

BILL ANALYSIS

Senate Research Center
78R17654 JJT-F

C.S.H.B. 1575
By: Ritter (Lucio)
Natural Resources
5/23/2003
Committee Report (Substituted)

DIGEST AND PURPOSE

Currently, state agencies have the right to receive cost-based transportation rates for natural gas pursuant to the Texas Utilities Code, Section 104.201. Many utilities claim that giving this rate to state agencies means it must be given to all members of the class. The utilities claim that not doing so would raise the possibility of rate discrimination claims by the non-agency customers. Currently, gas utilities put public retail customers in the commercial class of customers which raises the specter of intra-class discrimination with private commercial customers.

The legislature has already created a special gas transportation class for school districts in Section 104.2545, Utilities Code. C.S.H.B. 1575 expands this class to include all public retail customers as defined in Section 35.101, Utilities Code.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 104.2545, Utilities Code, as follows:

Sec. 104.2545. New heading: REQUIRED SERVICE TO PUBLIC RETAIL CUSTOMER. (a) Redefines “service site.”

(b) Prohibits a gas utility or municipally owned utility, unless the utility is prohibited by other law from providing the service and if sufficient pipeline capacity is available on an existing facility of the utility to provide the service, from refusing to provide service to a public retail customer, rather than a school district, at a service site, at rates established as provided by Subsection (c), certain services.

(c) Authorizes a fair and reasonable rate, if the utility and the state or state agency are not able to agree to a contract rate, to be determined for the public retail customer, as a rate for a separate class of service, by the railroad commission or for municipally owned gas utilities, by the relevant regulatory body under this chapter. Makes a conforming change.

(d) Defines “public retail customer.”

SECTION 2. Effective date: upon passage or September 1, 2003.