.**

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