

AN ACT

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

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

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

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

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

H.B. No. 2301

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President of the Senate

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Speaker of the House

I certify that H.B. No. 2301 was passed by the House on May 9, 2005, by a non-record vote.

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Chief Clerk of the House

I certify that H.B. No. 2301 was passed by the Senate on May 25, 2005, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor