

AN ACT

relating to cost-based transportation rates for natural gas.

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

SECTION 1. Section 104.2545, Utilities Code, is amended to read as follows:

Sec. 104.2545. REQUIRED SERVICE TO PUBLIC RETAIL CUSTOMER [~~SCHOOL DISTRICT~~]. (a) In this section, "service site" means facilities or buildings operated by a public retail customer [~~school district~~] or a group of adjacent facilities or buildings operated by a public retail customer [~~school district~~] within one contiguous geographical area.

(b) Unless the utility is prohibited by other law from providing the service and if sufficient pipeline capacity is available on an existing facility of the utility to provide the service, a gas utility or municipally owned utility may not refuse to provide service to a public retail customer [~~school district~~] at a service site, at rates established as provided by Subsection (c), the following services:

- (1) the sale of gas;
- (2) the transportation of an annual average of 25 [~~10~~] million British thermal units or more each day of gas that is:
 - (A) taken as a royalty in kind; and
 - (B) owned by the state or managed by a marketing program operated by the state or by a state agency; or

1 (3) a combination of the services described by
2 Subdivisions (1) and (2).

3 (c) A utility shall provide a service described by
4 Subsection (b) at rates provided by a written contract negotiated
5 between the utility and the state or a state agency. If the utility
6 and the state or state agency are not able to agree to a contract
7 rate, a fair and reasonable rate may be determined for the public
8 retail customer ~~[school district]~~, as a rate for a separate class of
9 service, by the railroad commission or, for municipally owned gas
10 utilities, by the relevant regulatory body under this chapter.

11 (d) In this section, "public retail customer" has the
12 meaning assigned by Section 35.101.

13 SECTION 2. This Act takes effect immediately if it receives
14 a vote of two-thirds of all the members elected to each house, as
15 provided by Section 39, Article III, Texas Constitution. If this
16 Act does not receive the vote necessary for immediate effect, this
17 Act takes effect September 1, 2003.

H.B. No. 1575

President of the Senate

Speaker of the House

I certify that H.B. No. 1575 was passed by the House on May 2, 2003, by the following vote: Yeas 140, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1575 on May 30, 2003, by the following vote: Yeas 142, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1575 was passed by the Senate, with amendments, on May 28, 2003, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor