WEST VIRGINIA CODE: §24-2H-9

§24-2H-9. Recovery of costs for acquisition, operation, repairs and improvements to distressed or failing utility facilities.

The commission may approve an appropriate and reasonable cost recovery mechanism to allow the capable proximate utility to recover its acquisition costs and projected cost of service of operating, maintaining and improving the facilities of the failing water or wastewater utility or its net costs incurred for operating, maintaining and improving the distressed utility under an operating agreement. The cost recovery mechanism may include a surcharge or surcharges on both acquired and existing customers if approved by the commission in a separate rate or tariff proceeding which shall be considered by the commission on an expedited basis without the need for a full base rate proceeding. Rate increments and surcharges established pursuant to this section shall be subject to adjustment on an annual basis to reflect changes in costs, additional projected capital and operating costs and true-up of any over or under recoveries of costs. Cost recovery mechanisms may also include:

(1) A surcharge above existing rates that allows recovery of additional incremental cost increases, net of contributions necessary to operate, maintain and improve the failing utility's service level to an acceptable level and into compliance with all applicable regulatory standards;

(2) An acquisition adjustment to private for-profit utilities as an incentive to acquire a failing utility;

(3) An increased return on investment as an incentive to acquire a failing utility; or

(4) Any other incentive method proposed by the acquiring utility if the method is determined by the commission to be appropriate, reasonable and in the public interest.

WV Legislature