

**BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA**

IN THE MATTER OF A RULEMAKING )  
OF THE OKLAHOMA CORPORATION )  
COMMISSION, AMENDING OAC 165:65, )  
WATER SERVICE UTILITIES )

CAUSE NO. RM 200900005

**PROPOSED RULES**  
November 16, 2009

**FILED**  
NOV 18 2009

**COURT CLERK'S OFFICE - OKC**  
**CORPORATION COMMISSION**  
**OF OKLAHOMA**

1       **165:65-9-11. Relief from rate increase requirements.**

2       (a) Class C or D water utilities, having less than \$250,000 in annual gross  
3 revenue within the state, shall not be subject to the requirements of OAC 165:70-  
4 7-4 rate regulation as prescribed in Chapter 70, the general rate regulation  
5 requirements, unless a water utility proposes an increase in rates and charges  
6 which exceeds a ten percent (10%) annual increase in revenue, based on the  
7 previous twelve (12) months gross revenue generated by the existing water  
8 usage rates.

9       (b) A water utility may not submit more than two (2) consecutive annual  
10 submissions using the provisions of this Subchapter, nor may a water utility  
11 submit more than three (3) submissions within the most recent five (5) year  
12 period using the procedures set forth in this Subchapter.

13       (c) Each water utility desiring to increase its water rates pursuant to this section  
14 shall provide notice to its water customers in no less than two (2) billing cycles  
15 with the second notice being given at least sixty (60) days before the effective  
16 date of the proposed rate increase. Notice shall be made by regular mail or  
17 personal service and be included with each customer's regular bill. Notice to the  
18 water utility's customers shall include the following:

19           (1) Total rate increase;

20           (2) Average increase per customer per rate class;

21           (3) Percentage of total increase; and

22           (4) The procedure necessary for a customer to petition the Commission to  
23 examine and determine the reasonableness of the proposed rate increase.

24       (d) Each water utility desiring to increase its water rates pursuant to this section  
25 shall notify the Commission at least seventy-five (75) days before the effective  
26 date of the proposed rate increase. Notice to the Commission shall include the  
27 following:

28           (1) A copy of the notice to be provided) to its customers;

29           (2) Verified statement showing the total number of customers of the water  
30 utility as of the date of the most recent billing;

31           (3) Verified statement showing the water utility's total gross revenue for the  
32 previous twelve (12) months;

33           (4) The date of the water utility's last rate increase, the cause number and the  
34 final order number, if available;

35           (5) Any anticipated growth or decline in the water utility's customers which is  
36 expected to occur during the first twelve (12) months following the proposed  
37 rate increase;

38           (6) The types of customers the water utility serves;

39           (7) A copy of the water utility's approved tariff sheet showing the existing  
40 rates and proposed new rates;

41           (8) The date of the most recent annual report in accordance to 165:65-9-  
42 10(d)-(g).

43       (e) If, thirty (30) days prior to the effective date of this proposed increase in rates  
44 and charges, the Commission has received petitions from fewer than 15% of the  
45 affected customers, requesting that the Commission examine the proposed  
46 increase in rates and charges, the Commission shall notify the water utility that

47 the rate increase may be implemented on the proposed effective date and shall  
48 apply to all bills normally rendered on and after the effective date.

49 (f) If, thirty (30) days prior to the effective date of the proposed increase in rates  
50 and charges, the Commission has received petitions from 15% or more of the  
51 affected customers, then the Commission shall notify the water utility that it will  
52 examine and determine the reasonableness of the proposed increase in rates  
53 and charges and the rate increase may not be initiated until the Commission has  
54 completed its determination.

55 (g) A water utility shall not increase its rates and charges under this Section more  
56 than once in any twelve (12) month period. If a water utility is eligible to increase  
57 its rates and/or charges pursuant to this Section desires to increase its rates  
58 and/or charges above that which is allowed under this Section, it shall file an  
59 application pursuant to the Commission's applicable rules, unless otherwise  
60 allowed by law.

61 (h) A petition requesting the Commission to examine and determine the  
62 reasonableness of a water utility's proposed increase in rates and charges shall  
63 be in substantially the following form:

64 (1) Form:

65 The petition shall be headed by a caption, which shall contain:

66 (A) The following heading, "Before the Corporation Commission of  
67 Oklahoma";

68 (B) The name of the utility seeking an increase in rates and charges; and

69 (C) The relief sought.

70 (2) Body:

71 The body of the petition shall contain the following:

72 (A) All allegations of facts, without unnecessary detail, explaining why the  
73 customers oppose the increase in rates;

74 (B) A reference that the petition is submitted pursuant to OAC 165:65-9-  
75 11;

76 (C) The name, address, telephone number, and signature of each  
77 petitioning customer; and

78 (D) A copy of the notice provided by the water utility and received by one  
79 of the customers signing the petition shall be attached to the petition.

80 (i) Petitions may be signed only by the affected customers of the water utility.  
81 Only one signature per meter shall be counted to determine if the 15% threshold  
82 has been meet.