

GENERAL ASSEMBLY OF NORTH CAROLINA
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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:

1 A BILL TO BE ENTITLED
2 AN ACT AUTHORIZING THE UTILITIES COMMISSION TO USE A FULLY
3 PROJECTED FUTURE TEST PERIOD IN RATE MAKING FOR WATER AND
4 WASTEWATER PUBLIC UTILITIES.

5 The General Assembly of North Carolina enacts:

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

7 "§ 62-133. How rates fixed.

8 ...

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

28"

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

