

# WEST VIRGINIA CODE: §24-2H-5

## **§24-2H-5. Determination of whether a utility qualifies as a “distressed utility”, “failing utility”, or a “capable proximate utility”.**

(a) In determining whether a utility is distressed or failing, the commission shall consider the following factors:

- (1) The financial, managerial, and technical ability of the utility;
- (2) The level of expenditures necessary to make improvements to the water or wastewater utility to assure compliance with applicable statutory and regulatory standards concerning the adequacy, efficiency, safety, or reasonableness of utility service and the impact of those expenditures on customer rates;
- (3) The opinion and advice, if any, of the Department of Environmental Protection and the Bureau for Public Health as to steps that may be necessary to assure compliance with applicable statutory or regulatory standards concerning the adequacy, efficiency, safety, or reasonableness of utility service;
- (4) The status of the utility’s bond payments and other financial obligations;
- (5) The status and result of any corrective measures previously put into place under §24-2H-7 of this code; and
- (6) Any other relevant matter.

(b) In determining whether a utility is a capable proximate utility, the commission shall consider the following factors:

- (1) The financial, managerial, and technical ability of all proximate public utilities providing the same type of service;
- (2) Expansion of the franchise or operating area of the acquiring utility to include the service area of the distressed utility;
- (3) The financial, managerial, operational, and rate demands that may result from the current proceeding and the cumulative impact of other demands where the utility has been identified as a capable proximate utility; and
- (4) Eligibility of the capable proximate utility to receive state grant funding and federal grant funding in a similar manner as the distressed utility; and
- (5) Any other relevant matter.