

Enrolled Senate Bill 142

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CHAPTER

AN ACT

Relating to water utilities; 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[,]:

(a) **“Rate regulation” means regulation under this chapter, except for regulation under ORS 757.105 to 757.110.**

(b) **“[financial] Service regulation” means regulation under this chapter, except for regulation under ORS 757.105 to 757.110, [757.135,] 757.140, 757.205 to 757.220, 757.259, 757.400 to 757.460, [and] 757.480 to 757.495 and 757.500.**

(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.]

(3) The following utilities are subject to rate regulation and must pay the fee provided for in ORS 756.310:

(a) A water utility that serves 500 or more customers.

(b) A water utility that serves fewer than 500 customers, if the water utility also provides wastewater services to the public inside the boundaries of a city.

(c) A water utility that serves fewer than 500 customers, if the Public Utility Commission grants a petition from the water utility requesting that the water utility be subject to rate regulation.

(d) A water utility that satisfies all of the following conditions:

(A) The water utility serves fewer than 500 customers;

(B) The water utility proposes to charge a rate for water service that exceeds the maximum rates established by the commission under subsection (5) of this section; and

(C) Twenty percent or more of the customers of the water utility file a petition with the commission requesting that the water utility be subject to rate regulation.

(4) The following utilities are subject to service regulation and must pay the fee provided for in ORS 756.310:

(a) A water utility that serves fewer than 500 customers and that is found by the commission, pursuant to an investigation under ORS 756.515, to have provided inadequate or discriminatory service at any time.

(b) A water utility that serves fewer than 500 customers and that at any time charges an average annual residential rate of \$24 per month or more.

[(7)(a)] (5)(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)] (3)(d)(C) 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.

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

Passed by Senate February 22, 2011

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Robert Taylor, Secretary of Senate

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Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2011

Approved:

.....M.,....., 2011

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John Kitzhaber, Governor

Passed by House May 11, 2011

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Bruce Hanna, Speaker of House

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Arnie Roblan, Speaker of House

Filed in Office of Secretary of State:

.....M.,....., 2011

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Kate Brown, Secretary of State