

SEP 14 2009

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA  
 COURT CLERK'S OFFICE - OKC  
 CORPORATION COMMISSION  
 OF OKLAHOMA

IN THE MATTER OF A RULEMAKING OF )  
 THE OKLAHOMA CORPORATION ) CAUSE NO. RM 200900005  
 COMMISSION, AMENDING OAC 165:65, )  
 WATER SERVICE UTILITIES RULES. )

**AMENDED NOTICE OF PROPOSED RULEMAKING**

**NOTICE IS HEREBY GIVEN** that the Oklahoma Corporation Commission (hereinafter, Commission) proposes to amend the Commission's current rules regarding water service utilities, which are set forth in Oklahoma Administrative Code (OAC) 165:65.

Proposed changes to OAC 165:65 are as follows:

OAC 165:65-9-11(a) A water utility, which has less than \$50,000 in annual gross revenues in Oklahoma, shall not be subject to the general rate regulations of OAC 165:70-7-4 unless it proposes an increase in rates and charges which exceeds 3% of the water utility's previous 12 months gross annual revenues.

OAC 165:65-9-11(b) A water utility may file no more than two consecutive annual filings or three total filings within the most recent five year period, under this Section.

OAC 165:65-9-11(c) A water utility, which is not subject to the general rate regulations of OAC 165:70-7-4 under this Subchapter, shall notify each of its water customers in no less than two billing cycles at least 60 days in advance of the effective date of any proposed rate increase. Customer notice shall be made by regular mail, through the customer's regular bill and shall include: the effective date of the rate increase; the total amount of the rate increase; the average increase per customer per rate class; the total percentage of increase; and, the procedure necessary for customers to petition the Commission to examine and determine the reasonableness of the proposed rate increase.

OAC 165:65-9-11(d) A water utility shall also notice the Commission at least 60 days in advance of the effective date of any proposed rate increase. In addition to the notice requirements set forth in OAC 165:65-9-11(c), the Commission notice shall also include: a copy of the proposed customer notice; verified statement of the water utility's

total number of customers; verified statement of the water utility's total gross revenue for the previous 12 months; the date, cause number, and final order number of the water utility's last rate increase; any anticipated growth or decline in the number of water utility customers in the next year; and, the kind and class of customers the water utility serves.

OAC 165:65-9-11(e) If, by the effective date of the proposed rate increase the Commission has received petitions from fewer than 5% of the affected customers, then the Commission will notify the water utility that the rate increase may be initiated on the proposed effective date.

OAC 165:65-9-11(f) If, on or before the effective date of the proposed rate increase, the Commission has received petitions from 5% or more of the affected customers, then the Commission shall notify the water utility that it will examine and determine the reasonableness of the proposed rate increase which may not be initiated until after the Commission has completed its determination.

OAC 165:65-9-11(g) Rates established under this Section shall be in force for at least one year and during that year no further rate increases shall be permitted unless mandated by change in state or federal law.

OAC 165:65-9-11(h) A petition requesting the Commission to examine and determine the reasonableness of a water utility's proposed rate increase shall contain: a caption with the name of the water utility seeking the rate increase and the relief sought under the heading, "Before the Corporation Commission of the State of Oklahoma;" and the body of the petition shall contain four numbered paragraphs setting forth allegations of fact, all applicable legal authorities, relief sought by the petitioners, and each petitioner's identifying information and signature.

OAC 165:65-9-11(i) Petitions may be signed only by the affected customers of the water utility.

**NOTICE IS FURTHER GIVEN** that the Commission is the rulemaking entity, created by Okla. Const., Art. IX, §15; and, that the Commission has jurisdiction to initiate this rulemaking pursuant to the Oklahoma Administrative Procedures Act, 75 O.S. (2001) §250, *et seq.*; Art. IX, §18 of the Oklahoma Constitution; 17 O.S. §151, *et seq.*; and, OAC 165:65.

**NOTICE IS FURTHER GIVEN** that the proposed amendments are available for public inspection at the Commission's Oklahoma City Court Clerk's office, located at 2101 N Lincoln Blvd, Oklahoma City, OK 73105. The proposed amendments are also accessible on the Commission's website at <http://www.occeweb.com> and may be downloaded at no cost to the end-user.

**NOTICE IS HEREBY GIVEN** that **Technical Conferences** addressing the above-referenced amendments and additions to the **Water Service Utility Rules (OAC 165:65)**, will be held on **OCTOBER 29, 2009, NOVEMBER 19, 2009, AND DECEMBER 17, 2009, AT 9:30 A.M.**, in **Courtroom 301, Third Floor, Jim Thorpe Building, 2101 N Lincoln Blvd, Oklahoma City, OK 73105**.

The purpose of the Technical Conferences will be to further discuss the proposed rules. Interested parties are invited to attend the Technical Conferences and participate to the fullest extent possible. One or more of the Commissioners may be present at the Technical Conferences and may participate in the dialogue with the rulemaking participants regarding the issues of the proposed rulemaking.

**NOTICE IS FURTHER GIVEN** that a Rule Impact Statement will be available for public inspection in the Commission's Court Clerk's office, located at 2101 N Lincoln Blvd, Oklahoma City, OK 73105, and on the Commission's website at <http://www.occeweb.com> no later than fifteen (15) days after publication of this Notice of Proposed Rulemaking.

**NOTICE IS FURTHER GIVEN** that the Commission invites all interested persons to **submit comments regarding the Proposed Rules on or before JANUARY 8, 2010**. Those parties interested in submitting comments should file an original and eight (8) copies of their comments, referring to the Cause No. (Cause No. RM 200900005) on the first page herein, with the Commission Court Clerk's office. The comments will be available for public inspection during regular business hours of the Court Clerk's office, 8:00 a.m. to 4:30 p.m.

Pursuant to 75 O.S. §303, business entities are requested, if the proposed rules affect such entities, to provide to the Commission in writing, the increase in the level of direct costs and indirect costs or other costs, in dollar amounts, expected to be incurred by the entity due to compliance with the proposed rules.

The Commission has made a determination that some of the proposed rules may have an adverse economic effect on small businesses. Pursuant to 75 O.S. §501 *et seq.*, the Small Business Regulatory Review Committee shall have a minimum of thirty (30) days in which to review the proposed rules and Rule Impact Statement.

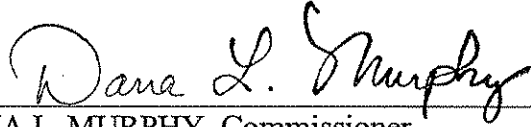
**NOTICE IS FURTHER GIVEN that a Hearing on the Merits of the proposed rulemaking will be held on JANUARY 21, 2010, BEFORE THE COMMISSION EN BANC AT 9:30 A.M. in Courtroom 301, Third Floor, Jim Thorpe Building, 2101 N Lincoln Blvd, Oklahoma City, OK 73105.**

NOTICE IS FURTHER GIVEN that questions regarding this proposed rulemaking should be directed to Don A. Schooler, Assistant General Counsel, Office of General Counsel, Room 400, Jim Thorpe Building, 2101 N Lincoln Blvd, Oklahoma City, OK 73105 or Post Office Box 52000, Oklahoma City, OK 73152-2000, or by telephone at (405) 522-0482.

OKLAHOMA CORPORATION COMMISSION

  
\_\_\_\_\_  
BOB ANTHONY, Chairman

  
\_\_\_\_\_  
JEFF CLOUD, Vice-Chairman

  
\_\_\_\_\_  
DANA L. MURPHY, Commissioner

DONE AND PERFORMED this 14 day of Sept, 2009, BY  
ORDER OF THE COMMISSION:

  
\_\_\_\_\_  
PEGGY MITCHELL, Commission Secretary