

HOUSE BILL REPORT

HB 1581

As Amended by the Senate

Title: An act relating to placing the burden of proof on utilities to show that certain operations are not subject to regulation.

Brief Description: Placing the burden of proof on utilities to show that certain operations are not subject to regulation.

Sponsor(s): Representatives Grant, Miller and Rasmussen; by request of Utilities & Transportation Commission.

Brief History:

Reported by House Committee on:
Energy & Utilities, February 26, 1991, DP.
Passed House, March 12, 1991, 95-1;
Amended by Senate.

**HOUSE COMMITTEE ON
ENERGY & UTILITIES**

Majority Report: *Do pass.* Signed by 10 members:
Representatives Grant, Chair; H. Myers, Vice Chair; May,
Ranking Minority Member; Hochstatter, Assistant Ranking
Minority Member; Bray; Casada; Cooper; R. Fisher; Miller;
and Rayburn.

Staff: Harry Reinert (786-7110).

Background: The Utilities and Transportation Commission has state regulatory authority over a variety of utility activities, including public water systems over a certain size. The commission has authority to regulate all water systems with more than 100 customers and water systems with fewer than 100 customers if the gross revenue per customer is less than \$300 per year. The commission may increase this gross revenue limitation based on changes in inflation. The burden of establishing that a water system is within the commission's jurisdiction falls on the commission.

Summary of Bill: In cases before the Utilities and Transportation Commission, involving the question of whether a water system is subject to the commission's jurisdiction, the water system has the burden of establishing that it is exempt from regulation.

EFFECT OF SENATE AMENDMENT(S): The Senate amendment limits the shifting of the burden of proof to proceedings initiated prior to July 1, 1994. The amendment also allows the burden to be shifted only when the water system operator has failed or refused to provide information necessary to make the determination. The amendment also gives the commission jurisdiction over rates relating to line extensions, service installations, and service connections. If a company has not specified to a tarriffed rate, the burden is on the water company to justify its charges.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The information to determine whether a small water system is exempt from regulation is in the hands of the water system. This modification will place the burden of establishing the exemption on the entity that has the information.

Testimony Against: None.

Witnesses: Carol Monohon, Utilities and Transportation Commission (pro).

VOTE ON FINAL PASSAGE:

Yeas 95; Nays 1; Absent 2

Nays: Representative Mitchell

Absent: Representatives Peery, Sprenkle