

By: Staples

S.B. No. 1064

A BILL TO BE ENTITLED

AN ACT

relating to rate changes by a water and sewer utility.

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

SECTION 1. Section 13.182, Water Code, is amended by adding Subsection (e) to read as follows:

(e) Except as provided by Section 13.4133, a utility may not implement a rate change concerning which a hearing is set under Section 13.187 until the date on which the regulatory authority issues a final decision on the change.

SECTION 2. Sections 13.187(a), (d), (e), (f), and (k), Water Code, are amended to read as follows:

(a) A utility may not make changes in its rates except by delivering a statement of intent to each ratepayer and with the regulatory authority having original jurisdiction at least 120 ~~60~~ days before the proposed effective date of the proposed change. The proposed effective date of the new rates must be the first day of a billing period, and the new rates may not apply to service received before the proposed effective date of the new rates. The statement of intent must include:

(1) the information required by the regulatory authority's rules;

(2) a billing comparison regarding the existing water rate and the new water rate computed for the use of:

(A) 10,000 gallons of water; and

1 (B) 30,000 gallons of water; and

2 (3) a billing comparison regarding the existing sewer
3 rate and the new sewer rate computed for the use of 10,000 gallons,
4 unless the utility proposes a flat rate for sewer services.

5 (d) If the application or the statement of intent is not
6 substantially complete or does not comply with the regulatory
7 authority's rules, it may be rejected and the proposed effective
8 date of the rate change may be suspended until a properly completed
9 application is accepted by the regulatory authority and a proper
10 statement of intent is provided. The commission may also suspend
11 the proposed effective date of any rate change if the utility does
12 not have a certificate of public convenience and necessity or a
13 completed application for a certificate or to transfer a
14 certificate pending before the commission or if the utility is
15 delinquent in paying the assessment and any applicable penalties or
16 interest required by Section 5.701(n) of this code.

17 (e) The regulatory authority shall hold a hearing on the
18 proposed rate increase if, [If,] before the 91st day after the
19 [effective] date the statement of intent was provided to the
20 authority under Subsection (a) [of the rate change], the regulatory
21 authority receives a complaint from any affected municipality, or
22 from the lesser of 1,000 or 10 percent of the ratepayers of the
23 utility over whose rates the regulatory authority has original
24 jurisdiction[~~, the regulatory authority shall set the matter for~~
25 ~~hearing~~].

26 (f) The regulatory authority may set the matter for hearing
27 on its own motion at any time within 120 days after the [effective]

1 date the statement of intent was provided to the authority under
2 Subsection (a) [of the rate change]. If more than half of the
3 ratepayers of the utility receive service in a county with a
4 population of more than 2.5 million, the hearing must be held at a
5 location in that county.

6 (k) If the regulatory authority sets the matter for
7 ~~[receives at least the number of complaints from ratepayers~~
8 ~~required for the regulatory authority to set]~~ a hearing under
9 Subsection (e), the regulatory authority shall ~~[may]~~, pending the
10 hearing and a decision, suspend the date the rate change would
11 otherwise be effective until the date the regulatory authority
12 issues a final decision on the matter. ~~[The proposed rate may not~~
13 ~~be suspended for longer than:~~

- 14 ~~[(1) 90 days by a local regulatory authority; or~~
15 ~~[(2) 150 days by the commission.]~~

16 SECTION 3. Sections 13.187(i), (j), (l), (m), (n), and (o),
17 Water Code, are repealed.

18 SECTION 4. This Act applies only to a statement of intent
19 filed on or after the effective date of this Act. A rate change to
20 which a statement of intent filed before the effective date of this
21 Act applies is governed by the law in effect on the date the
22 statement was filed, and that law is continued in effect for that
23 purpose.

24 SECTION 5. This Act takes effect September 1, 2005.