

BILL ANALYSIS

Senate Research Center

H.B. 2301
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Natural Resources
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Cities have regulatory authority over rates and customer service for investor-owned utilities providing water and sewer service inside city limits. Current law requires investor-owned utilities to file rate increase applications 60 days before the new rates are requested to be effective.

H.B. 2301 clarifies that a city has full authority to act on all aspects of a utility rate request. The bill allows a city to suspend the date new rates would otherwise become effective for up to 90 days, thereby increasing the municipal rate review period to 150 days, which is the same treatment allowed the Texas Commission on Environmental Quality in unincorporated areas.

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 13.187, Water Code, by amending Subsections (c), (d), and (k), and adding Subsection (d-1), as follows:

(c) Authorizes the Texas Commission on Environmental Quality or the governing body of a municipality (regulatory authority) to disallow certain nonsupported costs or expenses of a utility.

(d) Creates an exception, as provided by Subsection (d-1). Makes a nonsubstantive change.

(d-1) Authorizes a local regulatory authority, after written notice to the utility, to suspend the effective date of a rate change for not more than 90 days from the proposed effective date, except that a suspension is required to be extended by two days for each day a hearing exceeds 15 days. Requires the proposed rate to be considered approved if the local regulatory authority does not make a final determination on the proposed rate before the expiration of the applicable suspension period. Provides that the approval is subject to the local regulatory authority's continuation of a hearing in progress.

(k) Creates an exception, as provided by Subsection (d-1). Makes a nonsubstantive change.

SECTION 2. Effective date: September 1, 2005.