

AMENDMENTS TO HOUSE BILL NO. 2075

Sponsor: REPRESENTATIVE GODSHALL

Printer's No. 3022

1 Amend Bill, page 1, lines 9 through 18; page 2, lines 1
2 through 30; page 3, line 1; by striking out all of said lines on
3 said pages and inserting

4 § 1311. Valuation of and return on the property of a public
5 utility.

6 * * *

7 (b) Method of valuation.--

8 (1) The value of the property of the public utility
9 included in the rate base shall be the original cost of the
10 property when first devoted to the public service less the
11 applicable accrued depreciation as such depreciation is
12 determined by the commission.

13 (2) (i) The value of the property of a public utility
14 providing water service shall include the original cost
15 incurred by the public utility for the replacement of a
16 customer-owned lead water service line, performed
17 concurrent with a scheduled utility main replacement
18 project, notwithstanding that the customer will hold
19 legal title to the replacement water service line.

20 (ii) The original cost of the replacement water
21 service line shall be deemed other related capitalized
22 costs that are part of the public utility's distribution
23 system.

24 (iii) The public utility incurring the cost under
25 subparagraph (i) may recover a return on, and a return
26 of, the cost that the commission determines to have been
27 prudently incurred and will help prevent adverse effects
28 on public health or public safety or help the public
29 utility comply with laws and regulations pertaining to
30 drinking water or environmental standards. The return on
31 costs permitted under this subparagraph may be recovered
32 for a period not to exceed 10 years from the date the
33 cost is incurred.

34 (iv) The commission may allocate the cost associated
35 with the replacement of a customer-owned lead water
36 service line among each customer, classes of customers
37 and types of service.

1 (v) Notwithstanding any other provision of law to
2 the contrary, a public utility providing water service
3 must obtain prior approval from the commission for the
4 replacement of a customer-owned lead water service line
5 by filing a new tariff or supplement to existing tariffs
6 under section 1308 (relating to voluntary changes in
7 rates).

8 (vi) A new tariff or supplement to an existing
9 tariff approved by the commission under subparagraph (v)
10 shall include a cap on the maximum number of customer-
11 owned lead water service lines that can be replaced
12 annually.

13 (vii) The commission shall, by regulation or order,
14 establish standards, processes and procedures to:

15 (A) Ensure that work performed by a public
16 utility or the public utility's contractor to replace
17 a customer-owned lead water service line is
18 accompanied by a warranty of no less than 12 months
19 from the date the work is completed and the public
20 utility and the public utility's contractor has
21 access to the affected customer's property during the
22 term of the warranty.

23 (B) Provide for a reimbursement to a customer
24 who has replaced the customer's lead water service
25 line within four years of commencement of a project
26 in accordance with a commission-approved tariff.

27 (3) Nothing in this section shall be construed to limit
28 the existing ratemaking authority of the commission nor
29 invalidate or void any rates approved by the commission
30 before the effective date of this paragraph.

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