

1-1 By: Ritter (Senate Sponsor - Lucio) H.B. No. 1575
1-2 (In the Senate - Received from the House May 5, 2003;
1-3 May 7, 2003, read first time and referred to Committee on Natural
1-4 Resources; May 23, 2003, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 9, Nays 0;
1-6 May 23, 2003, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 1575 By: Lucio

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to cost-based transportation rates for natural gas.
1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-12 SECTION 1. Section 104.2545, Utilities Code, is amended to
1-13 read as follows:

1-14 Sec. 104.2545. REQUIRED SERVICE TO PUBLIC RETAIL CUSTOMER
1-15 [SCHOOL DISTRICT]. (a) In this section, "service site" means
1-16 facilities or buildings operated by a public retail customer
1-17 [school district] or a group of adjacent facilities or buildings
1-18 operated by a public retail customer [school district] within one
1-19 contiguous geographical area.

1-20 (b) Unless the utility is prohibited by other law from
1-21 providing the service and if sufficient pipeline capacity is
1-22 available on an existing facility of the utility to provide the
1-23 service, a gas utility or municipally owned utility may not refuse
1-24 to provide service to a public retail customer [school district] at
1-25 a service site, at rates established as provided by Subsection (c),
1-26 the following services:

1-27 (1) the sale of gas;
1-28 (2) the transportation of an annual average of 25 ~~[10]~~
1-29 million British thermal units or more each day of gas that is:

1-30 (A) taken as a royalty in kind; and
1-31 (B) owned by the state or managed by a marketing
1-32 program operated by the state or by a state agency; or

1-33 (3) a combination of the services described by
1-34 Subdivisions (1) and (2).

1-35 (c) A utility shall provide a service described by
1-36 Subsection (b) at rates provided by a written contract negotiated
1-37 between the utility and the state or a state agency. If the utility
1-38 and the state or state agency are not able to agree to a contract
1-39 rate, a fair and reasonable rate may be determined for the public
1-40 retail customer [school district], as a rate for a separate class of
1-41 service, by the railroad commission or, for municipally owned gas
1-42 utilities, by the relevant regulatory body under this chapter.

1-43 (d) In this section, "public retail customer" has the
1-44 meaning assigned by Section 35.101.

1-45 SECTION 2. This Act takes effect immediately if it receives
1-46 a vote of two-thirds of all the members elected to each house, as
1-47 provided by Section 39, Article III, Texas Constitution. If this
1-48 Act does not receive the vote necessary for immediate effect, this
1-49 Act takes effect September 1, 2003.

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