

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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SENATE BILL DRS55032-LM-41A* (02/27)

Short Title: Rate making/Water/Wastewater Public Utilities. (Public)

Sponsors: Senator Meredith (Primary Sponsor).

Referred to:

A BILL TO BE ENTITLED

AN ACT AUTHORIZING THE UTILITIES COMMISSION TO USE A FULLY
PROJECTED FUTURE TEST PERIOD IN RATE MAKING FOR WATER AND
WASTEWATER PUBLIC UTILITIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 62-133 reads as rewritten:

"§ 62-133. **How rates fixed.**

...

(c1) In lieu of the test period provided for in subsection (c) of this section, a water or wastewater public utility, as defined in G.S. 62-3(23)a.2., may elect to use a fully projected future test period which shall consist of the 12-month period beginning with the first month that the new rates will be in effect after application of the full suspension period permitted under G.S. 62-134. When using a fully projected future test period under this subsection, the Commission shall, for rate making purposes, determine the projected rate base at the end of the future test period. The Commission shall adopt rules and regulations regarding information and data to be submitted upon first notification by a water or wastewater public utility of its intent to use in a future rate case a fully projected future test period. When a public utility elects to use a fully projected future test period in any rate proceeding and the fully projected future test period forms a substantive basis for the final rate determination by the Commission, the public utility shall provide, as specified by the Commission in its final order, appropriate data evidencing the accuracy of the estimates contained in the fully projected future test period, and the Commission may, in its discretion, after reasonable notice and hearing, adjust the public utility's rates on the basis of that data. Notwithstanding the provisions of subsections (b) and (c) of this section that require the Commission to consider the cost of the public utility's property used and useful, if a public utility elects to use a fully projected future test period as authorized by this section, the Commission shall permit facilities projected to be in service during the fully projected future test period to be included in the rate base.

...."

SECTION 2. This act is effective when it becomes law.



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