

# Senate Bill 142

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## 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**.

Revises regulation of water utilities by Public Utility Commission. Creates two categories of regulation, rate regulation and more limited service regulation. Subjects water utilities with 500 or more customers to rate regulation. Subjects smaller water utilities to rate regulation or service regulation under certain conditions.

## A BILL FOR AN ACT

1  
2 Relating to water utilities; amending ORS 757.061.

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

4 **SECTION 1.** ORS 757.061 is amended to read:

5 757.061. (1) For the purposes of this section[,]:

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

8 (b) *“[financial] Service regulation” means regulation under this chapter, except for regu-*  
9 **lation under** ORS 757.105 to 757.110, *[757.135,] 757.140, 757.205 to 757.220, 757.259, 757.400 to*  
10 *757.460, [and] 757.480 to 757.495 and 757.500.*

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

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

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

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

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

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

26 *[(b) The water utility charges a rate for water service that exceeds a maximum rate established by*  
27 *the commission under subsection (7) of this section and 20 percent or more of the customers of the water*  
28 *utility file a petition with the commission requesting that the water utility be subject to financial regu-*  
29 *lation under this chapter.]*

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

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

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

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

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

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

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

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

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

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

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

22       [(7)(a)] **(5)(a)** The commission shall adopt rules establishing maximum rates for water utilities  
23 serving fewer than 500 customers for the purpose of determining whether a petition may be filed  
24 under subsection [(6)(b)] **(3)(d)(C)** of this section.

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

28       [(8)] **(6)** Not less than 60 days before a water utility that serves fewer than 500 customers in-  
29 creases any rate to exceed any maximum rate prescribed under subsection [(7)] **(5)** of this section,  
30 the water utility shall provide written notice to all of its customers advising the customers of their  
31 right to file a petition under subsection [(6)(b)] **(3)(d)(C)** of this section. The commission shall adopt  
32 rules prescribing the content of the written notice.

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