
SUBSTITUTE HOUSE BILL 1046

State of Washington

63rd Legislature

2013 Regular Session

By House Environment (originally sponsored by Representatives Fey, Upthegrove, Takko, Seaquist, Zeiger, Walsh, Blake, Kochmar, and Haigh)

READ FIRST TIME 02/22/13.

1 AN ACT Relating to uncontested rate modifications for utilities and
2 transportation commission regulated water companies; adding new
3 sections to chapter 80.28 RCW; and providing an expiration date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 80.28 RCW
6 to read as follows:

7 (1) Until June 30, 2019, and to address the problem of employee
8 hiring or retention due to competition for qualified employees and the
9 problem of frequent increases in the costs of electricity and motor
10 fuel, a water company may file tariff changes adjusting its metered or
11 flat tariff rates for water usage up to three percent without being
12 subject to suspension or adjudication under RCW 80.28.060, if:

13 (a) The water company files with the tariff changes a verified
14 statement, with supporting documentation, that demonstrates why the
15 amount of additional revenue from the tariff change is the amount
16 necessary to hire or retain a qualified employee or employees or to pay
17 the increased costs of purchasing electricity and motor fuel;

18 (b) Prior to the first time a company files for a rate increase
19 under this section, the company has completed a general rate case under

1 RCW 80.28.060 within the previous three years that resulted in either
2 an order issued by the commission approving a change in rates or the
3 rate changes going into effect by operation of law;

4 (c) The company has not adjusted its rates under this section
5 within the previous twelve months;

6 (d) The company is in compliance with RCW 80.24.010;

7 (e) The company is in compliance with all board of health and
8 department of health safe drinking water rules. The commission must
9 determine the system's compliance with drinking water rules as reported
10 on the department of health's web site;

11 (f) The company is not subject to a complaint filed under RCW
12 80.04.110 or other pending actions before the commission; and

13 (g) The company has not adjusted its rates under this section more
14 than four times since last completing a general rate case under RCW
15 80.28.060, resulting in either an order issued by the commission
16 approving changes in rates or the rate changes going into effect by
17 operation of law.

18 (2) A water company must give written notice of the proposed rate
19 adjustment to the commission and the ratepayers receiving service from
20 the water company at least sixty days prior to the effective date of
21 the rate adjustment. The increased rates do not become effective until
22 at least sixty days after notice and filing with the commission.

23 (3) A water company must report to the commission how it expended
24 the funds accruing from the tariff rate increase received pursuant to
25 subsection (1) of this section. The water company must report this
26 information within twelve months of the effective date of any increase
27 under this section and prior to filing any subsequent requests under
28 this section.

29 (4) Nothing in this section prevents a water company from filing
30 for a rate change pursuant to any other statute, rule, or procedure of
31 the commission. Nothing in this section prevents the commission from
32 taking any action within the scope of its authority, except the
33 commission may not suspend or adjudicate a tariff change meeting the
34 requirements of this section.

35 NEW SECTION. **Sec. 2.** A new section is added to chapter 80.28 RCW
36 to read as follows:

37 By October 1, 2018, the commission shall report to the legislature,

1 consistent with RCW 43.01.036, regarding the rate filings made by water
2 companies under section 1 of this act, how the rate changes occurring
3 as a result of these filings have affected the financial stability of
4 water companies, and whether and how the processes in section 1 of this
5 act resulted in a reduction in the commission's costs of regulating
6 water companies.

7 NEW SECTION. **Sec. 3.** Sections 1 and 2 of this act expire June 30,
8 2019.

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