

VIRGINIA ACTS OF ASSEMBLY -- 2003 SESSION

CHAPTER 385

An Act to amend and reenact § 56-265.13:6 of the Code of Virginia, relating to the Small Water or Sewer Public Utility Act; rate increases.

[S 1094]

Approved March 16, 2003

Be it enacted by the General Assembly of Virginia:

1. That § 56-265.13:6 of the Code of Virginia is amended and reenacted as follows:

§ 56-265.13:6. Public hearing on application; prohibition of multiple rate increases within any 12-month period.

A. Upon application to the Commission by at least ~~twenty-five~~ 25 percent of all customers affected by a rate change or by 250 affected customers, whichever number is lesser, or by the small water or sewer utility itself, or by the Commission, upon its own motion, a hearing shall be held after at least ~~thirty~~ 30 days' notice to the small water or sewer utility and to its customers. The Commission may order such improvements or changes in service, measurements, practices, acts, rates, charges, fees, and rules and regulations of such utility as are just and reasonable.

When a hearing is ordered, the Commission shall have the authority to suspend such rates, charges, fees, and rules and regulations for no more than ~~sixty~~ 60 days or to declare them to be interim, or both. Interim rates, fees, and charges shall be subject to refund with interest until such time as the Commission has made its final determination in the proceeding. Upon completion of the hearing and decision, the Commission may order such public utility to refund, with interest at a rate set by the Commission, the portion of such rates, charges, or fees found not justified by its decision.

B. A small water or sewer utility shall not implement an increase in the utility's rates or charges more than once within any ~~twelve~~ 12-month period. This limitation shall not prohibit applications for increases in rates or charges pursuant to § 56-245.

C. *If the change in rates, fees, and charges results in an increase of 50 percent or greater of the small water or sewer utility's annual revenues, the small water or sewer utility shall file the financial data required by the Commission's rules under this chapter simultaneously with providing notice of such change as prescribed by subsection B of § 56-265.13:5, and, if a hearing is ordered, the Commission shall expedite the hearing on the change in rates, fees, and charges. The Commission shall also direct that the funds produced by the increase in rates, fees, and charges shall be held in escrow by the small water or sewer utility until the Commission has rendered its decision, at which time the funds held in escrow shall either be released to the small water or sewer utility or refunded to its customers. The Commission may, however, allow the funds held in escrow to be used as necessary to comply with environmental or health laws or regulations or to allow the small water or sewer utility to provide adequate service to its customers.*