AMENDMENTS TO HOUSE BILL NO. 2075

Sponsor: REPRESENTATIVE GODSHALL

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

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

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(b) Method of valuation.--

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

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

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

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

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

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

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

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

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

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

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

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