

## HB 426 -- Cost Recovery for Water Corporations

Co-Sponsors: Rector, Byrd

This bill allows water corporations serving more than 10,000 customers to file petitions with the Public Service Commission for rate adjustments that recover from customers prudently incurred costs for infrastructure replacement projects. Eligible projects may include replacement of deteriorating equipment and non-reimbursed costs of facility relocations required by highway construction. Projects may not increase revenue by connecting to new customers and must not have been included in the corporation's last general rate case. Commission staff may examine the petition and submit a report within 60 days. The commission may hold a public hearing and must issue an order that becomes effective within 120 days after the petition is filed.

Adjustments must appear on the customer's bills as a separate charge and may only apply to classes of customers that receive benefits from the infrastructure replacement project. Charges must be applied in a manner consistent with the customer class cost-of-service study from the corporation's most recent general rate proceeding.

Charges will not be approved if the corporation's last general rate proceeding was more than three years before the petition was filed or if the adjustment produces revenue less than \$1 million or more than 10% of the base revenue level approved in the corporation's last general rate proceeding. Rates may not be adjusted more than twice a year and charges may not be collected for more than three years unless the corporation has filed or is the subject of a new general rate proceeding. Estimated monthly charges are subject to annual reconciliation.