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HOUSE JOINT RESOLUTION NO. 207

Offered January 26, 1998

Establishing a joint subcommittee to study rate changes implemented by small water and sewer utilities within the Commonwealth.

Patrons—McQuigg; Senator: Colgan

Referred to Committee on Rules

WHEREAS, small water and sewer utilities furnish regulated water and sewer service to many citizens of the Commonwealth; and

WHEREAS, when such services are furnished by localities, the citizens of such localities receive proper notice of and have an opportunity to express their concerns about any proposed changes in rates, charges or fees associated therewith prior to any implementation thereof; and

WHEREAS, such due process is not afforded citizens receiving such services from private water and sewer utilities, inasmuch as §§ 56-265.13:5 and § 56-265.13:6 of the Code of Virginia permit such utilities to change their rates, charges and fees by merely providing a 45-day advance notice of their intention to do so; and

WHEREAS, such statutes further deny customers a public hearing on such rate changes unless at least 250 customers, or 25% of the customer base—whichever number is smaller—request a public hearing before the Virginia State Corporation Commission (SCC); and

WHEREAS, the SCC, however, may only suspend the new rates for 60 days during this period, and thereafter must declare them interim, and subject to refund pending the disposition of its rate review; and

WHEREAS, placing the burden on the utilities' customers to challenge rates instead of requiring such utilities to establish their entitlement to rate increases prior to the implementation thereof is a public policy issue with direct pocketbook implication for Virginians increasingly frustrated by this current statutory scheme; and

WHEREAS, such public policy issue should be immediately reviewed by this General Assembly to determine whether the current statutory scheme affords due process and promotes the public good; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a joint subcommittee be established to (i) examine the current statutory scheme by which changes in the rates, charges and fees of small water and sewer utilities are implemented, and (ii) determine whether changes in such scheme are needed to provide appropriate due process to small water and sewer utilities' customers, while concurrently ensuring that the operators of such utilities receive appropriate, but not excessive, compensation for their services.

The joint subcommittee shall be composed of ten members, as follows: six members of the House of Delegates, to be appointed by the Speaker of the House; and four members of the Senate, to be appointed by the Senate Committee on Privileges and Elections.

The direct costs of this study shall not exceed \$ 4,500.

The Division of Legislative Services shall provide staff support for the study. Technical assistance shall be provided by the Utilities Division of the Virginia State Corporation Commission. All agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

The joint subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the 1999 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

INTRODUCED

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