

Agenda Date: March 10, 1999
Item Number: 2A

**CONCISE EXPLANATORY
STATEMENT**

Docket : UW-980082
Rulemaking for Investor Owned Water Companies

Staff: Danny Kermode, Revenue Requirement Specialist
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Mary Tennyson, Assistant Attorney General
Dennis Moss, Review Judge
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Recommendation:

Withdraw the existing CR-102 in Docket UW-980082 while the rulemaking team completes a Small Business Economic Impact Statement study and agrees on rule language to propose in a replacement CR-102.

Discussion:

This proposal is scheduled today for a continued adoption hearing. Instead of recommending adoption, however, the rulemaking team suggests withdrawal of the existing proposal and deferral of the matter for enough time that the rulemaking team can gather additional information to comply with all rulemaking requirements.

The Commission filed a CR-102 in this docket on December 2, 1998. Since that time, the rulemaking team has concluded that a Small Business Economic Impact Statement (SBEIS) may be required for the proposal. The rulemaking team believes that changes of some substance might be required from the language proposed in the December CR-102.

Requests to companies that would be affected by the rule for information about the economic scope of the effect have not produced information that is sufficient for us to measure the proposal's economic impact with great confidence. The rulemaking team needs additional time to gather that information. In addition, the results of the study may require further changes in rule language to mitigate effects of the rule on small businesses.

Once the rulemaking team has completed the SBEIS study and considered the rule language in light of the information in the study, we will bring a revised proposal, with a Small Business Economic Impact statement, for Commission authority to file a renewed CR-102. We anticipate that will occur no later than the Commission's May 26, 1999, open meeting.