

"AN ACT TO AMEND ARKANSAS CODE 23-1-101 TO REDEFINE THE TERM PUBLIC UTILITY TO INCLUDE WATER COMPANIES WHICH HAVE PETITIONED THE PUBLIC SERVICE COMMISSION TO COME UNDER ITS JURISDICTION OR THE MAJORITY OF WHOSE METERED CUSTOMERS HAVE PETITIONED THE PUBLIC SERVICE COMMISSION TO EXERCISE JURISDICTION OVER THE WATER COMPANY PROVIDED THAT THE COMBINED ANNUAL OPERATING REVENUES FOR THE WATER COMPANY EXCEEDED FOUR HUNDRED THOUSAND DOLLARS FOR THE THREE FISCAL YEARS IMMEDIATELY PRECEDING THE DATE OF PETITIONING THE COMMISSION; TO GIVE THE PUBLIC SERVICE COMMISSION JURISDICTION TO SET RATES TO BE PAID BY MILITARY INSTALLATIONS FOR WATER AND SEWER SERVICES IN CITIES LOCATED IN COUNTIES WITH A POPULATION OF AT LEAST 200,000 IF REQUESTED BY THE MUNICIPALITY; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code 23-1-101(4)(A)(ii) is hereby amended to read as follows:

"(ii) Diverting, developing, pumping, impounding, distributing, or furnishing water to or for the public for compensation. However, nothing in this subdivision shall be construed to include water facilities and equipment of cities and towns in the definition of public utility. Further, the term 'public utility' shall not include any entity described by this subdivision which meets any of the following criteria:

(a) All property owners' associations whose facilities are enjoyed only by members of that association or residents of the community governed by that association; or

(b) All entities whose annual operating revenues would cause them to be classified as Class C or lower water companies pursuant to the uniform system of accounts adopted by the Arkansas Public Service Commission; provided, however, the term 'public utility' shall include any water company which petitions or a majority of whose metered customers petition the Arkansas Public Service Commission to come under the Commission's jurisdiction, provided that the water company must have had combined annual operating revenues in excess of four hundred thousand dollars (\$400,000.00) for the three fiscal years immediately preceding the date of filing the petition; or

(c) All improvements districts."

SECTION 2. The Arkansas Public Service Commission shall have jurisdiction to set rates to be paid by military installations for water and sewer services provided by a municipality located in a county having a population in excess of 200,000 persons if the governing body of the municipality petitions the Public Service Commission to exercise such jurisdiction.

SECTION 3. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 4. Emergency. It is hereby found and determined by the General Assembly that certain small water companies which are now exempt from regulation by the Public Service Commission should be allowed to voluntarily submit to the Commission's regulations or become subject to regulation by the

Commission if at least a majority of the company's customers petition the Commission to regulate the water company; that this Act would grant the authority for those water companies and their customers to cause the water companies be deemed public utilities; and that until this Act becomes effective those water companies will remain non-regulated; and that this Act should be given effect immediately in order to give the small water companies and their customers the authority to seek regulation by the Public Service Commission as soon as possible. It is furthermore determined by the General Assembly that a dispute now exists between a military installation and a municipality furnishing water and sewer services to the installation; that the Public Service Commission should, if so requested by the municipality, have jurisdiction to settle the dispute; that this Act so provides and should be given immediate effect in order to provide an efficient method of settling the dispute. Therefore, an emergency is hereby declared to exist and this Act being immediately necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

APPROVED: 7/15/88
