

By: Turner

H.B. No. 2301

A BILL TO BE ENTITLED

1 AN ACT

2 relating to proceedings involving the change of rates of a water and
3 sewer utility.

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

5 SECTION 1. Section 13.187, Water Code, is amended by
6 amending Subsections (c), (d), and (k) and adding Subsection (d-1)
7 to read as follows:

8 (c) When the statement of intent is delivered, the utility
9 shall file with the regulatory authority an application to change
10 rates. The application must include information the regulatory
11 authority requires by rule. If the utility fails to provide within
12 a reasonable time after the application is filed the necessary
13 documentation or other evidence that supports the costs and
14 expenses that are shown in the application, the regulatory
15 authority may disallow the nonsupported costs or expenses.

16 (d) Except as provided by Subsection (d-1), if [~~If~~] the
17 application or the statement of intent is not substantially
18 complete or does not comply with the regulatory authority's rules,
19 it may be rejected and the effective date of the rate change may be
20 suspended until a properly completed application is accepted by the
21 regulatory authority and a proper statement of intent is provided.
22 The commission may also suspend the effective date of any rate
23 change if the utility does not have a certificate of public
24 convenience and necessity or a completed application for a

1 certificate or to transfer a certificate pending before the
2 commission or if the utility is delinquent in paying the assessment
3 and any applicable penalties or interest required by Section
4 5.701(n) of this code.

5 (d-1) After written notice to the utility, a local
6 regulatory authority may suspend the effective date of a rate
7 change for not more than 90 days from the proposed effective date,
8 except that the suspension shall be extended by two days for each
9 day a hearing exceeds 15 days. If the local regulatory authority
10 does not make a final determination on the proposed rate before the
11 expiration of the applicable suspension period, the proposed rate
12 shall be considered approved. The approval is subject to the local
13 regulatory authority's continuation of a hearing in progress.

14 (k) If the regulatory authority receives at least the number
15 of complaints from ratepayers required for the regulatory authority
16 to set a hearing under Subsection (e), the regulatory authority
17 may, pending the hearing and a decision, suspend the date the rate
18 change would otherwise be effective. Except as provided by
19 Subsection (d-1), the [The] proposed rate may not be suspended for
20 longer than:

- 21 (1) 90 days by a local regulatory authority; or
22 (2) 150 days by the commission.

23 SECTION 2. This Act takes effect September 1, 2005.