**A** **BILL**

TO AMEND ARTICLE 7, CHAPTER 5, TITLE 58 OF THE 1976 CODE, RELATING TO THE REGULATION OF WATER AND SEWER UTILITIES’ ADEQUACY OF SERVICE, BY ADDING SECTION 58‑5‑760, TO PROVIDE THAT A CLASS A WATER OR SEWER UTILITY MUST SUBMIT AN INTEGRATED RESOURCE PLAN TO THE PUBLIC SERVICE COMMISSION, AND TO PROVIDE FOR THE CONTENTS OF AN INTEGRATED RESOURCE PLAN AND CERTAIN REPORTING REQUIREMENTS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 7, Chapter 5, Title 58 of the 1976 Code is amended by adding:

“Section 58‑5‑760. (A) For the purposes of this section, ‘integrated resource plan’ or ‘plan’ means a plan that:

(1) contains a demand-and-supply forecast for at least a fifteen‑year period;

(2) contains a public utility’s plan for meeting the requirements shown in its forecast in an economic and reliable manner, including both demand‑side and supply‑side options, with a brief description and summary cost‑benefit analysis, if available, of each option that was considered, including those not selected;

(3) sets forth a public utility’s assumptions and conclusions with respect to the effects of the plan on the cost and reliability of water or sewer service; and

(4) describes the external environmental and economic consequences of the plan, to the extent practicable.

(B) Each water or sewer utility that is classified as a Class A water or sewer utility, also referred to as a wastewater utility, by the National Association of Regulatory Utility Commissioners must prepare an integrated resource plan. An integrated resource plan must be prepared and submitted at least every three years. Each water or sewer utility must submit its integrated resource plan to the commission. The integrated resource plan must be posted on the water or sewer utility’s website and on the commission’s website.

(C) An integrated resource plan shall include all of the following for a water or sewer utility:

(1) a long‑term forecast of the utility’s sales and peak demand;

(2) each water source to be utilized to meet demand;

(3) the projected quantity and costs of the water to be purchased;

(4) a summary of the utility’s current infrastructure, including, but not limited to, the age and status of the infrastructure and any needed upgrades;

(5) a summary of the infrastructure investments planned by the utility;

(6) plans for meeting current and future capacity needs, with cost estimates;

(7) an analysis of the cost and reliability impacts of all reasonable options available to meet projected demand needs; and

(8) efficiency measures that the utility proposes to take in order to encourage reduced demand.

(D)(1) The commission shall have a proceeding to review each water or sewer utility’s integrated resource plan. As a part of integrated resource plan filing, the commission shall allow intervention by interested parties. The commission shall establish a procedural schedule to permit reasonable discovery after an integrated resource plan is filed in order to assist parties in obtaining evidence concerning the integrated resource plan, including the reasonableness and prudence of the plan and alternatives to the plan proposed by intervening parties. No later than three hundred days after the water or sewer utility files an integrated resource plan, the commission shall issue a final order approving, modifying, or denying the plan filed by the utility.

(2) The commission shall approve a water or sewer utility’s integrated resource plan if the commission determines that the proposed integrated resource plan represents the most reasonable and prudent means of meeting the utility’s and its customers’ needs as of the time the plan is reviewed. To determine whether the integrated resource plan is the most reasonable and prudent means of meeting the utility’s and its customers’ needs, the commission, at its discretion, shall consider whether the plan appropriately balances the following factors:

(a) resource adequacy and the capacity to serve the anticipated peak demand;

(b) consumer affordability and least cost;

(c) compliance with applicable state and federal environmental regulations; and

(d) other foreseeable conditions that the commission determines to be in the public interest.

(3) If the commission modifies or rejects a water or sewer utility’s integrated resource plan, then the utility, within sixty days after the date of the final order, shall submit a revised plan addressing concerns identified by the commission and incorporating commission‑mandated revisions to the integrated resource plan to the commission for approval. Within sixty days of the utility’s revised filing, regulatory staff shall review the utility’s revised plan and submit a report to the commission assessing the sufficiency of the revised filing. Other parties to the integrated resource plan proceeding may also submit comments. No later than sixty days after the regulatory staff report is filed with the commission, the commission may, at its discretion, determine whether to accept the revised integrated resource plan or to mandate further remedies that the commission deems appropriate.

(4) The submission, review, and acceptance of an integrated resource plan by the commission, or the inclusion of any specific resource or experience in an accepted integrated resource plan, shall not be determinative of the reasonableness or prudence of the acquisition or construction of any resource or the making of any expenditure. A utility shall retain the burden of proof to show that all of its investments and expenditures are reasonable and prudent if seeking cost recovery in rates.

(E)(1) A water or sewer utility shall submit annual updates to its integrated resource plan to the commission. An annual update must include an update to the utility’s base planning assumptions relative to its most recently accepted integrated resource plan, including, but not limited to, its demand forecast, the costs of water to be purchased, infrastructure projects, efficiency measures, and other inputs the commission deems to be in the public interest. The utility’s annual update must describe the impact of the updated base planning assumptions on the integrated resource plan.

(2) Regulatory staff shall review each water or sewer utility’s annual update and submit a report to the commission providing a recommendation concerning the reasonableness of the annual update. After reviewing the annual update and the regulatory staff report, the commission may accept the annual update or direct the utility to make changes to the annual update that the commission determines to be in the public interest.

(F) The commission is authorized to promulgate regulations to carry out the provisions of this section.”

SECTION 2. This act takes effect upon approval by the Governor.

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