

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 13, 2007

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB33 by Berman (Relating to rates charged by a water and sewer utility.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend sections of the Water Code relating to the implementation of rate changes by certain water and sewer utilities. Specifically, the bill would delay the implementation of a requested change in water or sewer rates until the date on which the regulatory authority issues a final decision on the change; it would stipulate that the regulatory authority may not include rate case expenses for ratemaking purposes except in certain cases; and it would increase public notice periods.

Furthermore, the bill would increase from 60 to 120 days the time by which a utility must deliver a notice of intent to each ratepayer and the regulatory authority having original jurisdiction before the proposed effective date of the rate change.

The bill would require the Commission on Environmental Quality to do rulemaking and incur other administrative costs. However, these costs are not expected to be significant.

Local Government Impact

A water or sewer utility owned by a local government could see costs related to distributing statements of intent to ratepayers or having hearings earlier. However, these costs are not expected to be significant.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JOB, WK, KJG, TL