

By: Phillips

H.B. No. 149

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to rates charged for water or sewer services by an entity  
3 that takes over a nonfunctioning water or sewer system.

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

5 SECTION 1. Subchapter C, Chapter 13, Water Code, is amended  
6 by adding Section 13.046 to read as follows:

7 Sec. 13.046. TEMPORARY RATES FOR SERVICES PROVIDED FOR  
8 NONFUNCTIONING SYSTEM; SANCTIONS FOR NONCOMPLIANCE. (a) The  
9 commission by rule shall establish a procedure that allows a retail  
10 public utility that takes over the provision of services for a  
11 nonfunctioning retail water or sewer utility service provider to  
12 charge a reasonable rate for the services provided to the customers  
13 of the nonfunctioning system and to bill the customers for the  
14 services at that rate immediately to recover service costs.

15 (b) The rules must provide a streamlined process that the  
16 retail public utility that takes over the nonfunctioning system may  
17 use to apply to the commission for a ruling on the reasonableness of  
18 the rates the utility is charging under Subsection (a). The process  
19 must allow for adequate consideration of costs for interconnection  
20 or other costs incurred in making services available and of the  
21 costs that may necessarily be incurred to bring the nonfunctioning  
22 system into compliance with commission rules.

23 (c) The commission shall provide a reasonable period for the  
24 retail public utility that takes over the nonfunctioning system to

1 bring the nonfunctioning system into compliance with commission  
2 rules during which the commission may not impose a penalty for any  
3 deficiency in the system that is present at the time the utility  
4 takes over the nonfunctioning system. The commission must consult  
5 with the utility before determining the period and may grant an  
6 extension of the period for good cause.

7 SECTION 2. This Act takes effect September 1, 2007.