

SENATE BILL REPORT

SB 5503

**AS REPORTED BY COMMITTEE ON ENERGY & UTILITIES,
FEBRUARY 14, 1991**

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

SPONSORS: Senators Thorsness, Madsen and Barr; by request of Utilities & Transportation Commission.

SENATE COMMITTEE ON ENERGY & UTILITIES

Majority Report: That Substitute Senate Bill No. 5503 be substituted therefor, and the substitute bill do pass.

Signed by Senators Thorsness, Chairman; Saling, Vice Chairman; Jesernig, Nelson, Patterson, Stratton, Sutherland, and Williams.

Minority Report: That Substitute Senate Bill No. 5503 do not be substituted and do not pass.

Signed by Senator Roach.

Staff: Dave Monthie (786-7198)

Hearing Dates: February 1, 1991; February 12, 1991; February 14, 1991

BACKGROUND:

The Utilities and Transportation Commission regulates the activities of certain utilities as set out in statute. The commission determines whether a utility is subject to regulation. When the commission believes that a utility is subject to regulation, it may order that utility to produce evidence in order for the commission to establish whether that is the case. Only water systems that have either 100 connections or an average annual revenue of \$300 from each customer, and otherwise meet statutory criteria, are subject to the commission's jurisdiction. The commission has in the past had difficulty obtaining enough information from certain smaller water systems to determine whether they meet these criteria.

SUMMARY:

The Utilities and Transportation Commission's authority to investigate and determine whether a person or corporation is subject to its jurisdiction is modified to place the burden of proof on the person or corporation to prove that its operations or acts are exempt from commission regulation.

EFFECT OF PROPOSED SUBSTITUTE:

The new language on burden of proof is effective only until July 1, 1994. The burden of proof is shifted to the water company only after it has failed or refused to supply the necessary information to the commission. Minor technical changes are made.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

Similar statutory language on burden of proof exists with regard to UTC regulated transportation companies. Placing the burden of proof on the companies should make them more responsive to information requests. There is no intent on the part of the UTC to use the authority to harass or unduly burden small systems.

TESTIMONY AGAINST: None

TESTIFIED: Barbara Pat Wiles, Investor-Owned Utility Assoc. (pro); Carol Monohon, UTC (pro); Fred Ottavelli, UTC (pro)