

By: Hartnett

H.B. No. 651

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the jurisdiction of the railroad commission over gas
3 utilities in certain municipalities.

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

5 SECTION 1. Section 102.001(a), Utilities Code, is amended
6 to read as follows:

7 (a) The railroad commission has exclusive original
8 jurisdiction over the rates and services of a gas utility:

9 (1) that distributes natural gas or synthetic natural
10 gas in:

11 (A) areas outside a municipality; ~~and~~

12 (B) areas inside a municipality that surrenders
13 its jurisdiction to the railroad commission under Section 103.003;
14 or

15 (C) areas inside a municipality, if the gas
16 utility under Section 103.004 elects to be subject to the railroad
17 commission's jurisdiction; and

18 (2) that transmits, transports, delivers, or sells
19 natural gas or synthetic natural gas to a gas utility that
20 distributes the gas to the public.

21 SECTION 2. Section 103.001, Utilities Code, is amended to
22 read as follows:

23 Sec. 103.001. MUNICIPAL JURISDICTION. To provide fair,
24 just, and reasonable rates and adequate and efficient services, the

1 governing body of a municipality has exclusive original
2 jurisdiction over the rates, operations, and services of a gas
3 utility within the municipality, subject to the limitations imposed
4 by this subtitle, unless:

5 (1) the municipality surrenders its jurisdiction to
6 the railroad commission under Section 103.003; or

7 (2) the gas utility elects under Section 103.004 to be
8 subject to the railroad commission's jurisdiction.

9 SECTION 3. Subchapter A, Chapter 103, Utilities Code, is
10 amended by adding Section 103.004 to read as follows:

11 Sec. 103.004. ELECTION OF RAILROAD COMMISSION
12 JURISDICTION; REINSTATEMENT OF MUNICIPAL JURISDICTION. (a) A gas
13 utility may elect to have the railroad commission exercise
14 exclusive original jurisdiction over the gas utility's rates,
15 operations, and services in a municipality by filing written notice
16 with the railroad commission and the municipality.

17 (b) A gas utility may not elect to have the railroad
18 commission exercise exclusive original jurisdiction while a case
19 involving the municipality is pending.

20 (c) A gas utility that makes an election under Subsection
21 (a) may elect to reinstate the municipality's jurisdiction by
22 filing written notice with the railroad commission and the
23 municipality.

24 (d) This section does not affect a municipality's standing
25 as provided by Section 103.023.

26 SECTION 4. This Act takes effect September 1, 2007.