

1-1 By: Turner (Senate Sponsor - Ellis) H.B. No. 2301
1-2 (In the Senate - Received from the House May 10, 2005;
1-3 May 12, 2005, read first time and referred to Committee on Natural
1-4 Resources; May 20, 2005, reported favorably by the following vote:
1-5 Yeas 9, Nays 0; May 20, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to proceedings involving the change of rates of a water and
1-9 sewer utility.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 13.187, Water Code, is amended by
1-12 amending Subsections (c), (d), and (k) and adding Subsection (d-1)
1-13 to read as follows:

1-14 (c) When the statement of intent is delivered, the utility
1-15 shall file with the regulatory authority an application to change
1-16 rates. The application must include information the regulatory
1-17 authority requires by rule. If the utility fails to provide within
1-18 a reasonable time after the application is filed the necessary
1-19 documentation or other evidence that supports the costs and
1-20 expenses that are shown in the application, the regulatory
1-21 authority may disallow the nonsupported costs or expenses.

1-22 (d) Except as provided by Subsection (d-1), if ~~if~~ the
1-23 application or the statement of intent is not substantially
1-24 complete or does not comply with the regulatory authority's rules,
1-25 it may be rejected and the effective date of the rate change may be
1-26 suspended until a properly completed application is accepted by the
1-27 regulatory authority and a proper statement of intent is provided.
1-28 The commission may also suspend the effective date of any rate
1-29 change if the utility does not have a certificate of public
1-30 convenience and necessity or a completed application for a
1-31 certificate or to transfer a certificate pending before the
1-32 commission or if the utility is delinquent in paying the assessment
1-33 and any applicable penalties or interest required by Section
1-34 5.701(n) of this code.

1-35 (d-1) After written notice to the utility, a local
1-36 regulatory authority may suspend the effective date of a rate
1-37 change for not more than 90 days from the proposed effective date,
1-38 except that the suspension shall be extended by two days for each
1-39 day a hearing exceeds 15 days. If the local regulatory authority
1-40 does not make a final determination on the proposed rate before the
1-41 expiration of the applicable suspension period, the proposed rate
1-42 shall be considered approved. The approval is subject to the local
1-43 regulatory authority's continuation of a hearing in progress.

1-44 (k) If the regulatory authority receives at least the number
1-45 of complaints from ratepayers required for the regulatory authority
1-46 to set a hearing under Subsection (e), the regulatory authority
1-47 may, pending the hearing and a decision, suspend the date the rate
1-48 change would otherwise be effective. Except as provided by
1-49 Subsection (d-1), the ~~The~~ proposed rate may not be suspended for
1-50 longer than:

- 1-51 (1) 90 days by a local regulatory authority; or
1-52 (2) 150 days by the commission.

1-53 SECTION 2. This Act takes effect September 1, 2005.

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