

## AMENDMENTS TO HOUSE BILL NO. 2075

Sponsor: REPRESENTATIVE GODSHALL

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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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