

1-1 By: Armbrister S.B. No. 1794
1-2 (In the Senate - Filed March 21, 2005; April 4, 2005, read
1-3 first time and referred to Committee on Natural Resources;
1-4 April 26, 2005, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 11, Nays 0; April 26, 2005,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1794 By: Barrientos

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to suspending the implementation of certain gas utilities'
1-11 interim cost recovery and rate adjustments.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subsection (a), Section 104.301, Utilities Code,
1-14 is amended to read as follows:

1-15 (a) A gas utility that has filed a rate case under
1-16 Subchapter C within the preceding two years may file with the
1-17 regulatory authority a tariff or rate schedule that provides for an
1-18 interim adjustment in the utility's monthly customer charge or
1-19 initial block rate to recover the cost of changes in the investment
1-20 in service for gas utility services. The adjustment shall be
1-21 allocated among the gas utility's classes of customers in the same
1-22 manner as the cost of service was allocated among classes of
1-23 customers in the utility's latest effective rates for the area in
1-24 which the tariff or rate schedule is implemented. The gas utility
1-25 shall file the tariff or rate schedule, or the annual adjustment
1-26 under Subsection (c), with the regulatory authority at least 60
1-27 days before the proposed implementation date of the tariff, rate
1-28 schedule, or annual adjustment. The gas utility shall provide
1-29 notice of the tariff, rate schedule, or annual adjustment to
1-30 affected customers by bill insert or direct mail not later than the
1-31 45th day after the date the utility files the tariff, rate schedule,
1-32 or annual adjustment with the regulatory authority. During the
1-33 60-day period, the regulatory authority may act to suspend the
1-34 implementation of the tariff, rate schedule, or annual adjustment
1-35 for up to 60 days. After the issuance of a final order or decision
1-36 by a regulatory authority in a rate case that is filed after the
1-37 implementation of a tariff or rate schedule under this section, any
1-38 change in investment that has been included in an interim
1-39 adjustment in accordance with the tariff or rate schedule under
1-40 this section shall no longer be subject to subsequent review for
1-41 reasonableness or prudence. Until the issuance of a final order or
1-42 decision by a regulatory authority in a rate case that is filed
1-43 after the implementation of a tariff or rate schedule under this
1-44 section, all amounts collected under the tariff or rate schedule
1-45 before the filing of the rate case are subject to refund.

1-46 SECTION 2. This Act takes effect immediately if it receives
1-47 a vote of two-thirds of all the members elected to each house, as
1-48 provided by Section 39, Article III, Texas Constitution. If this
1-49 Act does not receive the vote necessary for immediate effect, this
1-50 Act takes effect September 1, 2005.

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