

By: Nichols

S.B. No. 997

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to procedural requirements for the review of a contractual  
3 rate charged for the furnishing of raw or treated water or water or  
4 sewer service.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section [12.013](#), Water Code, is amended by adding  
7 Subsections (g), (h), (i), (j), (k), and (l) to read as follows:

8 (g) In a proceeding under this section or Chapter [11](#) to  
9 review a rate charged under a written contract, the utility  
10 commission may not hold a hearing on or otherwise prescribe just and  
11 reasonable amounts to be charged under the contract in the future  
12 unless the utility commission determines that the amount charged  
13 under the contract harms the public interest. A determination  
14 under this subsection becomes final for purposes of appeal in the  
15 manner provided by Section [2001.144](#), Government Code.

16 (h) A party adversely affected by a determination under  
17 Subsection (g) may seek judicial review of the determination.  
18 Judicial review of a determination under Subsection (g) shall be by  
19 trial de novo.

20 (i) The utility commission shall abate proceedings on the  
21 contract in the event of an appeal under Subsection (h) until the  
22 entry of a final judicial determination that a rate charged under  
23 the contract harms the public interest.

24 (j) Chapter [2001](#), Government Code, applies to an appeal

1 under Subsection (h).

2 (k) The utility commission shall, before holding a hearing  
3 on or otherwise prescribing a just and reasonable rate to be charged  
4 under the contract in the future, allow the contracting parties to  
5 amend the amount charged under the contract until at least 60 days  
6 after the date:

7 (1) of a final judicial determination in an appeal  
8 under Subsection (h) that a rate charged under the contract harms  
9 the public interest; or

10 (2) the determination made under Subsection (g) became  
11 final if a motion for rehearing was not filed on time.

12 (1) If the parties amend their contract under Subsection  
13 (k), none of the parties may challenge before the utility  
14 commission the rate paid under the amended contract before:

15 (1) the fifth anniversary of the date of the contract  
16 amendment; or

17 (2) a date agreed to by the parties that is after the  
18 fifth anniversary of the date of the contract amendment.

19 SECTION 2. Subchapter C, Chapter 13, Water Code, is amended  
20 by adding Section 13.0431 to read as follows:

21 Sec. 13.0431. APPEALS BY RETAIL PUBLIC UTILITIES. (a) In  
22 an appeal under Section 13.043(f) on the amount paid for water or  
23 sewer service under a written contract, the utility commission may  
24 not hold a hearing on or otherwise prescribe just and reasonable  
25 amounts to be charged under the contract in the future unless the  
26 utility commission determines that the amount charged under the  
27 contract harms the public interest. A determination under this

1 subsection becomes final for purposes of appeal in the manner  
2 provided by Section 2001.144, Government Code.

3 (b) A party adversely affected by a determination under  
4 Subsection (a) may seek judicial review of the determination.  
5 Judicial review of a determination under Subsection (a) shall be by  
6 trial de novo.

7 (c) The utility commission shall abate proceedings on the  
8 contract in the event of an appeal under Subsection (b) until the  
9 entry of a final judicial determination that a rate charged under  
10 the contract harms the public interest.

11 (d) Chapter 2001, Government Code, applies to an appeal  
12 under Subsection (b).

13 (e) The utility commission shall, before holding a hearing  
14 on or otherwise prescribing a just and reasonable rate to be charged  
15 under the contract in the future, allow the contracting parties to  
16 amend the amount charged under the contract until at least 60 days  
17 after the date:

18 (1) of a final judicial determination in an appeal  
19 under Subsection (b) that a rate charged under the contract harms  
20 the public interest; or

21 (2) the determination made under Subsection (a) became  
22 final if a motion for rehearing was not filed on time.

23 (f) If the parties amend their contract under Subsection  
24 (e), none of the parties may challenge before the utility  
25 commission the rate paid under the amended contract before:

26 (1) the fifth anniversary of the date of the contract  
27 amendment; or

1           (2) a date agreed to by the parties that is after the  
2 fifth anniversary of the date of the contract amendment.

3           SECTION 3. The changes in law made by this Act apply only to  
4 a rate proceeding under Chapter 11, 12, or 13, Water Code, that  
5 begins on or after the effective date of this Act. A rate  
6 proceeding that begins before the effective date of this Act is  
7 governed by the law in effect on the date the rate proceeding began,  
8 and the former law is continued in effect for that purpose.

9           SECTION 4. This Act takes effect September 1, 2021.