

## **BILL ANALYSIS**

C.S.H.B. 2892  
By: Guillen  
Natural Resources  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Currently, sewer service providers providing service independently of other utility services have no means of enforcement to collect fees for past due accounts because the sewer service provider has no means of disconnecting service. C.S.H.B. 2892 will establish criteria by which the customers' water service provider will consolidate billing and collection for both water and sewer services. The water service provider will be able to disconnect the water services of a person whose sewer bill is in arrears.

C.S.H.B. 2892 allows the water service provider to recover its costs to consolidate billing and collections for both companies by assessing a reasonable fee to the sewer service provider.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

SECTION 1: Subchapter E, Chapter 13, Water Code, is amended by adding Section 13.146 as follows:

#### Sec. 13.146. CONSOLIDATED BILLING AND COLLECTION CONTRACTS.

(a) Authorizes a retail public utility providing water service to contract with a retail public utility providing sewer service to bill and collect the sewer service provider's fees and payments as part of a consolidated process with the billing and collection of the water service provider's fees and payments. The water service provider is authorized to provide that service only for customers who are served by both providers in an area covered by both providers' certificates of public convenience and necessity. If the water service provider refuses to enter into a contract under this section or if the water service provider and sewer service provider cannot agree on the terms of a contract, the sewer service provider may petition the commission to issue an order requiring the water service provider to provide that service.

(b) Requires a contract or order under this section to provide procedures and deadlines for submitting billing and customer information to the water service provider and for the delivery of collected fees and payments to the sewer service provider.

(c) Authorizes a contract or order under this section to require or permit a water service provider that provides consolidated billing and collection of fees and payments to:

- (1) terminate the water service of a person whose sewage services account is in arrears for nonpayment; and
- (2) charge a customer a reconnection fee if the customer's water service is terminated for nonpayment of the customer's sewage services account.

(d) Authorizes a water service provider that provides consolidated billing and collection of fees and payments to impose on each sewer service provider customer a reasonable fee to recover costs associated with providing consolidated billing and collection of fees and payments for sewage services.

C.S.H.B. 2892 80(R)

## **EFFECTIVE DATE**

September 1, 2007.

## **COMPARISON OF ORIGINAL TO SUBSTITUTE**

Section 1. Subchapter E, Chapter 13, Water Code in added Section 13.146:

Subsection (a) The committee substitute references retail public utilities providing water or sewer service and also references water service provider and sewer service provider. The introduced version references water service corporation and sewer supply corporation.

The substitute also provides that in cases in which the water service provider refuses to enter into a contract or if water service provider and sewer service provider cannot agree on the terms of the contract, the sewer service provider may petition the commission to issue an order requiring the water service provider to provide that service.

Subsection (b) The substitute provides that a contract or order (rather than just a contract as stated in the introduced) must provide procedures and deadlines for submitting billing and customer information to the water service provider and for the delivery of collected fees and payments to the sewer service provider. The substitute references a water service provider and a sewer service provider, rather than a water supply corporation and a sewer service corporation, as in the introduced version.

Subsection (c) The substitute references a water service provider rather than a water supply corporation, as in the introduced. The substitute provides that a contract or order under this section may require or permit a water service provider that provides consolidated billing and collection of fees and payments to: (1) terminate the water services of a person whose sewage services account is in arrears for nonpayment; and (2) charge a customer a reconnection fee if the customer's water service is terminated for nonpayment of the customer's sewage services account. The introduced version does not reference a contract or order.

Subsection (d) The substitute references a water service provider and a sewer service provider rather than a water supply corporation and a sewer supply corporation, as in the introduced version.