

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 21, 2007

TO: Honorable Kip Averitt, Chair, Senate Committee on Natural Resources

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

IN RE: HB2678 by Callegari (Relating to certain rate changes by a water and sewer utility.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would allow a utility to file an application for adjusting the utility's rates in response to an increase or decrease in energy costs. The Texas Commission on Environmental Quality (TCEQ) would be provided the authority to approve such requests without a hearing, if the determination is made that a hearing is not necessary. The bill would further specify that a proceeding affected by these provisions would not be considered a rate case for the purposes in Water Code § 13.187. Any costs to the TCEQ associated with implementing the provisions of the bill are expected to be reasonably absorbed within the agency's existing budget.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JOB, WK, TL