

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

September 9, 2009

FILED

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CORPORATION COMMISSION
OF OKLAHOMA

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

2 (a) Class D water utilities, which have less than \$50,000 in annual gross revenue
3 within the state, shall not be subject to the requirements of OAC 165:70-7-4 rate
4 regulation as prescribed in Chapter 70, the general rate regulation requirements
5 unless a water utility proposes an increase in rates and charges which exceeds a
6 three percent (3%) annual increase in revenue, based on the previous twelve
7 (12) months gross revenue generated by the existing rates.

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

12 (c) A water utility which is not subject to the requirements of OAC 165:70-7-4 rate
13 regulation as prescribed in Chapter 70, shall notify each of its water customers in
14 no less than two (2) billing cycles at least sixty (60) days before the effective date
15 of any proposed rate increase. Notice shall be made by regular mail and be
16 included in each customer's regular bill and include a schedule of the proposed
17 rate schedules, the effective date of the proposed rate increase per customer per
18 rate class, and the procedure necessary for the customers to petition the
19 Commission to examine and determine the reasonableness of the proposed rate
20 increase. Notice to the water utility's customers shall include the following:

21 (1) Total rate increase;

22 (2) Average increase per customer per rate class; and

23 (3) Percentage of total increase.

24 (d) A water utility, which is not subject to the requirements of OAC 165:70-7-4
25 rate regulation as prescribed in Chapter 70, shall notify the Commission at least
26 sixty (60) days before the effective date of any proposed rate increase. In
27 addition to the requirements in (c)(1)-(3) of this Section, notice to the
28 Commission shall also include the following:

29 (1) A copy of the proposed notice to customers;

30 (2) Verified statement showing the total number of customers of the water
31 utility;

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

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

36 (5) Any anticipated growth or decline in the water utility's customers which is
37 expected to occur in the next year; and

38 (6) The kind and class of customers the water utility serves.

39 (e) If, by the effective date of this proposed increase in rates and charges, the
40 Commission has received petitions from fewer than 5% of the affected
41 customers, requesting that the Commission examine the proposed increase in
42 rates and charges, the Commission shall notify the water utility that the rate
43 increase may be initiated on the proposed effective date.

44 (f) If, on or before the effective date of the proposed increase in rates and
45 charges, the Commission has received petitions from 5% or more of the affected
46 customers, then the Commission shall notify the water utility that it will examine

47 and determine the reasonableness of the proposed increase in rates and
48 charges and the rate increase may not be initiated until the Commission has
49 completed its determination. The requirements of the petition are shown in
50 Subsection (h) of this Section.

51 (g) Rates and charges established under this Section shall be in force for not less
52 than one (1) year and no further increases in rates and charges shall be
53 permitted during said one-year period. No water utility shall have the right to
54 receive more than one rate increase per year for any reason or under any
55 proceeding, except as may be mandated by change in state or federal law.

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

59 (1) Form:

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

61 (A) The following heading, "Before the Corporation Commission of the
62 State of Oklahoma;"

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

64 (C) The relief sought.

65 (2) Body:

66 The body of the petition shall consist of four numbered paragraphs, if
67 applicable, as follows:

68 (A) Allegations of Facts: The allegations of facts stated in the form of
69 ultimate facts, without unnecessary detail, upon which the right to relief is
70 based. The allegations will be stated in numbered subparagraphs as
71 necessary for clarity;

72 (B) Legal Authority: A brief statement of all applicable legal authorities,
73 inclusive of but not necessarily limited to Title 17, Oklahoma Statutes,
74 Sections 159.11-159.23 and Oklahoma Administrative Code, Title 165,
75 Chapter 65, upon which the petition is brought to the Commission;

76 (C) Relief Sought: A brief statement of the amount of the increase in rates,
77 effective date for the increase, and charges that are objected to or other
78 relief sought; and

79 (D) Petitioners: The name, address, telephone number, and signature of
80 each petitioning customer.

81 (i) Petitions may only be signed only by the affected customers of the water
82 utility.