

1-1 By: Nichols S.B. No. 997  
 1-2 (In the Senate - Filed March 3, 2021; March 18, 2021, read  
 1-3 first time and referred to Committee on Water, Agriculture & Rural  
 1-4 Affairs; April 20, 2021, reported adversely, with favorable  
 1-5 Committee Substitute by the following vote: Yeas 8, Nays 0;  
 1-6 April 20, 2021, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12			X	
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 997 By: Perry

1-19 A BILL TO BE ENTITLED  
 1-20 AN ACT

1-21 relating to procedural requirements for the review of a contractual  
 1-22 rate charged for the furnishing of raw or treated water or water or  
 1-23 sewer service.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Section 12.013, Water Code, is amended by adding  
 1-26 Subsections (g), (h), (i), (j), (k), and (l) to read as follows:

1-27 (g) In a proceeding under this section or Chapter 11 to  
 1-28 review a rate charged under a written contract, the utility  
 1-29 commission may not hold a hearing on or otherwise prescribe just and  
 1-30 reasonable amounts to be charged under the contract unless the  
 1-31 utility commission determines that the amount charged under the  
 1-32 contract harms the public interest. A determination under this  
 1-33 subsection becomes final for purposes of appeal in the manner  
 1-34 provided by Section 2001.144, Government Code.

1-35 (h) A party adversely affected by a determination under  
 1-36 Subsection (g) may seek judicial review of the determination.  
 1-37 Judicial review of a determination under Subsection (g) shall be by  
 1-38 trial de novo.

1-39 (i) The utility commission shall abate proceedings on the  
 1-40 contract in the event of an appeal under Subsection (h) until the  
 1-41 entry of a final judicial determination that a rate charged under  
 1-42 the contract harms the public interest.

1-43 (j) Chapter 2001, Government Code, applies to an appeal  
 1-44 under Subsection (h).

1-45 (k) The utility commission shall, before holding a hearing  
 1-46 on or otherwise prescribing a just and reasonable rate to be charged  
 1-47 under the contract, allow the contracting parties to amend the  
 1-48 amount charged under the contract until at least 60 days after the  
 1-49 date:

1-50 (1) of a final judicial determination in an appeal  
 1-51 under Subsection (h) that a rate charged under the contract harms  
 1-52 the public interest; or

1-53 (2) the determination made under Subsection (g) became  
 1-54 final if a motion for rehearing was not filed on time.

1-55 (l) If the parties amend their contract under Subsection  
 1-56 (k), none of the parties may challenge before the utility  
 1-57 commission the rate paid under the amended contract before:

1-58 (1) the fifth anniversary of the date of the contract  
 1-59 amendment; or

1-60 (2) a date agreed to by the parties that is after the

2-1 fifth anniversary of the date of the contract amendment.

2-2 SECTION 2. Subchapter C, Chapter 13, Water Code, is amended  
2-3 by adding Section 13.0431 to read as follows:

2-4 Sec. 13.0431. APPEALS BY RETAIL PUBLIC UTILITIES. (a) In  
2-5 an appeal under Section 13.043(f) on the amount paid for water or  
2-6 sewer service under a written contract, the utility commission may  
2-7 not hold a hearing on or otherwise prescribe just and reasonable  
2-8 amounts to be charged under the contract unless the utility  
2-9 commission determines that the amount charged under the contract  
2-10 harms the public interest. A determination under this subsection  
2-11 becomes final for purposes of appeal in the manner provided by  
2-12 Section 2001.144, Government Code.

2-13 (b) A party adversely affected by a determination under  
2-14 Subsection (a) may seek judicial review of the determination.  
2-15 Judicial review of a determination under Subsection (a) shall be by  
2-16 trial de novo.

2-17 (c) The utility commission shall abate proceedings on the  
2-18 contract in the event of an appeal under Subsection (b) until the  
2-19 entry of a final judicial determination that a rate charged under  
2-20 the contract harms the public interest.

2-21 (d) Chapter 2001, Government Code, applies to an appeal  
2-22 under Subsection (b).

2-23 (e) The utility commission shall, before holding a hearing  
2-24 on or otherwise prescribing a just and reasonable rate to be charged  
2-25 under the contract, allow the contracting parties to amend the  
2-26 amount charged under the contract until at least 60 days after the  
2-27 date:

2-28 (1) of a final judicial determination in an appeal  
2-29 under Subsection (b) that a rate charged under the contract harms  
2-30 the public interest; or

2-31 (2) the determination made under Subsection (a) became  
2-32 final if a motion for rehearing was not filed on time.

2-33 (f) If the parties amend their contract under Subsection  
2-34 (e), none of the parties may challenge before the utility  
2-35 commission the rate paid under the amended contract before:

2-36 (1) the fifth anniversary of the date of the contract  
2-37 amendment; or

2-38 (2) a date agreed to by the parties that is after the  
2-39 fifth anniversary of the date of the contract amendment.

2-40 SECTION 3. The changes in law made by this Act apply only to  
2-41 a rate proceeding under Chapter 11, 12, or 13, Water Code, that  
2-42 begins on or after the effective date of this Act. A rate  
2-43 proceeding that begins before the effective date of this Act is  
2-44 governed by the law in effect on the date the rate proceeding began,  
2-45 and the former law is continued in effect for that purpose.

2-46 SECTION 4. This Act takes effect September 1, 2021.

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