

By: Ritter

H.B. No. 1575

Substitute the following for H.B. No. 1575:

By: Jones of Bexar

C.S.H.B. No. 1575

A BILL TO BE ENTITLED

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 ~~[School District]~~ PUBLIC RETAIL CUSTOMER. (a) In this section, "service site" means facilities or buildings operated by a ~~[school district]~~ public retail customer or a group of adjacent facilities or buildings operated by a ~~[school district]~~ public retail customer 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 ~~[school district]~~ public retail customer 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 [~~school~~
8 ~~district~~] public retail customer, as a rate for a separate class of
9 service, by the railroad commission[.] pursuant to this Chapter.

10 (d) Public Retail Customer as used herein shall have the
11 same meaning as such term is defined in Utilities Code Section
12 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.