

BILL ANALYSIS

S.B. 719
By: Nichols
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current law, a water or sewer utility is allowed to charge its proposed rate for water and sewer even if the rate increase is being protested. The utility can charge its proposed rate until the completion of the contested case proceeding which can last years. Essentially, ratepayers are forced to pay the higher proposed rate even before the Texas Commission on Environmental Quality ("TCEQ") issues a final ruling. This bill would give ratepayers some relief while protesting a rate increase through the establishment of an interim rate to be applied until the conclusion of the contested case proceeding.

S.B. 719 authorizes TCEQ or the executive director of TCEQ to establish interim rates to be in effect until a final decision is made in an appeal. This bill authorizes the regulatory authority to fix interim rates to remain in effect until a final determination is made on the proposed rate.

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. Amends Section 13.043(h), Water Code, to authorize the Texas Commission on Environmental Quality (TCEQ) or executive director of TCEQ (executive director) to establish interim rates to be in effect until a final decision is made in an appeal filed under Subsections (a) (relating to any party to a rate proceeding appealing a rate decision), (b) (relating to certain ratepayers appealing their rates), or (f) (relating to a retail public utility appealing its rates). Deletes existing text authorizing TCEQ, on a motion by the executive director or by the appellant under Subsection (a), (b), or (f) of this section, to establish interim rates to be in effect until a final decision is made.

SECTION 2. Amends Sections 13.187(b) and (l), Water Code, as follows:

(b) Requires that a copy of the statement of intent be mailed or delivered to the appropriate offices of each affected municipality, to the executive director, and to any affected persons, rather than each affected municipality and to any other affected persons, as required by the regulatory authority's rules.

(l) Authorizes the regulatory authority, or the executive director if the regulatory authority is TCEQ, at any time during the pendency of the rate proceeding, to fix interim rates to remain in effect until a final determination is made on the proposed rate.

SECTION 3. Provides the effective date of this Act.

EFFECTIVE DATE

This Act takes effect September 1, 2009.