

Amend Amendment No. 45 by Guillen to **CSSB 3** (House Committee Printing) by adding the following:

Amend **CSSB 3** (House Committee Printing) by adding the following appropriately numbered section to the bill and renumbering subsequent sections accordingly:

Section \_\_\_\_\_. Subchapter F, Chapter 13, Water Code, is amended by adding Section 13.188 to read as follows:

Sec. 13.188. ADJUSTMENT FOR CHANGE IN ENERGY COSTS. (a) Notwithstanding any other provision in this chapter, the commission by rule shall adopt a procedure allowing a utility to file with the commission an application to timely adjust the utility's rates to reflect an increase or decrease in documented energy costs in a pass through clause. The commission, by rule, shall require the pass through of documented decreases in energy costs within a reasonable time. The pass through, whether a decrease or increase, shall be implemented on or no later than an annual basis, unless the Commission determines a special circumstance applies.

(b) Notwithstanding any other provision to the contrary, this adjustment is an uncontested matter not subject to a contested case hearing. However, the Executive Director shall hold a non-contested public meeting if:

(1) on the request of a member of the legislature who represents the area served by the water and sewer utility;

(2) if the Executive Director determines that there is substantial public interest in the matter.

(c) A proceeding under this section is not a rate case and Section 13.187 does not apply.

(d) An adjustment for energy costs that results in an increase in rate charges by a water and sewer utility may not take affect if the utility is served by an electric cooperative that is affiliated with the water and sewer utility.