

BILL ANALYSIS

Senate Research Center
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S.B. 635
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Natural Resources
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, a water or sewer utility is allowed to charge its proposed rate for water and sewer even if the rate increase is being protested. The utility can charge its proposed rate until the completion of the contested case proceeding which can last years. Essentially, ratepayers are forced to pay the higher proposed rate even before the Texas Commission on Environmental Quality (TCEQ) issues a final ruling.

In order to give ratepayers some relief while protesting a rate increase, S.B. 635 allows TCEQ's executive director to establish an interim rate. The interim rate will be applied to the ratepayers until the conclusion of a contested rate proceeding.

As proposed, S.B. 635 amends current law relating to the authority of the executive director of the Texas Commission on Environmental Quality in relation to establishing water and sewer utility rates.

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 13.043(h), Water Code, as follows:

(h) Authorizes the Texas Commission on Environmental Quality (TCEQ) or the executive director of TCEQ (executive director) to establish interim rates to be in effect until a final decision is made in an appeal filed under Subsection (a) (relating to authorizing any party to a rate proceeding before the governing body of the municipality to appeal the decision to TCEQ), (b) (relating to authorizing certain ratepayers listed to appeal the decision to TCEQ), or (f) (relating to authorizing certain retail public utilities to appeal the decision to TCEQ). Deletes existing text authorizing TCEQ to establish interim rates on a motion by the executive director or by the appellant.

SECTION 2. Amends Sections 13.187(b) and (l), Water Code, as follows:

(b) Requires that a copy of the statement of intent to be mailed or delivered to the appropriate offices of each affected municipality, to the executive director, and to any affected persons as required by the regulatory authority's rules. Makes a nonsubstantive change.

(l) Authorizes the executive director, at any time during the pendency of the rate proceeding the regulatory authority or, if the regulatory authority is TCEQ, to fix interim rates to remain in effect until a final determination is made on the proposed rate.

SECTION 3. Effective date: September 1, 2011.