OLR Bill Analysis

sHB 5145 (File 530, as amended by House "A")*

AN ACT CONCERNING THE PUBLIC HEARING REQUIREMENT FOR CERTAIN WATER COMPANIES REQUESTING TO CEASE OPERATIONS OR DISCONTINUE THE PROVISION OF WATER SERVICE.

SUMMARY

The bill requires the Public Utilities Regulatory Authority (PURA), in consultation with the Department of Public Health (DPH), to report to the Commerce, Energy and Technology, and Public Health committees by January 15, 2027, on water company cessation requests. More specifically, the report must include a listing of each instance over the past two calendar years in which a water company applied for PURA's or DPH's consent to cease operations or discontinue providing water services.

Under the bill, the report must also include:

1. a docket timeline for each application showing the dates of any docket activity;

2. a list of any documents or other materials PURA used in making its decision (for example, water quality reports, responses to interrogatories, and written testimony); and

3. any other details on the application's processing that PURA deems appropriate to include.

For this purpose, a "water company" is either:

1. an entity (including different types of corporations and municipalities) that owns, leases, maintains, operates, manages, or controls a pond, lake, reservoir, stream, well, or distributing plant or system to supply water to at least two service connections or 25 people or

2. a deficient well system serving properties within a defined area in which at least 25 people are served by private wells that has failed to meet certain potability and service standards (CGS § 16-262n(a)).

The bill also requires PURA, by July 1, 2026, to initiate a docket to adopt regulations that require the authority to provide written instructions informing a water company of the process to request an expedited review of its request to cease operations or discontinue providing water services.

EFFECTIVE DATE: Upon passage

*House Amendment "A" replaces the underlying bill and eliminates provisions requiring certain kinds of water companies to get both PURA and DPH consent before ceasing operations. It also adds provisions requiring PURA to (1) report on water company cessation requests and (2) open a docket to propose related regulations.

BACKGROUND

Water Company Service Cessation

By law, a public service company cannot cease operations (including through dissolution or corporate termination) unless PURA consents (CGS § 16-46). (A public service company is generally a utility, including a water company, among others (CGS § 16-1(a)(3)).) Existing law also requires both PURA and DPH to consent before certain water companies, as defined above, cease operations.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute
Yea 18 Nay 2 (03/24/2026)

Public Health Committee

Joint Favorable
Yea 18 Nay 11 (04/17/2026)