

# **WEST VIRGINIA LEGISLATURE**

**2016 REGULAR SESSION**

**Committee Substitute**

**for**

**Senate Bill 522**

BY SENATORS SNYDER AND UNGER

[Originating in the Committee on Government

Organization; reported on February 10, 2016.]

1 A BILL to amend and reenact §24-2-2 of the Code of West Virginia, 1931, as amended, relating  
2 generally to public service districts; and to prohibit shifting future development costs onto  
3 existing public service district customers.

*Be it enacted by the Legislature of West Virginia:*

1 That §24-2-2 of the Code of West Virginia, 1931, as amended, be amended and reenacted  
2 to read as follows:

**ARTICLE 2. POWERS AND DUTIES OF PUBLIC SERVICE COMMISSION.**

**§24-2-2. General power of commission to regulate public utilities.**

1 (a) The commission is hereby given power to investigate all rates, methods and practices  
2 of public utilities subject to the provisions of this chapter; to require them to conform to the laws  
3 of this state and to all rules, regulations and orders of the commission not contrary to law; and to  
4 require copies of all reports, rates, classifications, schedules and timetables in effect and used by  
5 the public utility or other person to be filed with the commission, and all other information desired  
6 by the commission relating to the investigation and requirements, including inventories of all  
7 property in such form and detail as the commission may prescribe. The commission may compel  
8 obedience to its lawful orders by mandamus or injunction or other proper proceedings in the name  
9 of the state in any circuit court having jurisdiction of the parties or of the subject matter, or the  
10 Supreme Court of Appeals directly, and the proceedings shall have priority over all pending cases.  
11 The commission shall consider equity to existing rate-paying customers in all matters before the  
12 commission, including, but not limited to, projects, debt service and rates. The commission is  
13 hereby given the power to order consolidation of any two or more publically owned public water  
14 and/or sewer utilities if the commission finds that a consolidation offers greater efficiency,  
15 economic benefit and/or increased equity to the combined customer base in those separate  
16 utilities. The commission may change any intrastate rate, charge or toll which is unjust or  
17 unreasonable or any interstate charge with respect to matters of a purely local nature which have  
18 not been regulated by or pursuant to an act of Congress and may prescribe a rate, charge or toll

19 that is just and reasonable, and change or prohibit any practice, device or method of service in  
20 order to prevent undue discrimination or favoritism between persons and between localities and  
21 between commodities for a like and contemporaneous service. But in no case shall the rate, toll  
22 or charge be more than the service is reasonably worth, considering the cost of the service. The  
23 commission may establish and approve connection charges, proffers and/or developer  
24 construction agreements for new water and sewer utility expansions and new connections to  
25 water and sewer utilities, upon application by the utility. Every order entered by the commission  
26 shall continue in force until the expiration of the time, if any, named by the commission in the  
27 order, or until revoked or modified by the commission, unless the order is suspended, modified or  
28 revoked by order or decree of a court of competent jurisdiction: *Provided*, That in the case of  
29 utilities used by emergency shelter providers, the commission shall prescribe such rates, charges  
30 or tolls that are the lowest available. "Emergency shelter provider" means any nonprofit entity  
31 which provides temporary emergency housing and services to the homeless or to victims of  
32 domestic violence or other abuse.

33 (b) Notwithstanding any other provision of this code to the contrary, rates are not  
34 discriminatory if, when considering the debt costs associated with a future water or sewer project  
35 which would not have immediate benefit to existing rate-paying customers, the commission  
36 establishes rates which ensure that the future customers to be served by the new project are  
37 solely responsible for the debt costs associated with the project. Rates likewise are not  
38 discriminatory if the commission establishes rates which ensure that future customers to be  
39 served by such a future water or sewer project are reasonable for development costs associated  
40 with that project, including limiting reasonable engineering costs.

41 (c) Notwithstanding any other provision of this code to the contrary, the jurisdiction of the  
42 commission over water and/or sewer utilities that are political subdivisions of the state providing  
43 a separate or combined services and having at least four thousand five hundred customers and  
44 annual combined gross revenues of \$3 million or more shall be limited to those powers

45 enumerated in subsection (b), section one of this article.

NOTE: The purpose of this bill is to prohibit increasing rates of existing public service district customers for increased services for future customers that do not immediately benefit existing customers.

Strike-throughs indicate language that would be stricken from a heading or the present law, and underscoring indicates new language that would be added.