

1 *Senate* BILL NO. 360
 2 INTRODUCED BY *Keene*
 3 *By Request*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCLUDE SEWERAGE
 5 SERVICE IN THE DEFINITION OF PUBLIC UTILITY AND TO PROVIDE
 6 FOR PETITION OF THE PUBLIC SERVICE COMMISSION TO HEAR
 7 APPEALS OF MUNICIPAL SEWAGE RATES; AMENDING SECTION 70-103,
 8 R.C.M. 1947."

9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 70-103, R.C.M. 1947, is amended to
 12 read as follows:

13 "70-103. "Public utility" defined. The term "public
 14 utility," within the meaning of this act, shall embrace
 15 every corporation, both public and private, company,
 16 individual, association of individuals, their lessees,
 17 trustees or receivers appointed by any court whatsoever,
 18 that now or hereafter may own, operate, or control any plant
 19 or equipment, or any part of a plant or equipment, within
 20 the state, for the production, delivery, or furnishing, for
 21 or to other persons, firms, associations, or corporations,
 22 private or municipal, whether within the limits of
 23 municipalities or towns or elsewhere, heat; street-railway
 24 service; light; power in any form or by any agency;
 25 sewerage service; water for business, manufacturing,

1 household use, or sewerage service; ~~whether within the~~
 2 ~~limits of municipalities, towns and villages, or elsewhere~~
 3 telegraph or telephone service; and the public service
 4 commission is hereby invested with full power of
 5 supervision, regulation, and control of such utilities,
 6 subject to the provisions of this act, and to the exclusion
 7 of the jurisdiction, regulation, and control of such
 8 utilities by any municipality, town, or village."

9 Section 2. There is a new R.C.M. section that reads as
 10 follows:

11 Water and sewer rates. (1) Rates for providing water
 12 and receiving sewage, or both, in the case of utilities
 13 owned by a municipality of the state may be set by the
 14 municipality.

15 (2) The rates may be challenged by petition signed by
 16 10% of the subscribers of a utility of a municipality or by
 17 25 subscribers, whichever number is the greater. Upon
 18 receipt of a petition the commission shall proceed to
 19 hearing in order to determine whether the challenged rates
 20 meet the requirements of 70-103. The burden of proof at such
 21 hearing is on the municipality. Prior to submission of a
 22 petition to the commission, the clerk of the affected
 23 municipality shall certify that the petition contains the
 24 requisite number of signatures and that the signing parties
 25 subscribe to the particular utility service for which rates

1 are challenged.

2 (3) Any petition challenging municipal utility rates
3 shall be filed with the commission within 90 days of the
4 effective date of the rate ordinance.

5 (4) Following hearing the commission shall enter an
6 order approving or modifying the challenged rate schedules.

7 (5) Should rates be reduced by the commission's final
8 order, there is no liability for refunds.

9 (6) Nothing in this section relieves municipalities of
10 the requirement of filing all rate schedules and annual
11 reports with the commission. The jurisdiction of the
12 commission over other facets of municipal utility operations
13 remains unimpaired.

-End-

STATE OF MONTANA

327
REQUEST NO. 348-77

FISCAL NOTE

Form BD-15

In compliance with a written request received February 3, 19 77, there is hereby submitted a Fiscal Note for Senate Bill 360 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to authorize the Public Service Commission to regulate sewage service rates; defining a public utility to include sewage services; and amending various sections.

ASSUMPTIONS:

1. All existing municipal sewage system rates must be filed with the Public Service Commission and the Public Service Commission must verify them.
2. All rates, services and charges must be constantly monitored and audited by the Public Service Commission.

FISCAL IMPACT:

	<u>FY 78</u>	<u>FY 79</u>
Personal services (5 FTE)	\$67,053	\$68,361
Operating expenses	9,160	9,160
Equipment	6,000	0
Total additional cost of proposed legislation	<u>\$82,213</u>	<u>\$77,521</u>

LOCAL IMPACT:

An additional cost to municipalities could occur due to the fact that within the scope of this legislation exists the possibility that the municipality would have to present a complete rate case to the Public Service Commission.

TECHNICAL NOTE:

A fiscal note for House Bill 446 was prepared January 31, 1977. House Bill 446 and this Bill are the same.

Richard L. Frangou
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: Feb. 8, 1977