

BILL ANALYSIS

Senate Research Center

H.B. 1985
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Natural Resources
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Engrossed

DIGEST

Currently, renovations in downtown areas require local distribution companies (LDC) to move company-owned facilities at their own expense. These forced investments generate no incremental revenue for the LDC, and the entity which required the move provides no reimbursement to the LDC. Other utilities, besides gas companies, have the ability to pass on the cost of forced relocations to their customers. H.B. 1985 authorizes a gas utility to increase rates, under certain conditions.

PURPOSE

As proposed, H.B. 1985 authorizes a gas utility to increase rates, under certain conditions.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 104C, Utilities Code, by adding Section 104.112, as follows:

Sec. 104.112. SURCHARGE TO RECOVER RELOCATION COSTS. Sets forth gas utility costs to which this section applies. Authorizes a gas utility to recover costs through a surcharge on gas volumes sold and transported to customers, through an application process. Provides that a gas utility is not required to file a statement to increase rates, and sets forth provisions which do not apply to the institution of a surcharge. Sets forth documentation requirements for an application. Requires the regulatory authority to administratively grant or deny the application by a certain deadline. Requires denial of the application to be based on certain findings.

SECTION 2. Effective date: September 1, 1999.
Makes application of this Act prospective.

SECTION 3. Emergency clause.