

**§6107. System development charge**

**1. System development charge authorized.** In addition to section 6105, the governing body of a consumer-owned water utility may establish and file, pursuant to section 310 or 6104, a system development charge which is just and reasonable to provide funds to finance capital outlays for water system expansion caused by an increase in demand for service.

[PL 1987, c. 490, Pt. B, §16 (AMD).]

**2. Commission review.** If a consumer-owned water utility elects to institute a system development charge, it shall file the proposed charge and a description of the basis of the charge with the commission not less than 90 days before the effective date of the charge. The commission shall investigate the system development charge under section 1303 to determine whether it is just and reasonable.

[PL 1987, c. 490, Pt. B, §16 (AMD).]

**3. Use of funds.** The funds generated by the system development charge must be deposited into a special account of the consumer-owned water utility dedicated to finance capital outlays for water system expansion caused by an increase in demand for service. The funds from the special account may be used only for the purpose of financing the expansion of the system and may not be used for the repair or replacement of existing facilities unless the replacement is required as a result of increased demand for service. The system development charge may not be treated as income of the consumer-owned water utility nor may it be considered part of the rates established and provided to the commission pursuant to section 6105.

[PL 2013, c. 573, §3 (AMD).]

**4. Assessment of charge.** The system development charge may be assessed upon all customers of the consumer-owned water utility that require new connections to the water system, excluding fire service, as of or after the effective date of that charge and upon all existing customers who substantially expand their demand for water service as of or after the effective date of that charge.

[PL 1987, c. 490, Pt. B, §16 (AMD).]

**5. Water conservation programs.** Before a system development charge may be instituted, the consumer-owned water utility must report to the commission its efforts in implementing water conservation programs. The utility shall state what combination of system development charges and new conservation programs will allow the utility to meet growing demand in the least costly manner.

[PL 1987, c. 490, Pt. B, §16 (AMD).]

**6. Review by elected local officials.** If the governing body is not an elected body, any system development charge proposed under this section must first be endorsed by the municipal officers of the municipality or municipalities involved, prior to filing with the commission.

[PL 1987, c. 141, Pt. A, §6 (NEW).]

**SECTION HISTORY**

PL 1987, c. 141, §A6 (NEW). PL 1987, c. 490, §B16 (AMD). PL 2013, c. 573, §3 (AMD).

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