
HOUSE BILL 1512

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.

--- END ---