

SENATE BILL REPORT

HB 1325

AS OF MARCH 27, 1991

Brief Description: Regulating certain nonmunicipal water systems.

SPONSORS: Representatives Rasmussen, Miller and Dorn; by request of Utilities & Transportation Commission.

HOUSE COMMITTEE ON ENERGY & UTILITIES

SENATE COMMITTEE ON ENERGY & UTILITIES

Staff: Dave Monthie (786-7198)

Hearing Dates: March 28, 1991

BACKGROUND:

The jurisdiction of the Utilities and Transportation Commission over water companies is limited to those serving 100 or more customers, or having average annual customer revenues of \$300 or more, that otherwise meet the statutory criteria for regulation. The Legislature in 1989 also required the commission to exercise audit and accounting supervision or to initiate a formal complaint against any water system for hire if the commission received an administrative order from the Department of Health or the city or county where the system was located that found the system to be in violation of drinking water system standards adopted by the Board of Health or the Department of Health. The latter provision has not been utilized by either the Department of Health or a local government to invoke commission jurisdiction, and it is unclear to the commission what actions it is to take under the language added in 1989. Its general jurisdictional criteria for water systems have also created problems in determining whether to assert or maintain jurisdiction over water systems whose number of customers and annual revenues may fluctuate.

SUMMARY:

Water companies that are subject to Utilities and Transportation Commission regulation cannot be removed from regulation unless the commission approves. Regulated companies whose customer number falls below 100, or whose average annual customer revenues fall below \$300, may petition the commission for removal from regulation. The commission may retain jurisdiction over such companies where it finds that the public interest requires it.

The commission's jurisdiction over substandard water systems referred to it by the Department of Health or a city or county

under RCW 80.04.110 is limited to nonmunicipal systems, and only for auditing purposes. The commission is to provide the results of the audit to the requesting party. The number of such companies referred to the commission in any calendar year is not to exceed 20 percent of the total number of companies subject to commission regulation. Companies referred to the commission for such an audit are required to pay a fee in the same amount as the commission requires on an annual basis from its regulated utilities. These audited companies are not required to sign a statement under oath as to their operating revenue.

Appropriation: none

Revenue: none

Fiscal Note: available