

## **BILL ANALYSIS**

Senate Research Center  
80R6947 CBH-F

S.B. 742  
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Business & Commerce  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Under current law, gas utilities are authorized to institute a surcharge annually, pursuant to the Gas Reliability Infrastructure Program (GRIP), to recover revenues expended on "investments in service" during the time between rate cases. GRIP has not served its intended purpose of ensuring safety and reliability of the natural gas system (system) and avoiding rate cases. Instead, GRIP has increased costs to ratepayers, permitted recovery of expenses unrelated to the safety or reliability of the system, and encouraged rate cases.

As proposed, S.B. 742 repeals Subchapter G of the Gas Utility Regulatory Act, which authorizes the annual Gas Reliability Infrastructure Program.

### **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. Repealer: Subchapter G (regarding interim cost recovery and rate adjustment authorizing a gas utility to receive an interim adjustment to certain infrastructure projects), Chapter 104, Utilities Code.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: upon passage or September 1, 2007.