WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1974

ENROLLED
Committee Substitute for
SENATE BILL NO. 37

(By Mr. Dates)

PASSED March 9, 1974

In Effect ninety days from Passage

FILED IN THE OFFICE
EDGAR F. NEISKELL III
SECRETARY OF STATE
THIS DATE 3-19-74
ENROLLED

COMMITTEE SUBSTITUTE

FOR

Senate Bill No. 37

(By MR. OATES, original sponsor)

[Passed March 9, 1974; in effect ninety days from passage]

AN ACT to amend and reenact section four, article two, chapter twenty-four of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to the procedure for changing public utility rates; relating to the rate of interest to be paid by a public utility on a refund of all or a portion of money received from an increased rate; establishing a minimum and maximum rate of interest; authorizing the public service commission to specify the applicable interest rate; and establishing guidelines to be taken into account by the public service commission in specifying the applicable interest rate.

Be it enacted by the Legislature of West Virginia:

That section four, article two, chapter twenty-four of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

ARTICLE 2. POWERS AND DUTIES OF PUBLIC SERVICE COMMISSION.


1 No public utility subject to this chapter shall change, suspend or annul any rate, joint rate, charge, rental or classification except after thirty days' notice to the com-
mission and the public, which notice shall plainly state
the changes proposed to be made in the schedule then in
force and the time when the changed rates or charges
shall go into effect; but the commission may enter an
order suspending the proposed rate as hereinafter pro-
vided. The proposed changes shall be shown by printing
new schedules, or shall be plainly indicated upon the
schedules in force at the time, and kept open to public
inspection: Provided, That the commission may, in its
discretion, and for good cause shown, allow changes upon
less time than the notice herein specified, or may modify
the requirements of this section in respect to publishing,
posting and filing of tariffs, either by particular instruc-
tions or by general order.

Whenever there shall be filed with the commission any
schedule stating a change in the rates or charges, or joint
dates or charges, or stating a new individual or joint rate
charge or joint classification or any new individual or
joint regulation or practice affecting any rate or charge,
the commission shall have authority, either upon com-
plaint or upon its own initiative without complaint, to
enter upon a hearing concerning the propriety of such
rate, charge, classification, regulation or practice; and, if
the commission so orders, it may proceed without answer
or other form of pleading by the interested parties, but
upon reasonable notice, and, pending such hearing and
the decision thereon, the commission, upon filing with
such schedule and delivering to the public utility affected
thereby a statement in writing of its reasons for such
suspension, may suspend the operation of such schedule
and defer the use of such rate, charge, classification, regu-
lation or practice, but not for a longer period than one
hundred and twenty days beyond the time when such
rate, charge, classification, regulation or practice would
otherwise go into effect; and after full hearing, whether
completed before or after the rate, charge, classification,
regulation or practice goes into effect, the commission
may make such order in reference to such rate, charge,
classification, regulation or practice as would be proper
in a proceeding initiated after the rate, charge, classifi-
cation, regulation or practice had become effective: Pro-
vided, however, That if any such hearing and decision thereon cannot be concluded within the period of suspension, as above stated, such rate, charge, classification, regulation or practice shall go into effect at the end of such period. In such case the commission may require such public utility to enter into a bond in an amount deemed by the commission to be reasonable and conditioned for the refund to the persons or parties entitled thereto of the amount of the excess, plus interest at the rate of not less than six nor more than ten percent per annum as specified by the commission, if such rates so put into effect are subsequently determined to be higher than those finally fixed for such utility. In specifying the applicable interest rate between the aforesaid minimum and maximum, the commission shall be guided by the interest rate which such public utility would in all probability have to agree to pay if such public utility at that time borrowed in the marketplace a sum of money equivalent to the amount of money the commission estimates the increase in rates will produce between the effective date of such increase and the anticipated date the rates will be finally fixed for such public utility, it being intended that a public utility should be discouraged from imposing higher rates than it should reasonably anticipate will be finally fixed as a means in effect of borrowing money at a rate of interest less than such public utility would have to agree to pay if it borrowed money in the marketplace. No such accrued interest paid on any such refund shall be deemed part of the cost of doing business in a subsequent application for changing rates or any decision thereon. At any hearing involving a rate sought to be increased or involving the change of any fare, charge, classification, regulation or practice, the burden of proof to show that the increased rate or proposed increased rate, or the proposed change of fare, charge, classification, regulation or practice is just and reasonable shall be upon the public utility making application for such change. When in any case pending before the commission all evidence shall have been taken, and the hearing completed, the commission shall, within three months, render a decision in such case.
Where more than twenty members of the public are affected by a proposed change in rates, it shall be a sufficient notice to the public within the meaning of this section if such notice is published as a Class II legal advertisement in compliance with the provision of article three, chapter fifty-nine of this code, and the publication area for such publication shall be the community where the majority of the resident members of the public affected by such change reside or, in case of nonresidents, have their principal place of business within this state.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within _______ Approved _______ this the _______ day of _______, 1974.  
Governor
PRESENTED TO THE
GOVERNOR

Date 3/14/74
Time 2:15 p.m.