

By: Armbrister

S.B. No. 1794

A BILL TO BE ENTITLED

AN ACT

1
2 relating to suspending the implementation of certain gas utilities'
3 interim cost recovery and rate adjustments.

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

5 SECTION 1. Subsection (a), Section 104.301, Utilities Code,
6 is amended to read as follows:

7 (a) A gas utility that has filed a rate case under
8 Subchapter C within the preceding two years may file with the
9 regulatory authority a tariff or rate schedule that provides for an
10 interim adjustment in the utility's monthly customer charge or
11 initial block rate to recover the cost of changes in the investment
12 in service for gas utility services. The adjustment shall be
13 allocated among the gas utility's classes of customers in the same
14 manner as the cost of service was allocated among classes of
15 customers in the utility's latest effective rates for the area in
16 which the tariff or rate schedule is implemented. The gas utility
17 shall file the tariff or rate schedule, or the annual adjustment
18 under Subsection (c), with the regulatory authority at least 60
19 days before the proposed implementation date of the tariff, rate
20 schedule, or annual adjustment. The gas utility shall provide
21 notice of the tariff, rate schedule, or annual adjustment to
22 affected customers by bill insert or direct mail not later than the
23 45th day after the date the utility files the tariff, rate schedule,
24 or annual adjustment with the regulatory authority. During the

1 60-day period, the regulatory authority may act to suspend the
2 implementation of the tariff, rate schedule, or annual adjustment
3 for up to 45 days. After the issuance of a final order or decision
4 by a regulatory authority in a rate case that is filed after the
5 implementation of a tariff or rate schedule under this section, any
6 change in investment that has been included in an interim
7 adjustment in accordance with the tariff or rate schedule under
8 this section shall no longer be subject to subsequent review for
9 reasonableness or prudence. Until the issuance of a final order or
10 decision by a regulatory authority in a rate case that is filed
11 after the implementation of a tariff or rate schedule under this
12 section, all amounts collected under the tariff or rate schedule
13 before the filing of the rate case are subject to refund.

14 SECTION 2. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2005.